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Styrelsen och verkställande direktören för

AB Ph Nederman & Co

Org nr 556089-2951

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2023

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Undertecknad styrelseledamot i AB Ph Nederman & Co intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 2024-06-28. Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Helsingborg 2024-06-28

Fredrk Clausson

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Förvaltningsberättelse

Allmänt om verksamheten

AB Ph Nederman & Co, med säte i Helsingborg, är ett helägt dotterbolag till Nederman Holding AB, Helsingborg, org.nr 556576-4205. Bolaget produktunderhåller, tillverkar och distribuerar produkter och system för utsug av damm, rök, bilavgaser samt utrustning för industriell rengöring. Nederman har även ett omfattande program av slang- och kabelupprullare för vatten, luft, olja och andra media.

Bolaget disponerar genom hyresavtal en fastighet i Helsingborg. Kontraktet löper till 2024-12-31. Hyran är indexreglerad enligt konsumentprisindex. Den årliga hyran uppgår till 8,2 Mkr. Bolaget har ingått avtal för nya lokaler som är under uppförande där hyreskontraktet löper till och med 2044-09-30.

Utveckling av företagets verksamhet, resultat och ställning

Ekonomisk översikt	*2023*	*2022*	*2021*	*2020*
Nettoomsättning	455 553	439 829	417 564	402 964
Rörelseresultat	101 144	118 634	103 631	88 137
Rörelsemarginal %	22%	27%	25%	22%
Balansomslutning	238 839	272 732	307 378	288 105
Soliditet %	25%	28%	32%	68%

Definitioner se not 30

Väsentliga händelser under räkenskapsåret samt efter räkenskapsårets utgång

Världsmarknadsläget har påverkat företaget under de senaste åren av bland annat kriget i Ukraina. Det arbetas aktivt inom AB Ph Nederman, med både att stärka produktförsäljningen och att med leverantörsförhandlingar få prisutvecklingen att återgå till normalt marknadsläge. Framför allt höjda el- och fraktkostnader har skapat höjda leverantörspriser under det senaste året, vilka har kompenserats för med höjda transferpriser.

Förväntad framtida utveckling

AB Ph Nederman projekterar för en ny tillverknings- och logistikenhet i Helsingborg till hösten 2024. Även ett Innovations- och testcenter för produktutveckling kommer att finnas i den nya byggnaden. Utöver detta kommer det byggas ett Upplevelsecentrum, för att kunderna ska kunna komma till Helsingborg och se bolagets produkter och få dem demonstrerade.

Väsentliga risker och osäkerhetsfaktorer

Företaget exponeras för ett flertal risker som i huvudsak uppkommer med anledning av köp och försäljning av produkter i utländsk valuta. Valutakurser och en allmän prisuppgång på världsmarknaden påverkar företagets resultat och kassaflöden.

Forskning och utveckling

Inom AB Ph Nederman & Co bedrivs utvecklingsarbete, prestandaförbättrande utveckling samt avancerad kundanpassning. Utvecklingsarbetena kapitaliseras i moderbolaget.

Tillstånds- eller anmälningspliktig verksamhet enligt miljöbalken

Företagets verksamhet i Helsingborg består endast av sammansättning och ger inte upphov till några emissioner i luft eller vatten. För vår verksamhet i Vara kommun utövade Miljö- och byggnadsnämnden tillsyn vad gäller ytbehandling med torrtrumling, blästring, härdning och vattenbaserad avfettning. Tillsynen visade att verksamheten uppfyller sina försiktighetsmått på ett bra sätt och att bolaget aktivt arbetar med att minska sin miljöpåverkan.
För verksamheten i Töredal gäller anmälningsplikt (C-anläggning, klassningskod 28.95)
- dels mot bakgrund av vattenbaserad avfettning (som ger upphov till mer än 10 m3 avloppsvatten per år)
- dels termisk ytbehandling (med en metallförbrukning av mer än 50 kg men högst 2 ton per år).

Företaget är sedan många år miljöcertifierat enligt ISO 14001.

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Eget Kapital

2023-12-31	Bundet eget kapital		Fritt eget kapital			
	Aktie kapital		*Reserv-fond*		*Bal.res inkl årets resultat*	*Summa eget kapital*
Ingående balans	13 750	–	5 525	–	52 980	72 255
Årets resultat					14 261	14 261
Utdelning					30 000	30 000
Vid årets utgång	13 750	–	5 525	–	37 241	56 516

Förslag till disposition av företaget vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 37 240 463 kr, disponeras enligt följande:

Utdelning 550 000 aktier	–
Balanseras i ny räkning tkr	37 241
Summa	37 241

Enligt styrelsens bedömning kommer bolagets egna kapital efter föreslagen vinstutdelning att vara tillräckligt stort i förhållande till verksamhetens art, omfattning och risker. Styrelsen har härvid beaktat bland annat bolagets historiska och framtida utveckling.

Vad beträffar resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

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Resultaträkning

Belopp i tkr	*Not*	*2023*	*2022*
Nettoomsättning	3	455 553	439 829
Kostnad för sålda varor	5,6	-332 799	-310 229
Bruttoresultat		122 754	129 600
Administrationskostnader	6	-5 712	-6 026
Forsknings- och utvecklingskostnader		6	–
Övriga rörelseintäkter	4	554	7 803
Övriga rörelsekostnader	7	-16 458	-12 743
Rörelseresultat	5, 8	101 144	118 634
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	9	6 891	6 311
Övriga ränteintäkter och liknande resultatposter	10	88	15
Räntekostnader och liknande resultatposter	11	-1 325	-942
Resultat efter finansiella poster		106 798	124 018
Bokslutsdispositioner			
Koncernbidrag, lämnade		-90 428	-117 801
Bokslutsdispositioner, övriga	12	-92	-128
Resultat före skatt		16 278	6 089
Skatt på årets resultat	13	-2 017	-20
Årets resultat		14 261	6 069

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Balansräkning

Belopp i tkr	*Not*	*2023-12-31*	*2022-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande	14	–	–
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	15	6 102	7 939
Goodwill	16	–	–
		6 102	7 939
Materiella anläggningstillgångar			
Byggnader och mark	17	5 048	5 321
Inventarier, verktyg och installationer	18	7 139	10 932
		12 187	16 253
Finansiella anläggningstillgångar			
Andelar i koncernföretag	19	38 647	38 047
Andra långfristiga fordringar	20	–	457
Uppskjuten skattefordran	21	95	2 160
		38 742	40 664
Summa anläggningstillgångar		57 031	64 856
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		74 295	79 806
		74 295	79 806
Kortfristiga fordringar			
Kundfordringar		79	284
Fordringar hos koncernföretag		94 208	115 435
Aktuell skattefordran		2 651	2 651
Övriga fordringar		6 780	5 999
Förutbetalda kostnader och upplupna intäkter	22	3 670	3 555
		107 388	127 924
Kassa och bank			
Kassa och bank	28	125	146
		125	146
Summa omsättningstillgångar		181 808	207 876
SUMMA TILLGÅNGAR		238 839	272 732

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Balansräkning

Belopp i tkr	*Not*	*2023-12-31*	*2022-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (550 000 aktier)	33	13 750	13 750
Reservfond		5 525	5 525
		19 275	19 275
Fritt eget kapital			
Balanserat resultat		22 980	46 911
Årets resultat		14 261	6 069
	34	37 241	52 980
		56 516	72 255
Obeskattade reserver			
Ackumulerade överavskrivningar	12, 23	4 591	4 499
		4 591	4 499
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser	24	31 387	31 319
Övriga avsättningar	25	1 195	1 097
		32 582	32 416
Kortfristiga skulder			
Leverantörsskulder		31 485	31 011
Skulder till moderföretag		91 028	118 501
Skulder till koncernföretag		9 409	697
Övriga skulder		2 740	2 619
Upplupna kostnader och förutbetalda intäkter	26	10 488	10 734
		145 150	163 562
SUMMA EGET KAPITAL OCH SKULDER		238 839	272 732

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Kassaflödesanalys

Belopp i tkr	2023	2022
Den löpande verksamheten		
Resultat efter finansiella poster	106 798	124 018
Justering för poster som inte ingår i kassaflödet	8 576	7 191
	115 374	131 209
Betald inkomstskatt	48	–
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital	115 422	131 209
Förändringar i rörelsekapital		
Ökning(-)/Minskning(+) av varulager	5 511	-2 441
Ökning(-)/Minskning(+) av rörelsefordringar	20 536	31 112
Ökning(+)/Minskning(-) av rörelseskulder	-18 412	-11 493
Kassaflöde från den löpande verksamheten	123 057	148 387
Investeringsverksamheten		
Lämnat aktieägartillskott	-600	-700
Lämnade koncernbidrag	-90 428	-117 801
Förvärv av materiella anläggningstillgångar	-1 447	-439
Avyttring av materiella anläggningstillgångar	–	112
Förvärv av immateriella anläggningstillgångar	-603	–
Avyttring av finansiella tillgångar	–	6
Kassaflöde från investeringsverksamheten	-93 078	-118 822
Finansieringsverksamheten		
Utbetald utdelning till moderföretagets aktieägare	-30 000	-30 000
Kassaflöde från finansieringsverksamheten	-30 000	-30 000
Årets kassaflöde	-21	-435
Likvida medel vid årets början	146	581
Likvida medel vid årets slut	28 125	146

Noter

Belopp i tkr om inget annat anges

Not 1 Redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och enligt Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Immateriella tillgångar

Utgifter för forskning och utveckling
Utgifter för forskning, dvs. planerat och systematiskt sökande i syfte att erhålla ny vetenskaplig eller teknisk kunskap och insikt, redovisas som kostnad när de uppkommer.

Vid redovisning av utgifter för utveckling tillämpas aktiveringsmodellen. Det innebär att utgifter som uppkommit under utvecklingsfasen redovisas som tillgång när samtliga nedanstående förutsättningar är uppfyllda:
- Det är tekniskt möjligt att färdigställa den immateriella anläggningstillgången så att den kan användas eller säljas.
- Avsikten är att färdigställa den immateriella anläggningstillgången och att använda eller sälja den.
- Förutsättningar finns för att använda eller sälja den immateriella anläggningstillgången.
- Det är sannolikt att den immateriella anläggningstillgången kommer att generera framtida ekonomiska fördelar.
- Det finns erforderliga och adekvata tekniska, ekonomiska och andra resurser för att fullfölja utvecklingen och för att använda eller sälja den immateriella anläggningstillgången.
- De utgifter som är hänförliga till den immateriella anläggningstillgången kan beräknas på ett tillförlitligt sätt.

Internt upparbetade immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

Anskaffningsvärdet för en internt upparbetad immateriell anläggningstillgång utgörs av samtliga direkt hänförbara utgifter.

Övriga immateriella anläggningstillgångar
Övriga immateriella anläggningstillgångar som förvärvats är redovisade till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.
Utgifter för internt genererad goodwill och varumärken redovisas i resultaträkningen som kostnad när de uppkommer.

Avskrivningar
Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

	Nyttjandeperiod
Internt upparbetade immateriella tillgångar	
Balanserade utgifter för utveckling och liknande arbeten	5 år
Förvärvade immateriella tillgångar	
Dataprogram	4 år

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår
förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Tillkommande utgifter
Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde.
Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

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Avskrivningar
Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

	Nyttjandeperiod
Byggnader och markanläggningar	25 år
Maskiner och inventarier	10 år
Verktyg och fordon	5 år
Data- och utställningsutrustning	3 år

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde. Om det inte går att beräkna en enskild tillgångs återvinningsvärde beräknas återvinnings-värdet för hela den kassagenererande enhet som tillgången hör till.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Leasing
Alla leasingavtal redovisas som operationella leasingavtal.

Operationella leasingavtal
Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

Utländsk valuta
Poster i utländsk valuta
Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

Varulager
Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt först in- först ut- principen
I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick.

I egentillverkade halv- och helfabrikat består anskaffningsvärdet av direkta tillverkningskostnader och de indirekta kostnader som utgör mer än en oväsentlig del av den sammanlagda utgiften för tillverkningen. Vid värdering har hänsyn tagits till normalt kapacitetsutnyttjande.

Finansiella tillgångar och skulder
Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning i och borttagande från balansräkningen
En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar
Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Andelar i dotterföretag, intresseföretag och gemensamt styrda företag redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Vid värdering till lägsta värdets princip respektive vid bedömning av nedskrivningsbehov anses företagets finansiella instrument som innehas för riskspridning ingå i en värdepappersportfölj och värderas därför som en post.

Derivatinstrument som utgör finansiella tillgångar och för vilka säkringsredovisning inte har tillämpats (se nedan) värderas efter det första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Värdering av finansiella skulder
Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Derivatinstrument med negativt värde och för vilka säkringsredovisning inte tillämpats (se nedan) redovisas som finansiella skulder och värderas till det belopp som för företaget är mest förmånligt om förpliktelsen regleras eller överlåts på balansdagen.

Ersättningar till anställda

Ersättningar till anställda efter avslutad anställning
Klassificering
Planer för ersättningar efter avslutad anställning klassificeras som antingen avgiftsbestämda eller förmånsbestämda.

Vid avgiftsbestämda planer betalas fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och har inte längre någon förpliktelse till den anställde när avgiften är betald. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter som har betalats och den kapitalavkastning som avgifterna ger.

Vid förmånsbestämda planer har företaget en förpliktelse att lämna de överenskomna ersättningarna till nuvarande och tidigare anställda. Företaget bär i allt väsentligt dels risken att ersättningarna kommer att bli högre än förväntat (aktuariell risk), dels risken att avkastningen på tillgångarna avviker från förväntningarna (investeringsrisk). Investeringsrisk föreligger även om tillgångarna är överförda till ett annat företag.

Avgiftsbestämda planer
Avgifterna för avgiftsbestämda planer redovisas som kostnad. Obetalda avgifter redovisas som skuld.

Förmånsbestämda planer
Företaget har valt att tillämpa de förenklingsregler som finns i BFNAR 2012:1.

I de fall förmånsbestämda pensionsplaner finansieras i egen regi redovisas pensionsskulden till det belopp som erhålls från PRI Pensionsgaranti.

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Skatt
Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock särredovisas inte uppskjuten skatt hänförlig till obeskattade reserver eftersom obeskattade reserver redovisas som en egen post i balansräkningen. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdeberäknats.

Uppskjutna skattefordringar har värderats till högst det belopp som sannolikt kommer att återvinnas baserat på innevarande och framtida skattepliktiga resultat. Värderingen omprövas varje balansdag.

Avsättningar
En avsättning redovisas i balansräkningen när företaget har en legal eller informell förpliktelse till följd av en inträffad händelse och det är sannolikt att ett utflöde av resurser krävs för att reglera förpliktelsen och en tillförlitlig uppskattning av beloppet kan göras.

Vid första redovisningstillfället värderas avsättningar till den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen på balansdagen. Avsättningarna omprövas varje balansdag.

Eventualförpliktelser
En eventualförpliktelse redovisas inom linjen när det finns:
- En möjlig förpliktelse som härrör till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller
- En befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Intäkter
Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Försäljning av varor
Vid försäljning av varor redovisas en intäkt när följande kriterier är uppfyllda:
- De ekonomiska fördelarna som är förknippade med transaktionen sannolikt kommer att tillfalla företaget,
- Inkomsten kan beräknas på ett tillförlitligt sätt,
- Företaget har överfört de väsenliga riskerna och fördelarna som är förknippade med varornas ägande till köparen,
- Företaget har inte längre ett sådant engagemang i den löpande förvaltningen som vanligtvis förknippas med ägande och utövar inte heller någon reell kontroll över de sålda varorna, samt
- De utgifter som har uppkommit eller förväntas uppkomma till följd av transaktionen kan beräknas på ett tillförlitligt sätt.

Utdelning
Utdelning redovisas när behörigt organ har fattat beslut om att utdelning ska lämnas.

Eftersom moderföretaget innehar mer än hälften av rösterna för samtliga andelar i dotterföretaget redovisas utdelning när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Koncernbidrag och aktieägartillskott
Koncernbidrag som erhållits/lämnats redovisas som en bokslutsdisposition i resultaträkningen. Det erhållna/lämnade koncernbidraget har påverkat företagets aktuella skatt.

Aktieägartillskott som lämnas utan att emitterade aktier eller andra egetkapitalinstrument erhållits i utbyte redovisas i balansräkningen som en ökning av andelens redovisade värde.

Återbetalda aktieägartillskott redovisas i balansräkningen som en minskning av andelens redovisade värde.

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Not 2 Uppskattningar och bedömningar

Vissa antaganden om framtiden och vissa uppskattningar och bedömningar per balansdagen har särskild betydelse för värdering av tillgångarna och skulderna i balansräkningen. Nedan diskuteras de områden där risken för väsentliga värdeförändringar, under det efterföljande året, är betydande på grund av att antagandena eller uppskattningarna kan behöva ändras.

Nedskrivningsprövning av andelar i dotterföretag
Värdet på andelar i dotterföretag prövas minst en gång per år med avseende på eventuellt nedskrivningsbehov. Detta kräver att flera antaganden om framtida förhållanden och uppskattningar av parametrar gjorts.

Not 3 Nettoomsättning per rörelsegren och geografisk marknad

	2023	*2022*
Nettoomsättning per rörelsegren		
Varuförsäljning	455 553	439 829
	455 553	439 829
Nettoomsättning per geografisk marknad		
Norden	136 392	138 584
Övriga marknader	319 161	301 245
	455 553	439 829

Not 4 Övriga rörelseintäkter

	2023	*2022*
Kursvinster på fordringar/skulder av rörelsekaraktär	554	6 383
Övrigt	–	1 420
	554	7 803

Under 2021 har inga statliga stöd för korttidsarbete erhållits.

Not 5 Anställda, personalkostnader och arvoden till styrelse och revisorer

Medelantalet anställda

	2023	*varav män*	2022	*varav män*
Sverige	104	67%	90	70%
Totalt	104	67%	90	70%

Redovisning av könsfördelning i företagsledningar

	2023-12-31 *Andel kvinnor*	*2022-12-31* *Andel kvinnor*
Styrelsen	0%	0%
Övriga ledande befattningshavare	67%	67%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2023	*2022*
Löner och ersättningar	*59 796*	*57 535*
Sociala kostnader	*19 711*	*18 190*
(varav pensionskostnad) 1)	*(2 029)*	*(2 292)*

1) Av företagets pensionskostnader avser 316 tkr (304 tkr) företagets ledning. Företagets utestående pensionsförpliktelser till dessa uppgår till 0 kr (0 kr).

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Löner och andra ersättningar fördelade mellan styrelseledamöter m.fl. och övriga anställda

	2023		2022	
	Styrelse och VD	*Övriga anställda*	*Styrelse och VD*	*Övriga anställda*
Löner och andra ersättningar	1 479	58 317	1 492	59 027
(varav tantiem o.d.)	*(–)*		*(–)*	

Av de löner och ersättningar som lämnats till övriga anställda avser 0 kr (0 kr) andra ledande befattningshavare än styrelse och VD.

Arvode och kostnadsersättning till revisorer

	2023	*2022*
Ernst & Young AB		
Revisionsuppdrag	209	214

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Not 6 Avskrivningar av materiella och immateriella anläggningstillgångar

	2023	*2022*
Avskrivningar enligt plan fördelade per tillgång		
Balanserade utgifter för utvecklingsarbeten och likn	–	–
Koncessioner, patent, licenser, varumärken	2 440	2 548
Byggnader och mark	273	235
Inventarier, verktyg och installationer	5 240	3 758
	7 953	6 541
Avskrivningar enligt plan fördelade per funktion		
Kostnad för sålda varor	7 850	6 280
Administrationskostnader	103	261
	7 953	6 541

Not 7 Övriga rörelsekostnader

	2023	*2022*
Kursförluster på fordringar/skulder av rörelsekaraktär	-3 924	-3 901
Omstruktureringskostnader	–	-37
Management charges	-12 413	-8 693
Övrigt	-121	-112
	-16 458	-12 743

Not 8 Operationell leasing

Leasingavtal där företaget är leasetagare

Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal	*2023-12-31*	*2022-12-31*
Inom ett år	8 134	6 387
Mellan ett och fem år	13 461	7 056
Senare än fem år	32 174	4 586
	53 769	18 029

	2023	*2022*
Räkenskapsårets kostnadsförda leasingavgifter	11 728	10 956

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Not 9 Resultat från andelar i koncernföretag

	2023	2022
Utdelning	6 891	6 311
	6 891	6 311

Not 10 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter, koncernföretag	39	13
Ränteintäkter, övriga	49	2
	88	15

Not 11 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader, koncernföretag	-94	-7
Räntekostnader, övriga	-1 231	-935
	-1 325	-942

Not 12 *Bokslutsdispositioner, övriga*

	2023	2022
Skillnad mellan skattemässig och redovisad avskrivning		
- Byggnader och mark	-92	-128
	-92	-128

Not 13 Skatt på årets resultat

	2023	2022
Årets skattekostnad	–	–
Skatt hänförlig till tidigare år	48	–
Uppskjuten skatt	-2 065	-20
	-2 017	-20

Avstämning av effektiv skatt

	2023		2022	
	Procent	*Belopp*	*Procent*	*Belopp*
Resultat före skatt		16 278		6 089
Skatt enligt gällande skattesats	20,6%	-3 353	20,6%	-1 254
Ej avdragsgilla kostnader	0,5%	-87	1,4%	-86
Ej skattepliktiga intäkter	-8,7%	1 423	-21,7%	1 320
Redovisad effektiv skatt	12,4%	-2 017	0,5%	-20

Not 14 Balanserade utgifter för utvecklingsarbeten och liknande

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	54 406	54 406
Vid årets slut	54 406	54 406
Ackumulerade avskrivningar		
Vid årets början	-54 406	-54 406
Vid årets slut	-54 406	-54 406
Redovisat värde vid årets slut	–	–

Not 15 Koncessioner, patent, licenser, varumärken samt liknande rättigheter

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	18 022	28 367
Övriga investeringar	603	–
Avyttringar och utrangeringar	–	-10 345
Vid årets slut	18 625	18 022

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Ackumulerade avskrivningar		
Vid årets början	-10 083	-17 880
Återförda avskrivningar på avyttringar och utrangeringar		10 345
Årets avskrivning	-2 440	-2 548
Vid årets slut	-12 523	-10 083
Redovisat värde vid årets slut	6 102	7 939

Not 16 Goodwill

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	19 308	19 308
Vid årets slut	19 308	19 308
Ackumulerade avskrivningar		
Vid årets början	-19 308	-19 308
Vid årets slut	-19 308	-19 308
Redovisat värde vid årets slut	–	–

Not 17 Byggnader och mark

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	40 740	40 665
Nyanskaffningar	–	75
Vid årets slut	40 740	40 740
Ackumulerade avskrivningar		
Vid årets början	-35 419	-35 184
Återförda avskrivningar på avyttringar och utrangeringar	–	–
Årets avskrivning	-273	-235
Vid årets slut	-35 692	-35 419
Redovisat värde vid årets slut	5 048	5 321

Varav mark	*2023-12-31*	*2022-12-31*
Ackumulerade anskaffningsvärden	1 073	1 073
Redovisat värde vid årets slut	1 073	1 073

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Not 18 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	90 467	92 760
Nyanskaffningar	1 447	364
Avyttringar och utrangeringar	–	-2 657
Vid årets slut	91 914	90 467
Ackumulerade avskrivningar		
Vid årets början	-79 535	-78 322
Årets avskrivningar	-5 240	-3 758
Återförda avskrivningar på avyttringar och utrangeringar	–	2 545
Vid årets slut	-84 775	-79 535
Redovisat värde vid årets slut	7 139	10 932

Not 19 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	48 155	47 455
Lämnade aktieägartillskott	600	700
Vid årets slut	48 755	48 155
Avyttring	–	-6
Vid årets slut	–	-6
Ackumulerade nedskrivningar		
Vid årets början	-10 102	-10 102
Vid årets slut	-10 102	-10 102
Redovisat värde vid årets slut	38 647	38 047

Spec av företagets innehav av andelar i koncernföretag

			2023-12-31	2022-12-31
Dotterföretag / Org nr / Säte	*Antal andelar*	*Andel i % i)*	*Redovisat värde*	*Redovisat värde*
Nederman S.A.S., B434134615, Paris, FR	3 820	100,0	437	437
Nederman Ibérica, ESA79441762, Madrid, SPA	22 000	100,0	19 616	19 616
Nederman Distribution Sales AB, 556272-9854, Hbg, SE	1 000	100,0	5 042	4 442
Nederman India Private Ltd,U47900DL2008FTC178218,New Dehli,IN	1 000	1,0	1	1
Nederman Air Clean (Shanghai) Co. Ltd., 310000400561886,CN	100	100,0	2 398	2 398
Nederman Int. Trading (Shanghai) Co. Ltd., 310115400253357,CN	100	100,0	3 556	3 556
Nederman Makine Sanayi Ve Ticard limited Sirketi, 64743, TR	3 200	50,0	7 487	7 487
Nordfab Ducting Co., Ltd, 0125549002956, TH	4 900	25,0	108	108
Luwa India Private Ltd, U01711KA1993FTC014292, Bangalore, IN	10	0,003	2	2
			38 647	38 047

Not 20 Andra långfristiga fordringar

	2023-12-31	2022-12-31
Ackumulerade anskaffningsvärden		
Vid årets början	457	457
Avgående tillgångar	-24	–
Omklassificeringar	-433	–
Vid årets slut	–	457
Redovisat värde vid årets slut	–	457

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Not 21 Uppskjuten skatt

	Redovisat värde	*2023-12-31 Skattemässigt värde*	*Temporär skillnad*
Väsentliga temporära skillnader			
Pensionsskuld	459	459	–
	459	459	–

	Uppskjuten skattefordran	*2023-12-31 Uppskjuten skatteskuld*	*Netto*
Väsentliga temporära skillnader			
Pensionsskuld	95	–	95
Uppskjuten skattefordran/skuld	95	–	95

	Redovisat värde	*2022-12-31 Skattemässigt värde*	*Temporär skillnad*
Väsentliga temporära skillnader			
Finansiella anläggningstillgångar	142	142	–
Kundfordringar	-115	-115	–
Skattemässigt underskottsavdrag	10 000	10 000	–
Övriga temporära skillnader	460	460	–
	10 487	10 487	–

	Uppskjuten skattefordran	*2022-12-31 Uppskjuten skatteskuld*	*Netto*
Väsentliga temporära skillnader			
Finansiella anläggningstillgångar	29	–	29
Övriga temporära skillnader	-24	–	-24
Avsättningar	124	–	124
Skattemässigt underskottsavdrag	2 031	–	2 031
Uppskjuten skattefordran/skuld	2 160	–	2 160

Not 22 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	*2022-12-31*
Hyra och leasing	2 412	2 417
IT och licenskostnader	454	269
Försäkring	–	–
Ovriga poster	804	869
	3 670	3 555

Not 23 Ackumulerade överavskrivningar

	2023-12-31	*2022-12-31*
Byggnader och mark	-1 617	-1 709
Inventarier, verktyg och installationer	6 208	6 208
	4 591	4 499

Not 24 Avsättningar för pensioner och liknande förpliktelser

Pensionskostnad	*2023*	*2022*
Kostnaden redovisas i följande rader i resultaträkningen:		
Kostnad för sålda varor	-1 742	-1 286
Finansiella kostnader	-1 200	-915
Total kostnad för ersättningar efter avslutad anställning	-2 942	-2 201

100 % av avsättningen för pensioner omfattas av Tryggandelagen.

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Not 25 Övriga avsättningar

	2023-12-31	2022-12-31
Garantiåtagande	1 195	1 097
	1 195	1 097

Garantiåttagande	*2023-12-31*	*2022-12-31*
Redovisat värde vid årets början	*1 097*	*1 039*
Avsättningar som gjorts under året[1]	98	58
Outnyttjade belopp som har återförts under året	–	–
Redovisat värde vid årets slut	1 195	1 097

Not 26 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Personalrelaterade kostnader	9 427	10 154
Revisionsarvoden	69	55
Övriga poster	992	525
	10 488	10 734

Not 27 Betalda räntor och erhållen utdelning

	2023	2022
Erhållen utdelning	6 891	6 311
Erhållen ränta	88	15
Erlagd ränta	-1 325	-942
	5 654	5 384

Not 28 Likvida medel

	2023-12-31	2022-12-31
Följande delkomponenter ingår i likvida medel:		
Kassamedel	7	7
Banktillgodohavanden	118	139
	125	146

Ovanstående poster har klassificerats som likvida medel med utgångspunkten att:
- De har en obetydlig risk för värdefluktuationer.
- De kan lätt omvandlas till kassamedel.
- De har en löptid om högst 3 månader från anskaffningstidpunkten.

Not 29 Koncernuppgifter

Företaget är helägt dotterföretag till Nederman Holding AB, org nr 556576-4205, med säte i Helsingborg. Företaget som utgör moderföretag för en koncern med dotterföretag enl not 19, upprättar ej koncernredovisning med hänvisning till ÅRL 7:2, då företaget och dess samtliga dotterföretag omfattas av en koncernredovisning som upprättas av Nederman Holding AB.
Nederman holding AB upprättar även hållbarhetsredovisning för den största koncernen.

Inköp och försäljning inom Nedermankoncernen
Av företagets totala inköp och försäljning mätt i kronor avser 1% (1%) av inköpen och 100% (100%) av försäljningen andra företag inom hela den företagsgrupp som företaget tillhör.

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Not 30 Nyckeltalsdefinitioner

Rörelsemarginal:	Rörelseresultat / Nettoomsättning
Balansomslutning:	Totala tillgångar
Soliditet:	(Totalt eget kapital + 79,4% av obeskattade reserver) / Totala tillgångar

Not 31 Väsentliga händelser under räkenskapsåret samt efter räkenskapsårets utgång

Inga väsentliga händelser efter räkenskapsårets utgång.

Not 32 Ställda säkerheter och eventualförpliktelse

Belopp i tkr	*2023-12-31*	*2022-12-31*
Ställda säkerheter	Inga	Inga
Eventualförpliktelser		
Garantiåtaganden, PRI	628	615

Not 33 Antal aktier och aktiernas kvotvärde

Antal aktier i bolaget är 550 000 och aktiernas kvotvärde är 25 kronor.

Not 34 Vinstdisposition

Förslag till disposition av företaget vinst eller förlust

Styrelsen föreslår en utdelning om 0 kr per aktie.

Balanseras i ny räkning	37 241
Summa	37 241

Underskrifter

Helsingborg 2024-06-11

Sven Kristensson
Styrelsens ordförande

Fredrik Clausson
Verkställande direktör

Matthew Cusick
Styrelseledamot

Hans Dahlén
Styrelseledamot

Vår revisionsberättelse har lämnats 2024- 06-25
Ernst & Young AB

Andreas Mast
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i Aktiebolaget Ph. Nederman & Co, org.nr 556089-2951

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Aktiebolaget Ph. Nederman & Co för räkenskapsåret 2023-01-01 - 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Aktiebolaget Ph. Nederman & Cos finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Aktiebolaget Ph. Nederman & Co enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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

Styrelsens och verkställande direktörens ansvar

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

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

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

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

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

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

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Aktiebolaget Ph. Nederman & Co för räkenskapsåret 2023-01-01 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Aktiebolaget Ph. Nederman & Co enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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

Styrelsens och verkställande direktörens ansvar

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

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

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

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

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

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

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

Göteborg den 25/6 2024

Ernst & Young AB

Andreas Mast
Auktoriserad revisor

Nederman

We shape the future for clean air



The Clean Air Company

Annual and Sustainability Report 2023



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INFORMATION ON DATA IN THIS REPORT

Figures in brackets refer to business activities in 2022 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.

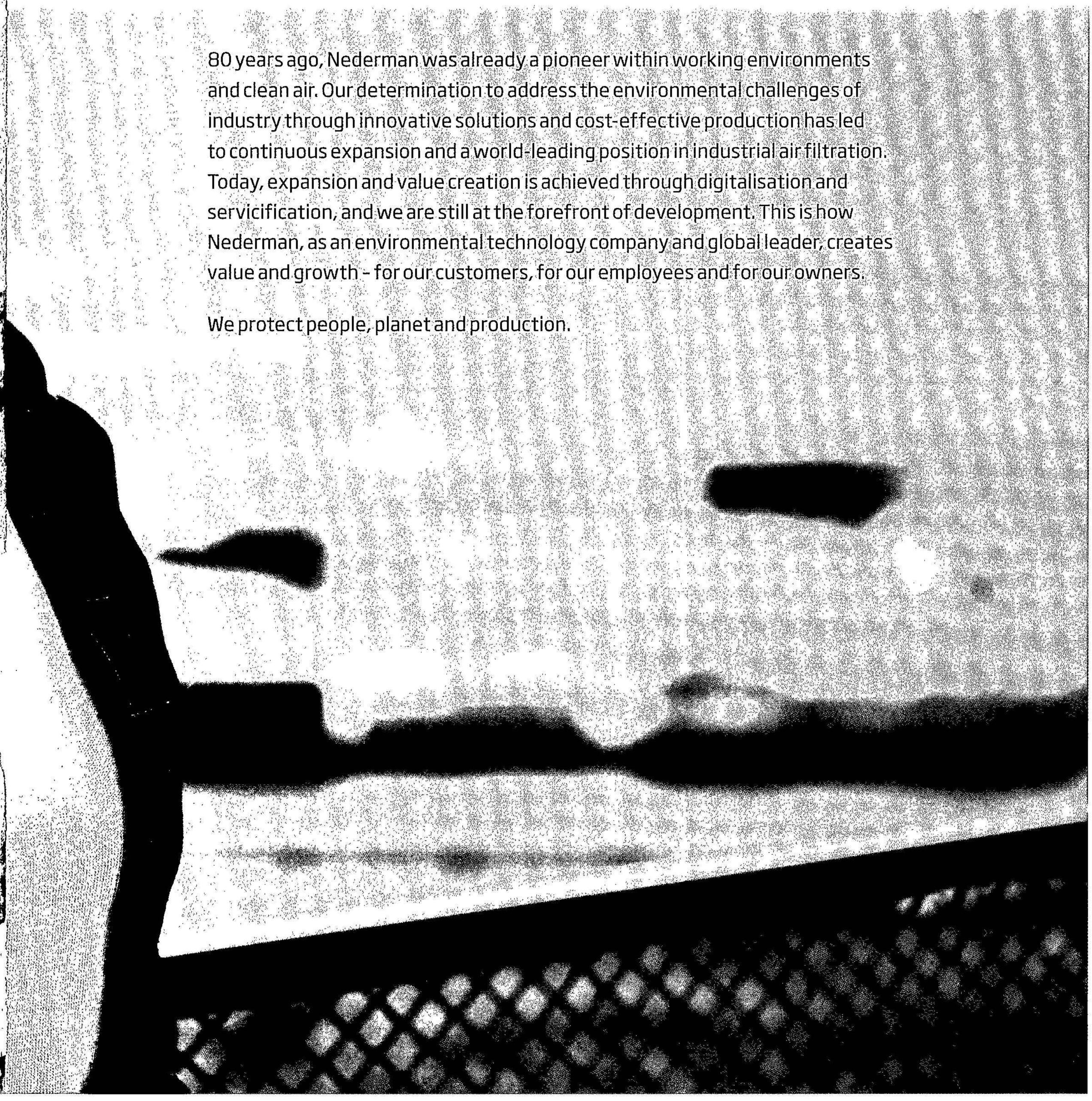
Nederman's sustainability report for 2023 has been prepared in accordance with the GRI Standards, see GRI Content Index on page 47. The sustainability report, with the exception of the disclosures according to the EU Taxonomy regulation on pages 34-48 and 114-123, has been reviewed by Ernst & Young.

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A leading environmental technology company for clean air

80 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 employees and for our owners.

We protect people, planet and production.



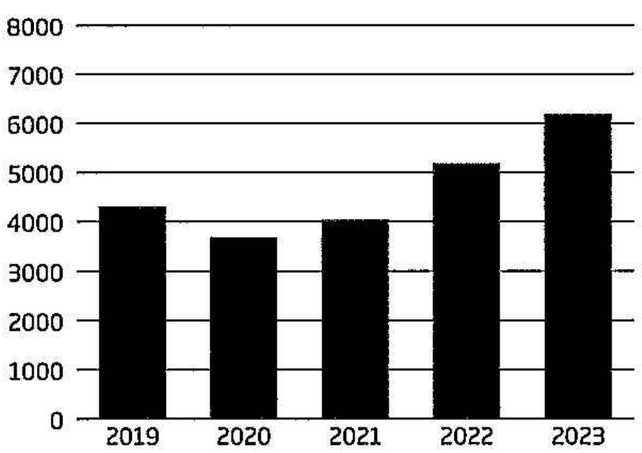
Sales growth and increased profitability in 2023

We are able to summarise a year of positive orders received, high sales growth, strong cash flow and increased profitability. In a continued challenging macro environment, we advanced our positions in the global market for industrial air filtration through the launch of new products, a strengthened presence in growing industries and investments in increased efficiency and digitalisation.

6,188 SEKm **11.6**% **576** SEKm

Net sales

A strong order backlog and healthy demand contributed to a 19.5-percent increase in net sales to SEK 6,188m (5,179). Currency adjusted growth was 14.9 percent.



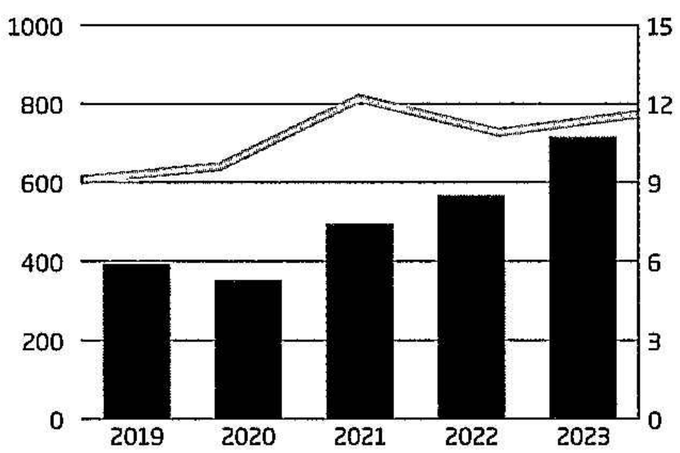
Net sales

In the past two years, Nederman's net sales increased by a total of 53 percent, driven by strong organic growth and a number of acquisitions.

■ Net sales, SEKm

Adjusted EBITA margin

Higher volumes, a better sales mix and increased production efficiency were the primary reasons for a strengthening of the adjusted EBITA margin to 11.6 percent (10.9) in 2023.



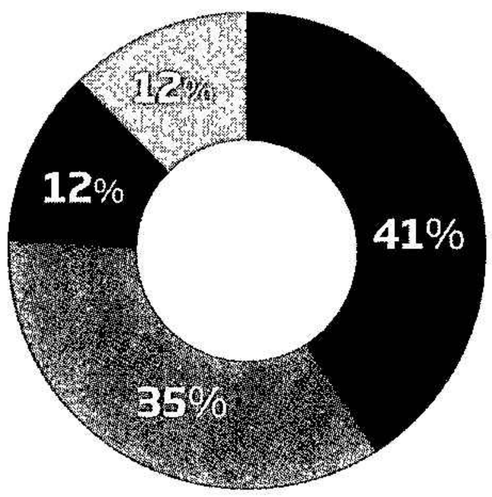
Adjusted EBITA

Strong sales growth resulted in an increase in adjusted EBITA of 26.2 percent in 2023 to SEK 714.9m (566.6), which is the strongest result in Nederman's history.

■ Adjusted EBITA, SEKm
□ Adjusted EBITA margin, %

Cash flow

Cash flow from operating activities was strengthened by 66.7 percent to SEK 576m (346), mainly driven by a continued successful reduction in working capital.

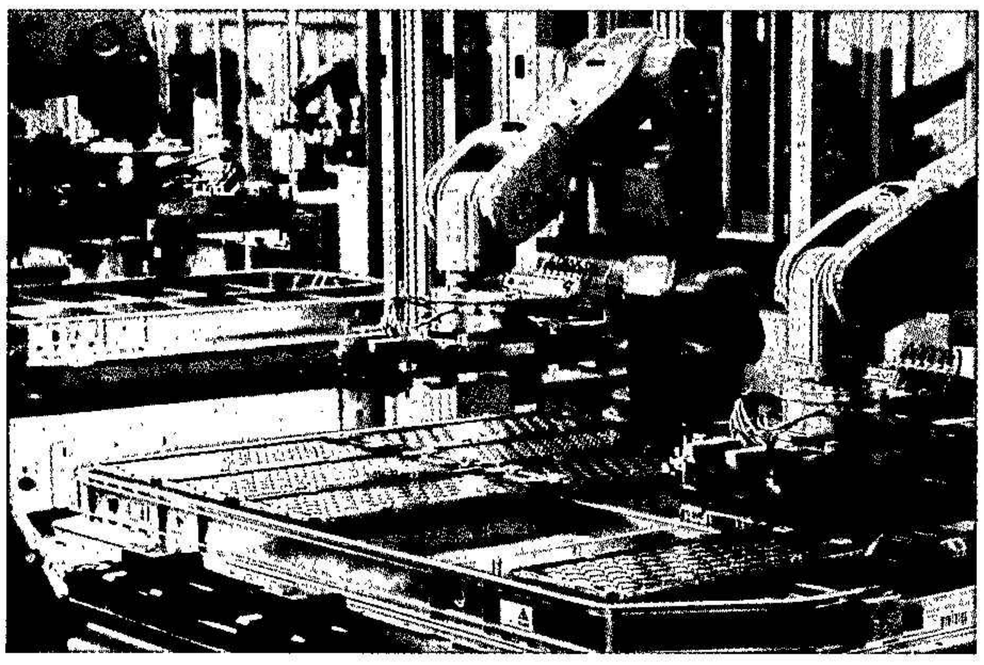


Net sales per division

All of Nederman's four divisions increased their sales during 2023. Process Technology reported the strongest performance with currency-neutral growth of 20.2 percent.

External sales
■ Extraction & Filtration Technology
▩ Process Technology
■ Duct & Filter Technology
▩ Monitoring & Control Technology

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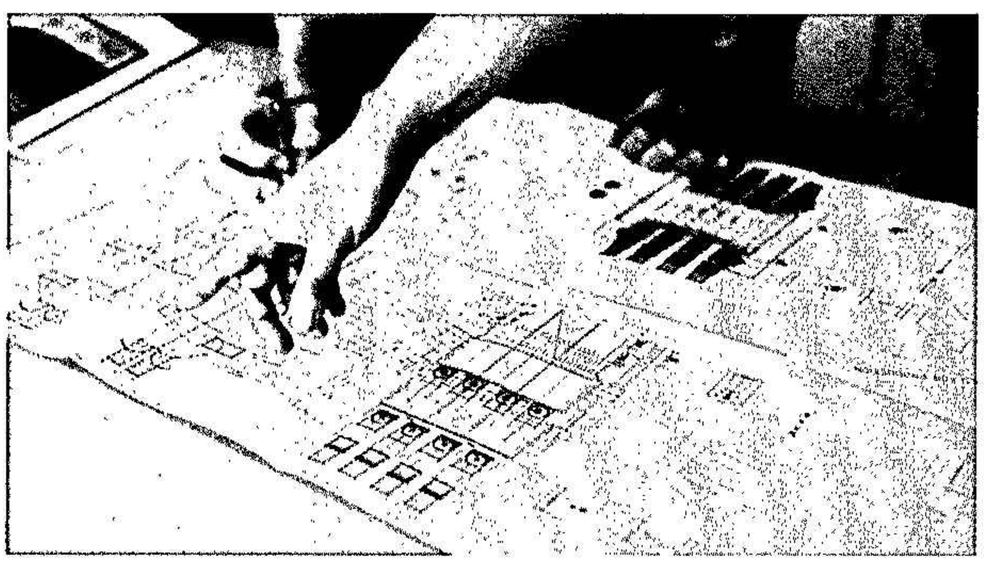
Structural growth in focus

In 2023, Nederman increased its sales from segments that are experiencing structural growth. Major orders were secured from battery manufacturers and new customers were added in the defence sector, food production and industries associated with renewable energy.



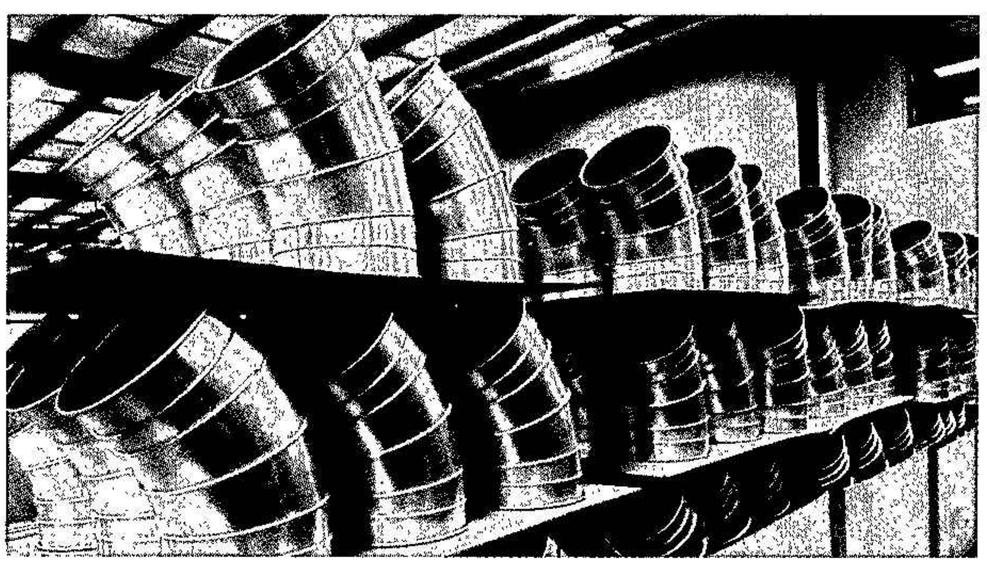
Award-winning energy-efficient solutions

Our energy-efficient solutions for clean air are setting standards and receiving various awards. Nederman SAVE, which can reduce energy consumption by up to 70 percent by optimising filter performance, received the 2023 Visionary New Product Award at the AWFS trade show in Las Vegas, in the US.



New sales boost in Americas

In 2023, the group's sales in Americas increased by 36 percent and the region is now nearly as large as EMEA. Strengthening the position in Americas has been a key part of our strategy in recent years. This has been achieved through acquisitions, adding more sales resources, the transfer of technical solutions and coordinated marketing activities.



Delivery within 24 hours soon a reality

In the autumn of 2023, deliveries of standardised ducting systems to customers in the US were launched from the expanded warehouse in Thomasville, North Carolina. The next step is full automation and delivery within 24 hours in accordance with the new Nordfab Now concept, the fastest of all operators in the market.



Continued reduction of own emissions

The goals for reducing energy consumption and greenhouse gas emissions, for example, that we established in 2014 with 2023 as the target year, were met. In 2023, we reduced greenhouse gas emissions, for example, by 16 percent, in relation to net sales. We are now setting new ambitious goals.



"We have the pieces in place for the next important phase in Nederman's development"

Sven Kristensson
President and CEO

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It was another positive year for Nederman, with high sales growth, increased profitability and stronger positions. And during 2024 Nederman will celebrate 80 years. I can say that it has been an impressive journey since the company was formed in May 1944 to its position now as a world-leading environmental technology company in industrial air filtration and process monitoring. Now the next phase in our development awaits.

"Poor air is a medical emergency on a global basis." This quote is from surgeon Arvind Kumar's speech to the World Economic Forum in January 2024. We already know that it is a problem in many megacities, but it is bigger than that. In Europe, for example, air pollution is the largest environmentally related health risk according to the European Environment Agency (EAA), and it is estimated to cause nearly 300,000 premature deaths each year. In addition, adults and children suffer from asthma, heart disease and strokes.

Apart from health problems, air pollution also affects a country's economy in the wake of higher healthcare costs, reduced life expectancy and lost workdays in various sectors. It also damages vegetation, water and soil quality, and local ecosystems.

Based on this, it is self-evident that we will continue to put all our energy into shaping the future for clean air. As global leader, this is our responsibility and we can set a standard for others to follow. This is a long-term and ongoing effort that builds on a close dialogue with customers in a number of different industries to identify the most effective and profitable solutions. Every industry and customer is also unique. With their particular challenges. And since the world is constantly changing and new challenges are emerging, the needs in existing industries are evolving and new needs are materialising.

Orders in new growth segments

We usually talk about traditional and new industries, but the fact is that all industries are constantly changing to remain competitive. Contributions to reduced emissions, better work environments and more efficient energy consumption are needed in all operations and segments, particularly those that are regarded as having the greatest potential environmental impact, such as metalworking, fibre-based industry, the wood products industry and fossil-based energy production. Even if these do not grow faster than the economy as a whole, we can grow our business by addressing particular needs and niches. Some of the most recent acquisitions that we have made, such as US company RoboVent and Danish company Aagaard, have strengthened our positions in these segments and given us the size required to be able to develop even more efficient solutions.

"Naturally, increasing sales in these growth segments will remain a high priority going forward."

In recent years, we have also successfully accelerated our focus on industries with structurally driven growth, where there is a major need for new technology to meet various challenges related to safety and cleanliness in production. For several of these, it often involves new plants with a need for air filtration and where the customer increasingly views a digital process, and outsourced operation, as self-evident. In this case, our complete product programme and high degree of digitalisation are a clear competitive advantage. During 2023, we secured new orders for the supply of equipment, systems and digital monitoring solutions in battery manufacturing in all regions. We are also filling the order backlog in growing segments, such as food, renewable energy, recycling and transport. Naturally, increasing sales in these growth segments will remain a high priority going forward.

New ranges and business models

We are investing in a better future, and with this follows an ambitious investment in product development and innovation. Our range is continuously upgraded, taking everything from



In January 2023, a symbolic ground-breaking ceremony was held for the new facility in Helsingborg. In the autumn of 2024, we will move into a new, ultra-modern manufacturing and logistics unit with an accompanying innovation centre.



For the third consecutive year, Nederman arranged its popular investors' lunch in November in cooperation with business daily Dagens industri. An insightful programme with specially invited guests and participants.

individual components to the market's most energy-efficient and process-optimised air filtration systems to an even higher level that improves and simplifies life for the customer. We are also continuing to develop our digital range, 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. The possibility of using digitalisation to connect hardware to software means that we are opening a new market for various types of services for control, optimisation, maintenance and service. At the core of these activities is the Nederman Clean Air Concept – the market's first complete service concept for industrial air filtration, which revolves around existing and tried-and-tested products, as well as the Nederman Insight IoT platform developed in recent years. When we fully measure and control the customers' air filtration process, we can offer, for example, a new business model encompassing operation, service and maintenance as an integrated service – Clean Air as a Service. We are not quite there yet, but are well on the way. We are noticing that this is something that an increasing number of customers want, and it is up to us as a leading global environmental technology company to take them in this direction.

In recent years, there has been an increasing focus on solutions that provide higher energy efficiency. Concern about rising energy prices and energy supply is becoming increasingly tangible. Our digital system for energy optimisation of filter systems, Nederman SAVE, captured further market share in 2023, securing significant orders in both EMEA and Americas. Nederman SAVE primarily meets the needs in energy-intensive segments, such as woodworking, but is also being rolled out in other segments with a major need to reduce energy consumption.

"CFB is an excellent example of our engineering ability and a technological solution that improves the work environment and, at the same time, reduces operating costs."

Another segment requiring effective air filtration is the textile industry. Many plants currently use large fan and filter systems that may contribute to filtering the air, but are often very energy intensive. During the year, we launched the proprietary energy-efficient CFB fan system, which resulted in a large number of orders, including from Indian textile plants. CFB is an excellent example of our engineering ability and a technological solution that improves the work environment and, at the same time, reduces operating costs. During 2023, we also increased our investments in mobile units to more easily measure and analyse various emissions. Considering the strong reception, in all regions, we are planning more of this type of solution in future.

Strengthened global leadership

We operate globally, but seldom compete with global players. Rather, the competition is local and also fragmented. Most companies focus on a single market, product or technology. Since we have large, international customers, we know that they need solutions and proximity to inventory and service in each individual region in which they operate. If we are to grow with our customers, we need to continue to strengthen our global presence and local position, and endeavour to be the leader in every geography, and deliver end-to-end solutions and the latest technologies. We are growing organically by transferring expertise from one segment to the next, or to an entirely new market. And we are growing through acquisitions, which not only enable us to add sales, but also to integrate a completely new technology that we develop and launch in new formats. A good example of this is the aforementioned Nederman SAVE, based on technology from the UK company Energy Save Systems Ltd that was acquired in 2021. In addition, the entire Monitoring & Control Technology division, focused on digital solutions, builds on the acquisition of technology companies, whereby we gradually develop and transfer new concepts to new and existing customer industries. This type of acquisition will also remain important for our continued development going forward.

Geographically, we work in three large regions. EMEA by its nature is largest, and it is there that we began our development and have been based for 80 years. However, in recent years,

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Americas has been the region in which we have grown most rapidly and which is now almost on a par with EMEA in terms of sales. Americas has been and remains a prioritised growth market for all four divisions. The acquisition of RoboVent in 2022 turned Nederman into the leading player in the welding segment; we have become a major supplier to leading battery manufacturers, and strengthened our positions in metal recycling, the defence industry and, not least, renewable energy. Although the US is the largest market for us in Americas, we also have exposure in Canada, Brazil and Mexico, all of which are growing and attractive economies with major industrial investments. The region's focus is on strengthening its own industry, a consequence of such factors as weakening globalisation and the need to secure supply chains, which benefits demand for our solutions, and we can also see a continuous tightening of laws and regulations governing clean air and reduced environmental impact. To this must be added that the region, with the US at the forefront, is also a leader in rapidly growing segments, including those associated with the electrification trend.

We have continued to grow and capture market share in EMEA. However, we have not succeeded in the same way in APAC. During 2023, we addressed the challenges in China by relocating and restructuring our existing operations to better adapt to the new conditions there. In India, Thailand, Australia and some of the other countries in the region, we have a strong offering in selected segments and we are endeavouring to accelerate our growth and presence in the years ahead. Our strategy for profitable growth includes being a leader in selected markets, and in order to be a long-term global leader, the major APAC economies are important. The region also includes the countries with the poorest air quality and we have the solutions to contribute to improving this situation.

Efficient and sustainable

We help our customers to be cleaner, more efficient, more sustainable and profitable. Naturally, we also have high ambitions for our own operations. In recent years, we have accelerated investments in our production and logistics to improve efficiency, address increased demand and create even greater reliability of supply. In our plants in the US, Europe and Asia, we have upgraded our equipment and expanded our production floorspace, in some instances moving to completely new premises. We will continue with this during the current year, including in the US, with the relocation of RoboVent's manufacturing to an entirely new plant and also the opening of the new plant in Helsingborg, which takes us to a new level when it comes to testing and product development, as well as manufacturing and logistics. In Thomasville, in the US, we are moving up a gear in terms of product deliveries, with the installation of a fully automatic warehouse system in 2024 that will give customers the market's fastest deliveries of standardised ducting systems. The investments that have been made and are in progress at new plants and warehouse premises are subject to strict requirements to minimise the environmental footprint, for example through the installation of solar panels. During 2023, we continued to cut energy consumption and greenhouse gas emissions, and have now halved these since 2020 in relation to sales. This is important progress, for those of us who work for the company and for the environment, and it strengthens our customer offering and our market position.

We are The Clean Air Company

What we all do, what we contribute, is unique. We create solutions that mean people gain a better work environment and society moves in a sustainable direction. Clean air. It's something that the majority of people in the world currently do not have access to every day, not in EMEA, Americas or APAC. But solutions do exist, if there is a willingness among politicians and companies. Every day, I am impressed by the creativity and courage that permeates our units throughout the world, which see the opportunities in what we do to be able to grow profitably and, at the same time, contribute to our overall purpose.

"Every day, I am impressed by the creativity and courage that permeates our units throughout the world."

We also work hard and adopt a goal-oriented approach to attract and retain the best talents. During 2023, we improved the opportunities for career development within the group using various initiatives. We have assigned even greater focus to the role of managers in the group, who should serve as role models and develop their teams. In addition, we strengthened our focus on inclusion and equality, an obvious initiative to be the modern company we want to be. Conscientious. Responsible. But also creative and solutions-oriented. In particular, this has been apparent in our work to roll out a new business system across all of our operations globally. The drive that I have seen in the organisation to rapidly and effectively put this in place to be able to even better serve the needs of customers has impressed me.

We are The Clean Air Company, with 80 years of experience. With all the efforts, initiatives and knowledge that permeate the group, we now have the pieces in place for the next phase of Nederman's development. It feels very satisfying to be a part of and contribute to this, and thus be able to continue to protect people, planet and production from the harmful effects of industrial processes.

Sven Kristensson
President and CEO

Nederman in brief

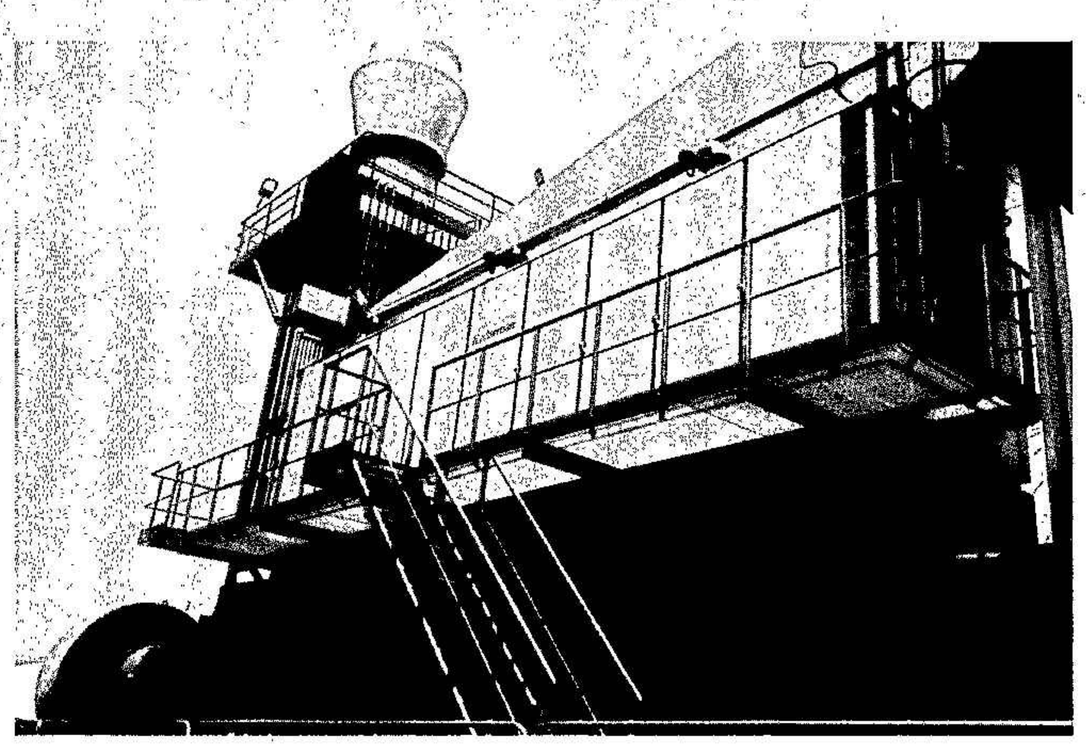
Divisions

Nederman is organised into four divisions, based on differences in business logic, customer structure and technology. The divisions are global, have strong brands and an explicit focus on customers and continued growth.



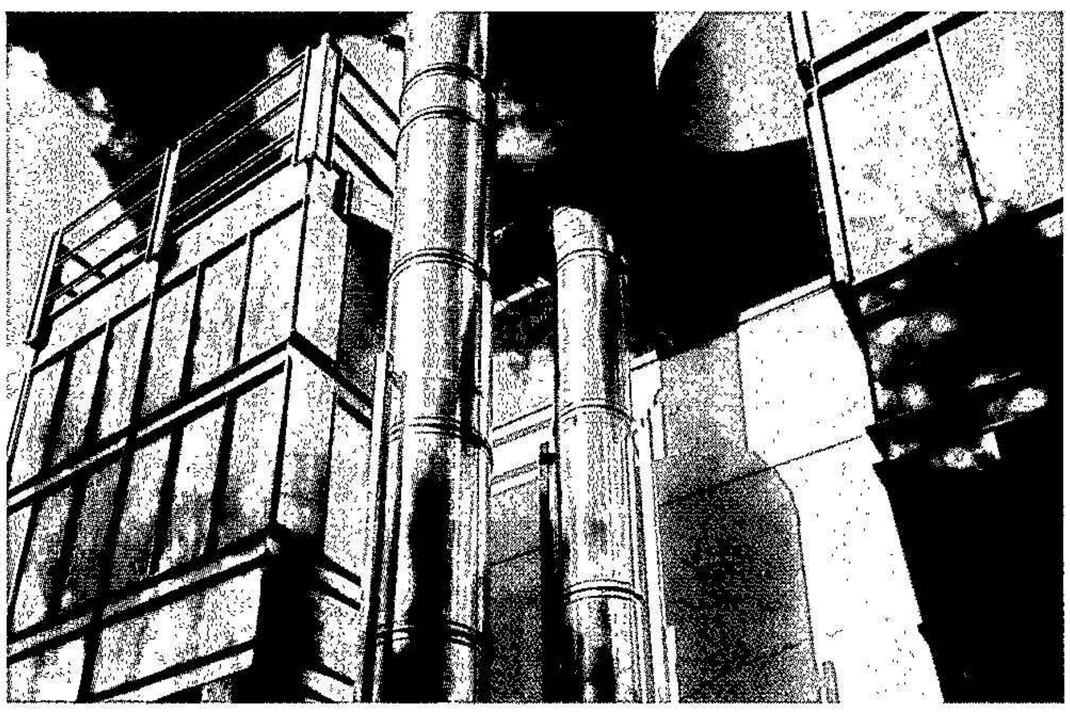
NEDERMAN EXTRACTION & FILTRATION TECHNOLOGY
Develops and sells a broad range of filters and monitoring services, capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids and compressed air.

SEKm	2023	2022	2021
External orders received	2,581	2,238	1,781
Sales	2,583	2,165	1,763
Adjusted EBITA	340	357	309
Adjusted EBITA margin	13.1%	16.5%	17.5%



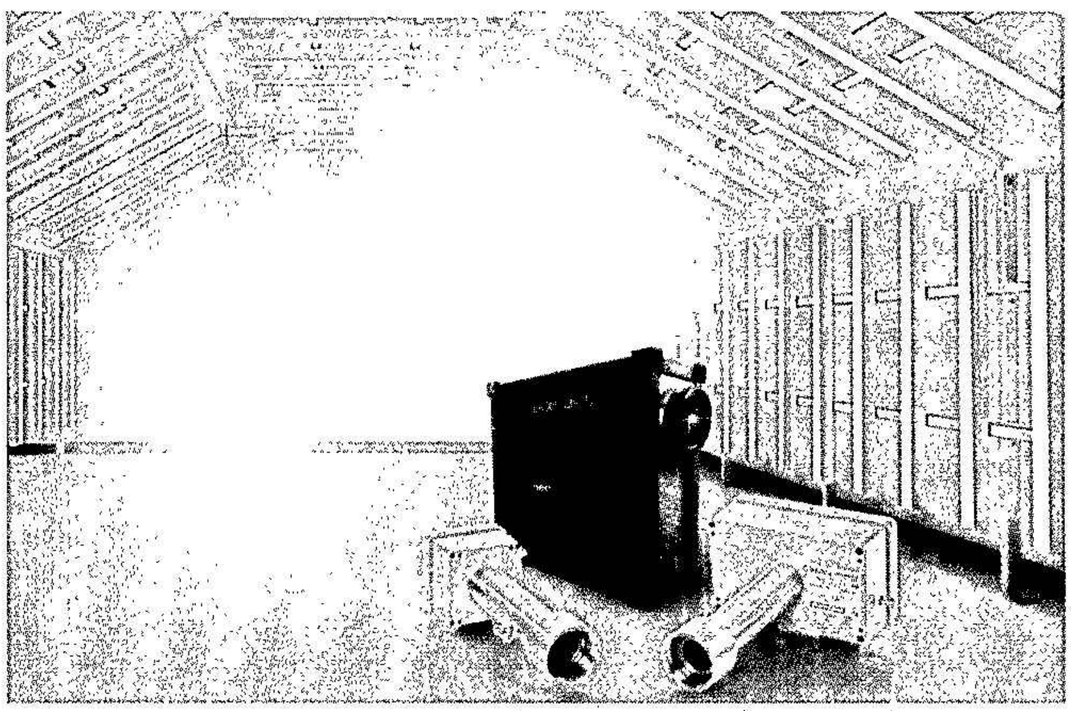
NEDERMAN PROCESS TECHNOLOGY
Develops and offers services and advanced filter solutions that are integrated into the customers' production processes where they catch harmful particles and gases.

SEKm	2023	2022	2021
External orders received	1,921	1,825	1,785
Sales	2,147	1,722	1,292
Adjusted EBITA	209	100	51
Adjusted EBITA margin	9.7%	5.8%	3.9%



NEDERMAN DUCT & FILTER TECHNOLOGY
Develops and markets different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries.

SEKm	2023	2022	2021
External orders received	763	704	495
Sales	839	791	541
Adjusted EBITA	157	127	104
Adjusted EBITA margin	18.7%	16.1%	19.2%



NEDERMAN MONITORING & CONTROL TECHNOLOGY
Develops and offers advanced measurement technology and an IoT platform that provides customers with information and insight into critical parameters and processes.

SEKm	2023	2022	2021
External orders received	740	657	562
Sales	733	606	537
Adjusted EBITA	153	97	121
Adjusted EBITA margin	20.8%	15.9%	22.5%

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Regions

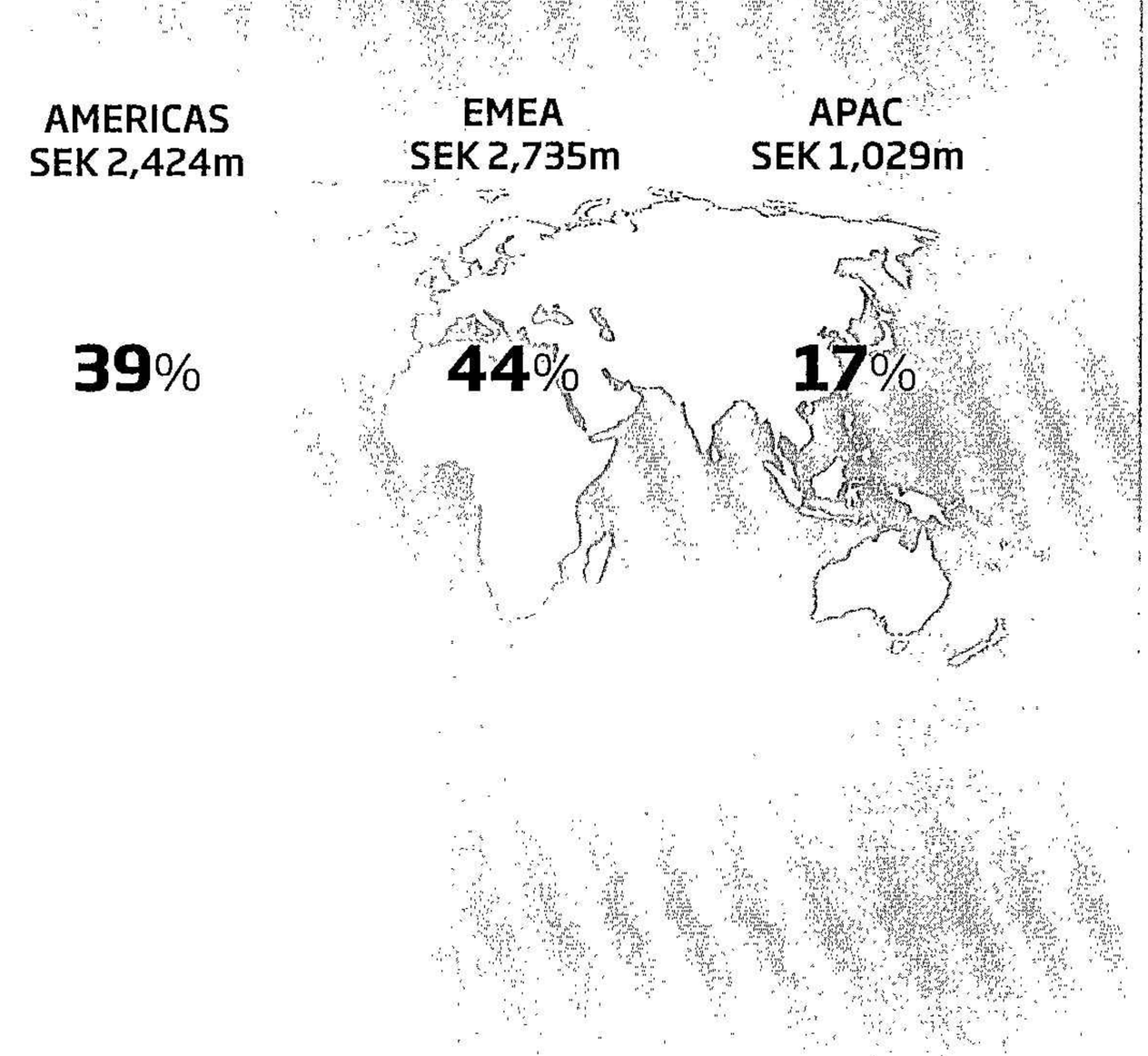
Nederman is organised into three geographic areas, which combined cover all continents. During 2023, sales were made in more than 50 countries, with EMEA comprising the largest region and the US the single largest country with the largest share of sales.

REGIONS, external sales

SEKm	2023	2022	2021	Growth 2023-2022
AMERICAS	2,424	1,782	1,220	36%
EMEA	2,735	2,316	2,020	18%
APAC	1,029	1,082	802	-5%

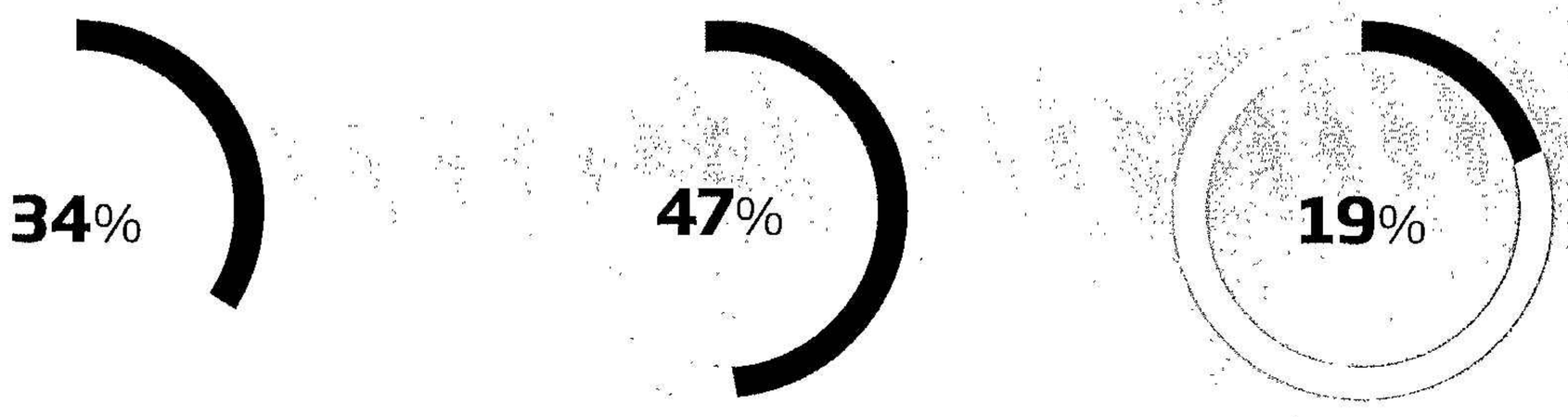
MAIN MARKETS, external sales

SEKm	2023	2022	2021	Growth 2023-2022
USA	1,957	1,453	996	35%
Germany	437	414	342	6%
China	338	364	378	-7%
UK	324	267	207	22%
India	320	300	143	8%
Sweden	147	135	126	9%



Sales channels

Nederman's customer offering encompasses everything from individual products, complete solutions, design, installation, and commissioning to service. Based on these, we established a sales model divided into three groups: products, solutions, and service and aftermarket.



Percentage of the group's sales 2023

SALES, SEKm	
2023	2,132
2019	1,536
Annual growth (ø)	+9%

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 2023

SALES, SEKm	
2023	2,912
2019	2,052
Annual growth (ø)	+9%

SOLUTIONS

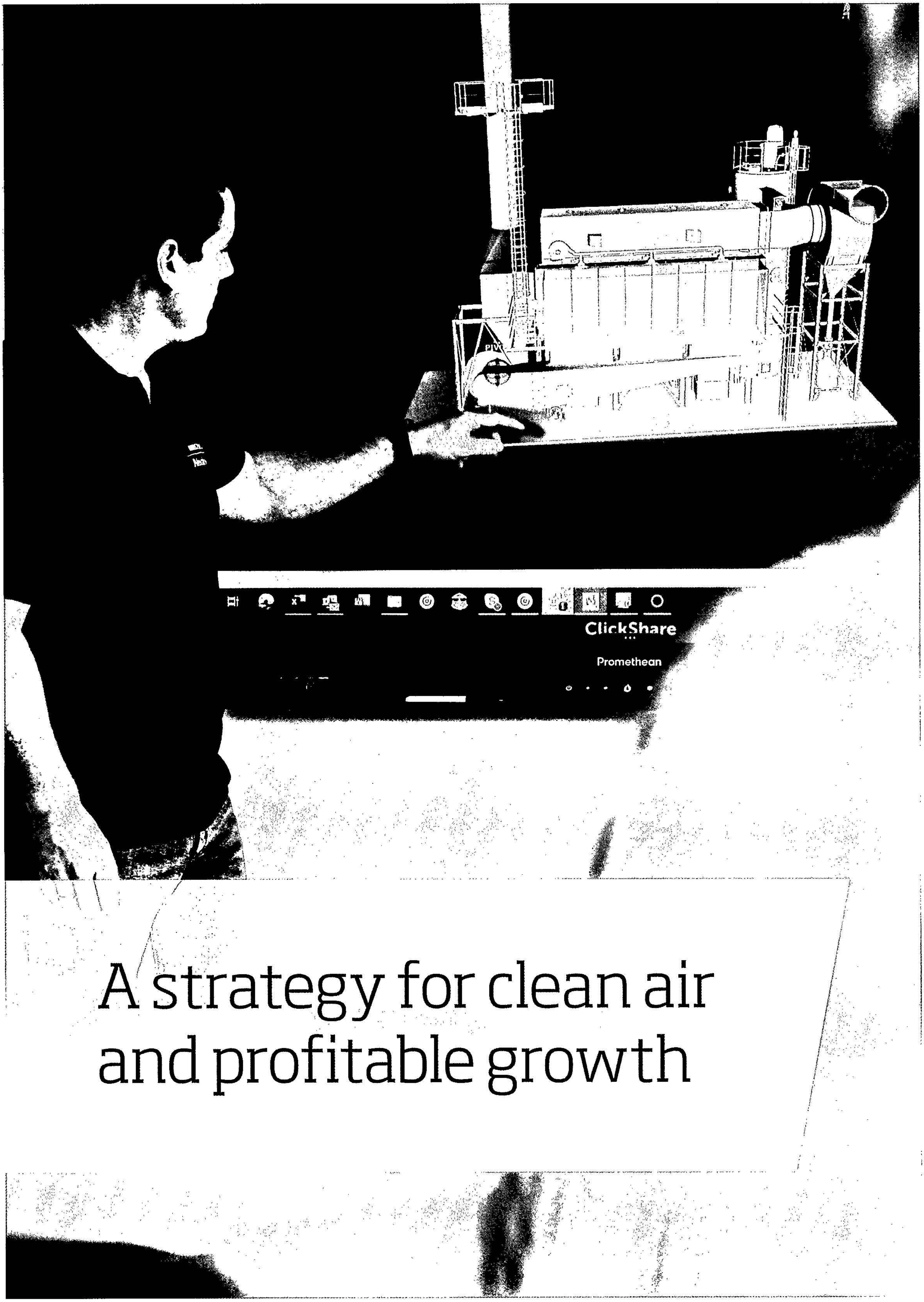
Resolve complex tasks. Individual standard products that are assembled together to form small, mid-sized systems, or large-scale system solutions. All sales are conducted through our own sales organisation.

Percentage of the group's sales 2023

SALES, SEKm	
2023	1,144
2019	720
Annual growth (ø)	+12%

SERVICE AND AFTERMARKET

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



A strategy for clean air and profitable growth

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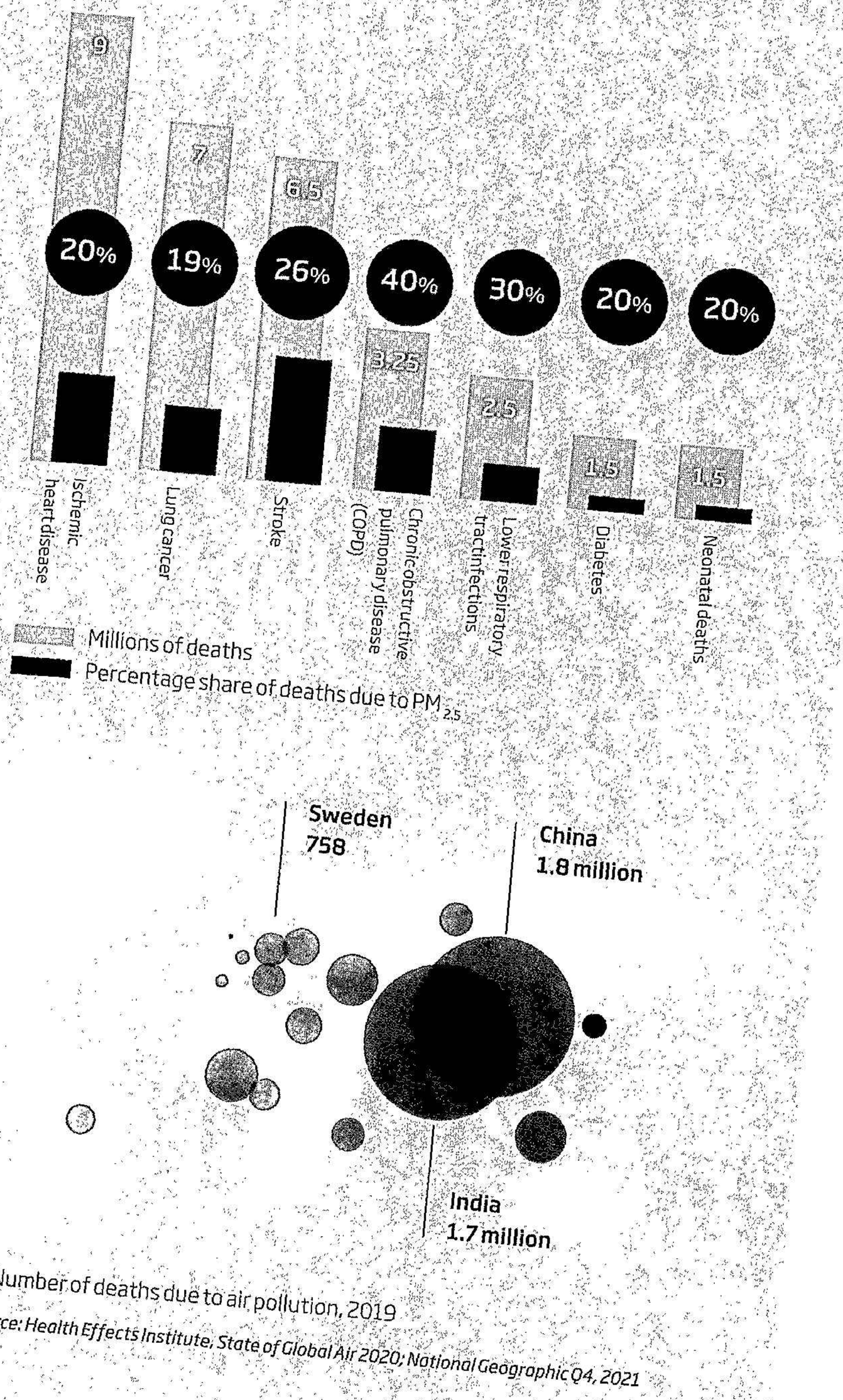
Health, energy and other drivers

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 is the driving force behind several initiatives to improve the situation, and is also helping to 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 PM2.5, meaning particles that are so small that they can pass through a human lung and thus have consequences that are damaging to health or 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.

Although the facts look gloomy, there are bright spots, and the demand and needs are increasing for environmental technology that solves the challenges faced by society and industry. China, the world's most populous country and historically one of the largest sources of emissions, is steadily introducing stricter regulations with significant improvements as a result. Since 1990, the EU's overall industrial production has increased by 65 percent. At the same time, industrial emissions to air have decreased. Intensified legislation, technical innovations and increased environmental awareness are some of the driving forces behind this. In parallel with tighter regulatory requirements, industry's own initiatives to ensure environmentally sound production, better use of resources and reduced energy consumption are pushing developments forward. Unabated emissions also often incur a cost for the emitter, which provides further incentives to make an active effort to promote cleaner production.

Within Nederman, we consider it our role to offer solutions and actively inform and exert an 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 and Nederman – with its advanced offering and strong global presence – commands a leading position to meet the world's increased focus and needs in the area.



Source: Health Effects Institute, State of Global Air 2020; National Geographic Q4, 2021

Strong, global trends drive demand for our solutions

- Digitalisation and technological development
- Increased consumer awareness
- Stricter environmental legislation
- Health and safety
- Environmental threats and resource shortages

An effective, green and high-tech business concept

Our business concept is built on offering products and solutions that combine the need for clean air to protect human health with industry's growing demand for efficiency improvements and productivity.

Nederman, with its roots in Sweden, is a leading player in the global market. We contribute daily to a better society by offering products, solutions and various types of service that protect the industrial production process itself and the people who participate in it or are affected by it. With 80 years' experience of continuous product and service development, we contribute actively to the transformation towards a more sustainable and resource-efficient society.

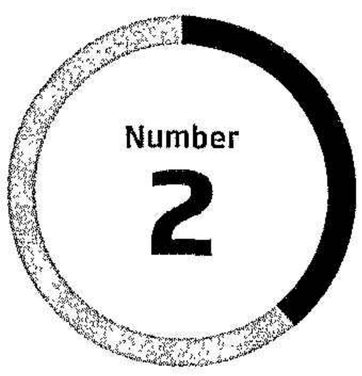
Today, Nederman is represented in all major industrial markets. The growing need for more efficient industrial production and reduced emissions makes us increasingly relevant. Continuous product development, in which we make maximum use of digital developments, combined with regular acquisitions, means that we are now stronger and closer to our customers than ever before.

Strong sales, stable finances, product development and cost-efficient production make it possible for us to offer our customers optimised industrial air filtration and future-proof production with higher profitability. And greater value for our shareholders.

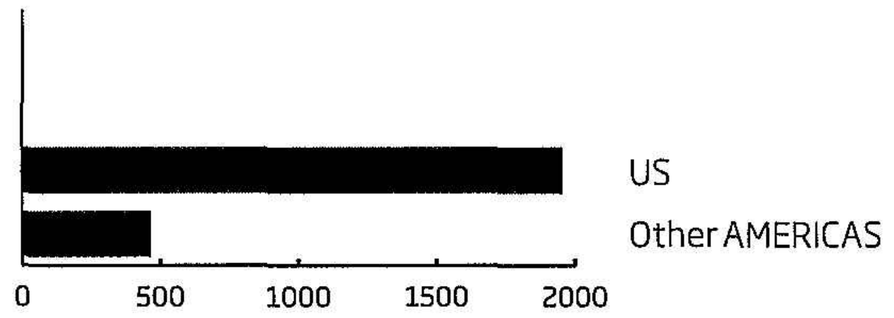
STRATEGY - ADVANCE & CONNECT

Nederman has evolved from a strongly product-based engineering company to a solution-based environmental technology company. Our strategy focuses on five areas aimed at achieving global market leadership. Through the optimisation and development of our strengths, by which we integrate digital technology and new opportunities using our existing product offering, we can strengthen our core operations, increase our markets share and continue our growth. We utilise existing competence and our offering to expand into new markets, develop new end-to-end solutions and strengthen our service offering in line with our vision of Clean Air as a Service.

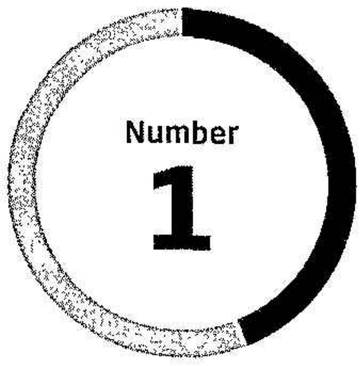
Strong positions in all important markets



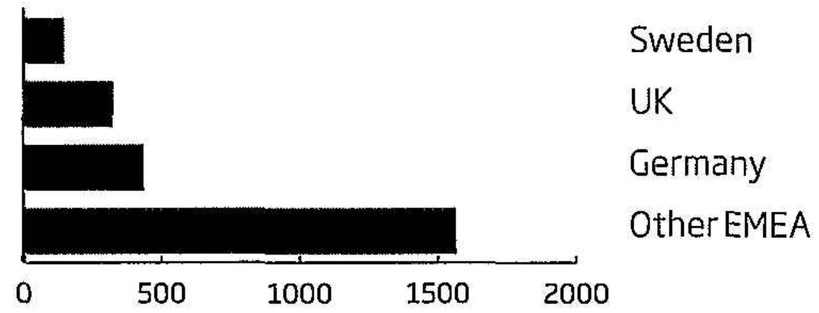
AMERICAS
39%
of group sales 2023



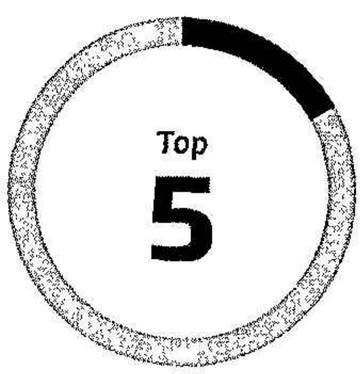
Sales per main markets, SEKm



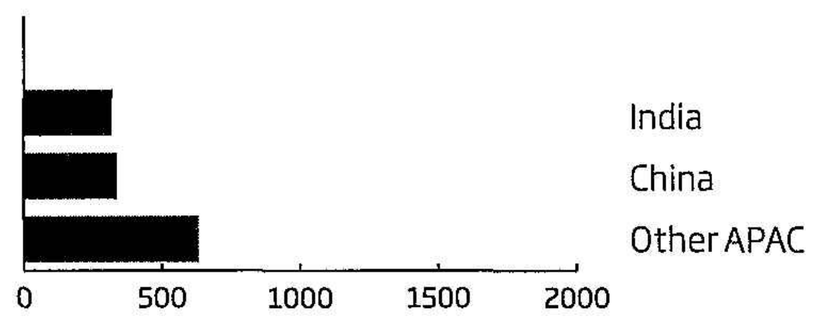
EMEA
44%
of group sales 2023



Sales per main markets, SEKm

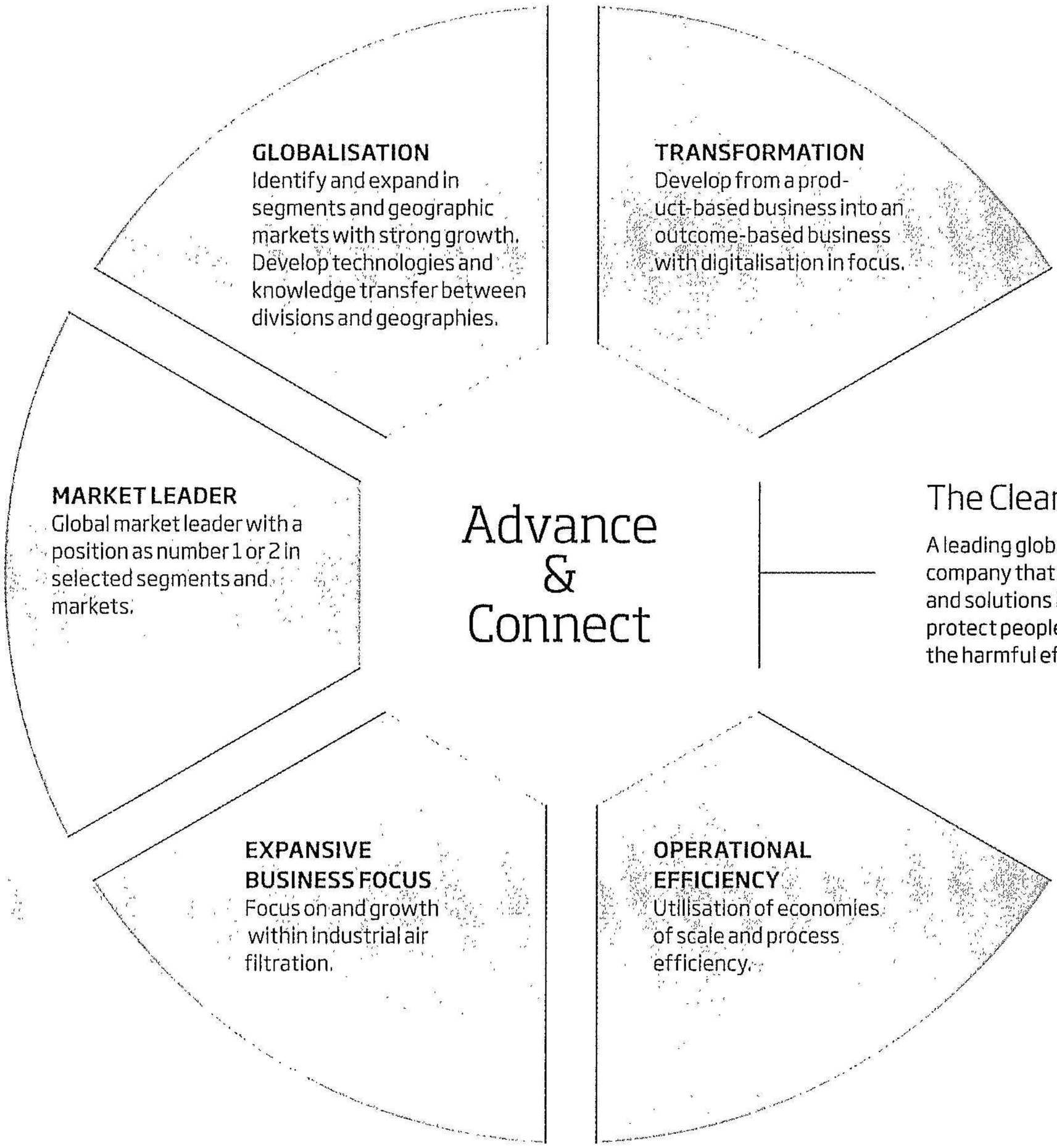


APAC
17%
of group sales 2023



Sales per main markets, SEKm

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The Clean Air Company

A leading global environmental technology company that provides products, services and solutions in industrial air filtration to protect people, planet and production from the harmful effects of industrial processes.

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

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

An environmental technology company that delivers more than clean air

The world's production industry is undergoing a transformation. The driving forces are the need for a more environmentally adapted process with long-term sustainability in focus, but also increased global competition that makes demands on cost-effectiveness. Industry 4.0 opens up opportunities for Nederman.

INTEGRATED SUPPORT PROCESSES

Air filtration, together with heating, is an important and necessary support process within industry. Industry 4.0 is largely based on an efficient and integrated production flow, in which support systems are now increasingly being integrated. As a result, air filtration, and thus Nederman, are playing a more important role in the decision-making process ahead of new establishments or redevelopment of existing production plants. This increases the opportunities for us to bring the latest technology to market at a early stage.

DIGITALISATION THE NEW NORMAL

The prerequisite for being able to leverage the potential of Industry 4.0 is digitalisation. Analogue products do not provide the possibility of integration into a general control system and, accordingly, cannot provide the data for operational optimisation or function in combination with, for example, an advanced heat recovery system.

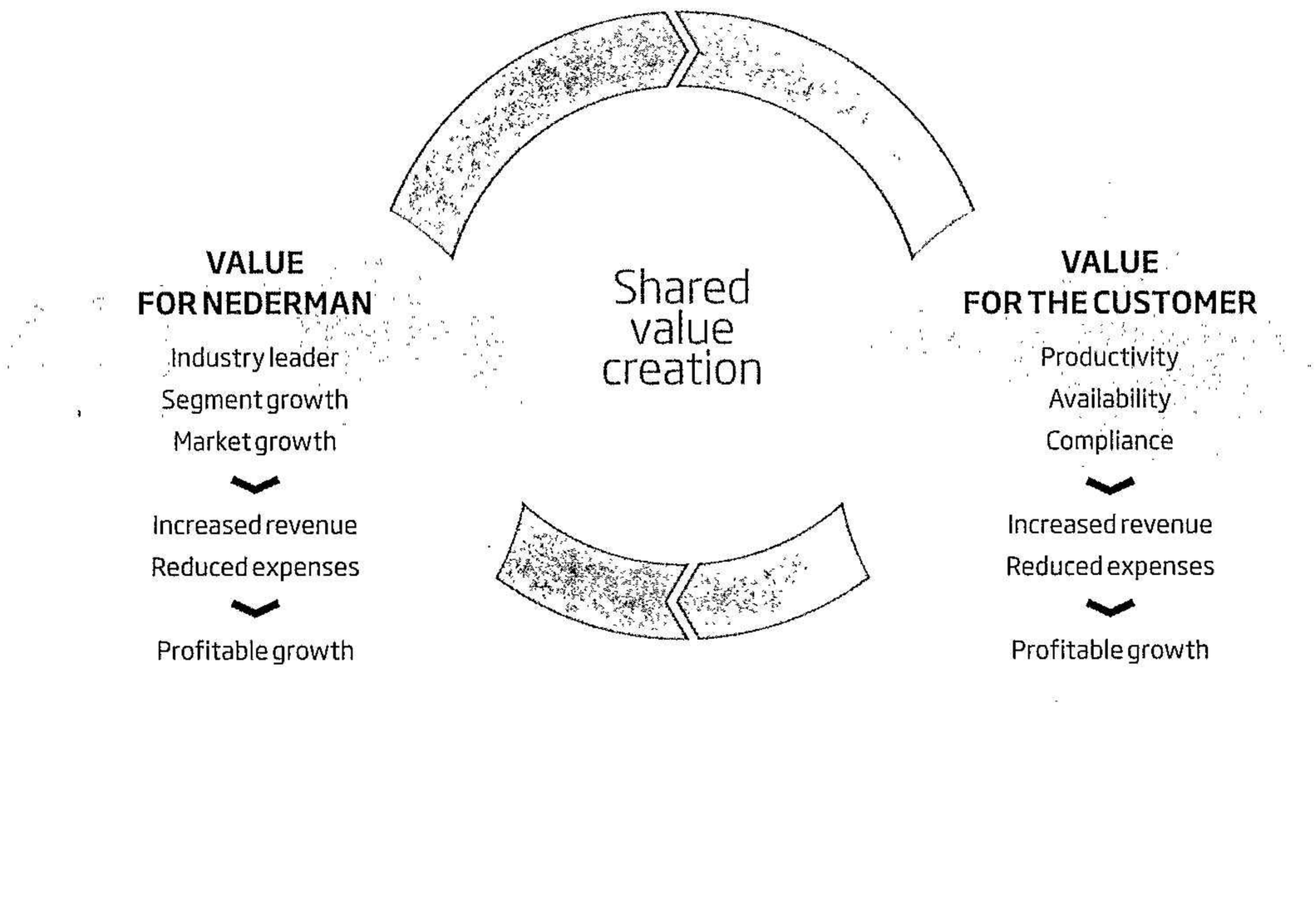
SERVICIFICATION A KEYWORD

Digitalisation also offers the possibility of connecting hardware and software. Accordingly, a new market is being opened for various types of services for control, optimisation, maintenance and service. Increased servicification is a key component as producers focus even more intensely on their core operations and seek external collaboration to manage other processes. Air filtration is a specialist area in which customers often lack the required competence and Nederman is one of few suppliers that can meet the customers' entire list of demands locally and with global solutions.

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 capturing market share is to utilise the existing competence and offering and 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.



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NEDERMAN CLEAN AIR CONCEPT

Nederman offers everything from individual components to the market's most energy-efficient and process-optimised air filtration systems. Product development has always been high on the agenda and today, the pace of development is rapid. Increasing the level of intelligence is the key to market needs and provides a guarantee that our offering remains the most relevant.

Nederman Clean Air Concept is the market's first complete service concept for industrial air filtration. The model revolves around existing and well-tested products, as well as the Nederman Insight IoT platform developed in recent years, and is based on the completely decisive possibility of being able to measure and collect data from the customer's process. Based on this knowledge, we then have the opportunity – in an integrated flow – to:

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

In principle, the process is generic, but features decisive customer-specific solutions 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 and builds on a process with four clear steps:

Removal

Clean air begins with the capture, transport and filtration of polluted air. Here, and throughout the subsequent air filtration chain, Nederman's products make a decisive difference.

Optimise

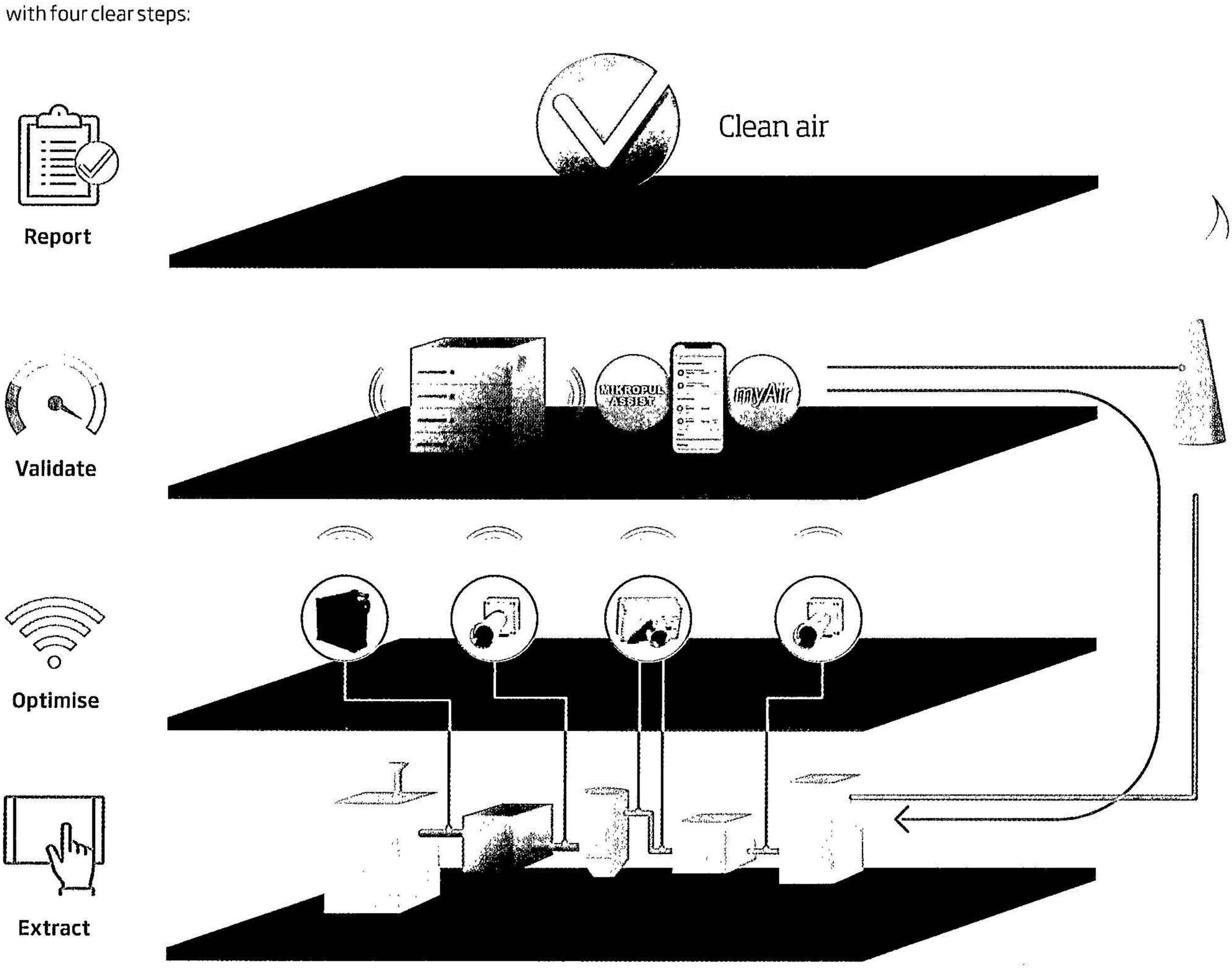
Measuring equipment, sensors and other equipment for real-time monitoring and collection of digital facts are central to measuring air quality and for monitoring and optimising the process. Solutions are available for monitoring and control, both on-site and online.

Validate

Nederman Insight is the hub of our digital offering and stores, processes and validates all data collected. It processes current information for direct action, but at the same time, provides the customer with a history that offers in-depth possibilities for evaluation and process optimisation.

Report

Digital filtration facts and Nederman Insight not only enable real-time reporting, but also entail significant costs savings for collection, documentation and reporting internally and to government agencies.





Nederman delivers business value and increased sustainability

CLEAN AIR AND REDUCED ENVIRONMENTAL IMPACT
Indoor and outdoor air pollution is estimated to contribute to approximately 7 million premature deaths each year. This corresponds to nearly 12 percent of all deaths globally. Nederman contributes to more sustainable development through its solutions and expertise, and assists customers in creating more sustainable production and achieving their sustainability goals.

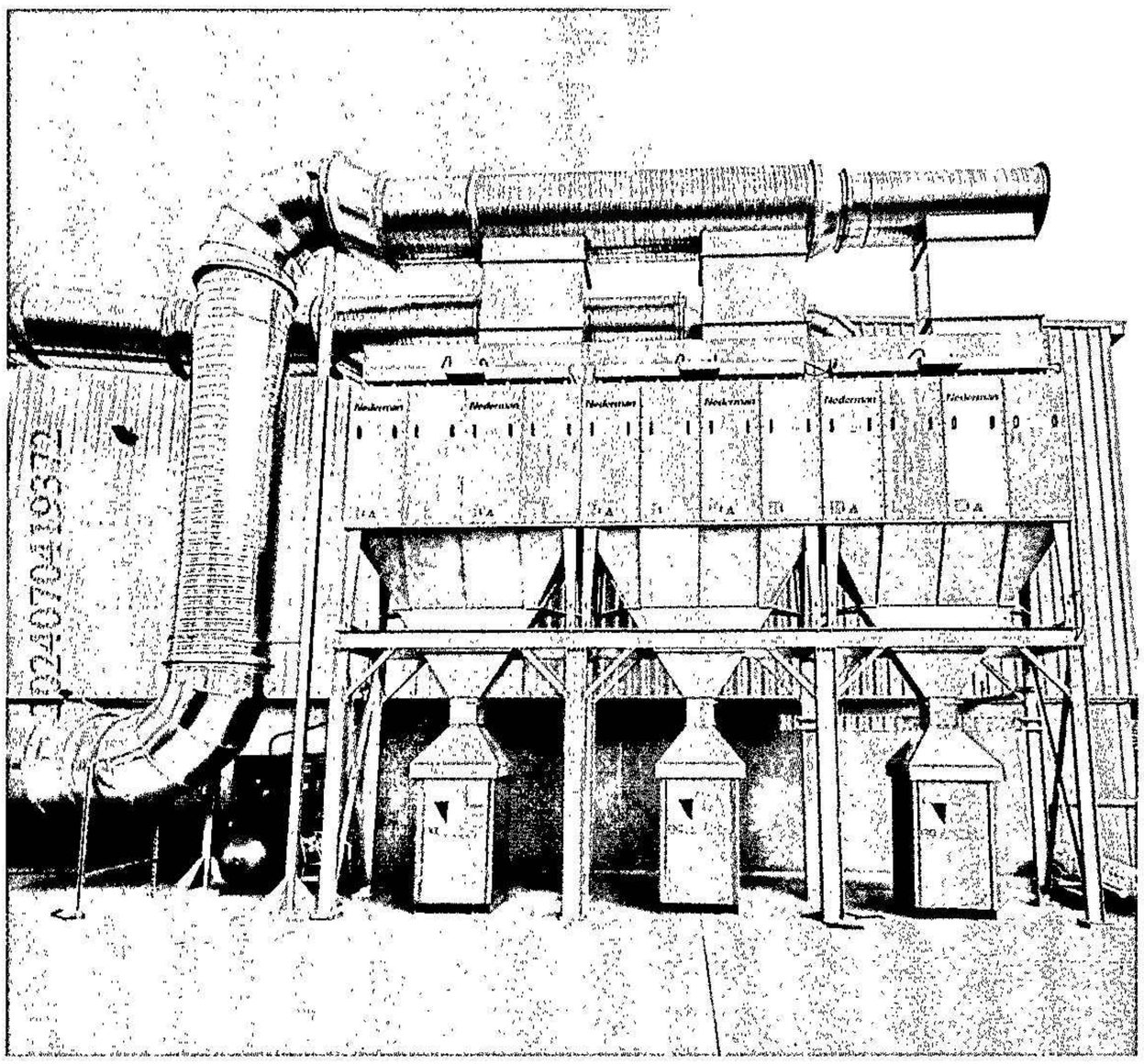
ENERGY EFFICIENCY
Energy efficiency is largely generated through technical development. In Sweden, industry accounts for approximately one third of total energy consumption and a significant share comprises various support processes, of which air filtration is one. Increased digitalisation and automation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

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

BETTER HEALTH - LOWER HEALTHCARE COSTS
Studies demonstrate a connection between air pollution and certain diseases, and with a growing and ageing population, society's healthcare costs are becoming a heavy burden. Improved control and filtration of industry's emissions to air contribute to improving health and reducing the burden on healthcare.

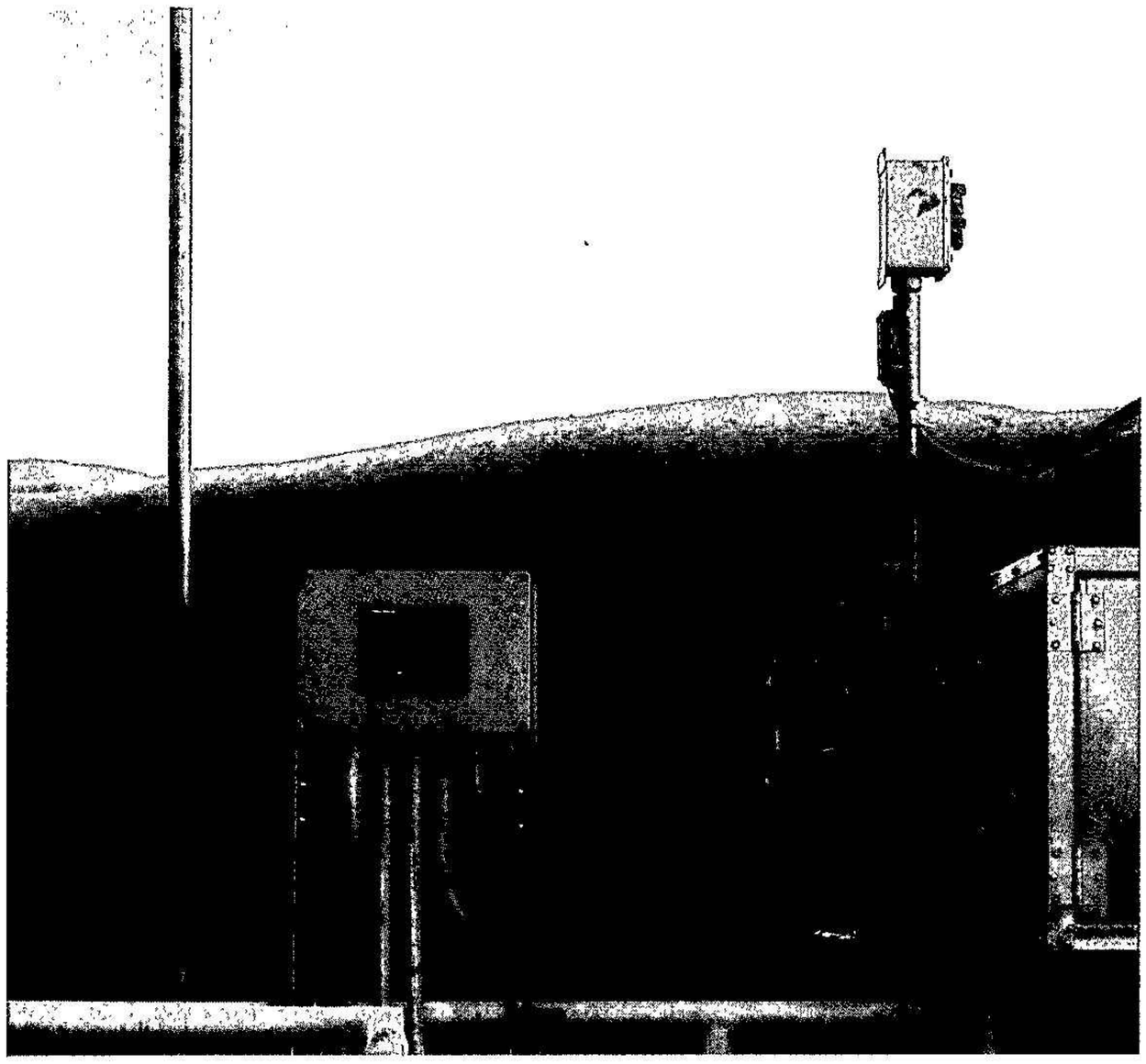
LEGAL AND REGULATORY COMPLIANCE
Stricter environmental legislation gives rise to an increased need to ensure that industrial production complies in all respects with regulatory requirements. Nederman's competence within filtration, digital monitoring and data collection ensures compliance with legislation and regulations and provides cost-effective real-time monitoring, documentation and reporting to government agencies.

INCREASED MATERIALS RECYCLING
To ensure a sustainable global economy moving forward, a shift towards a more circular economy is required involving effective resource management. New air filtration technology enables increased recycling of, for example, metal shavings, wood fibre and paper fibre, which reduces the need for the introduction of new material.



Safe recycling of batteries

Fewer than 4 percent of household batteries are currently recycled in Australia. ReSource, a recycling company based in Melbourne, wanted to change this. The goal was to offer a safe and more sustainable solution for battery waste. Accordingly, at the beginning of 2023, Nederman's MCP SmartFilter was installed at its new recycling plant in Victoria. The filter effectively captures volatile compounds and airborne heavy metals from electronic scrap and thereby ensures compliance with environmental standards. Using Nederman's unique monitoring technology, Insight Analytics, the company was able to check filtration performance, reduce its costs and maximise the lifetime of the filter cartridges. Together with the MCP SmartFilter, this resulted in effective and more sustainable recycling of electronic scrap.

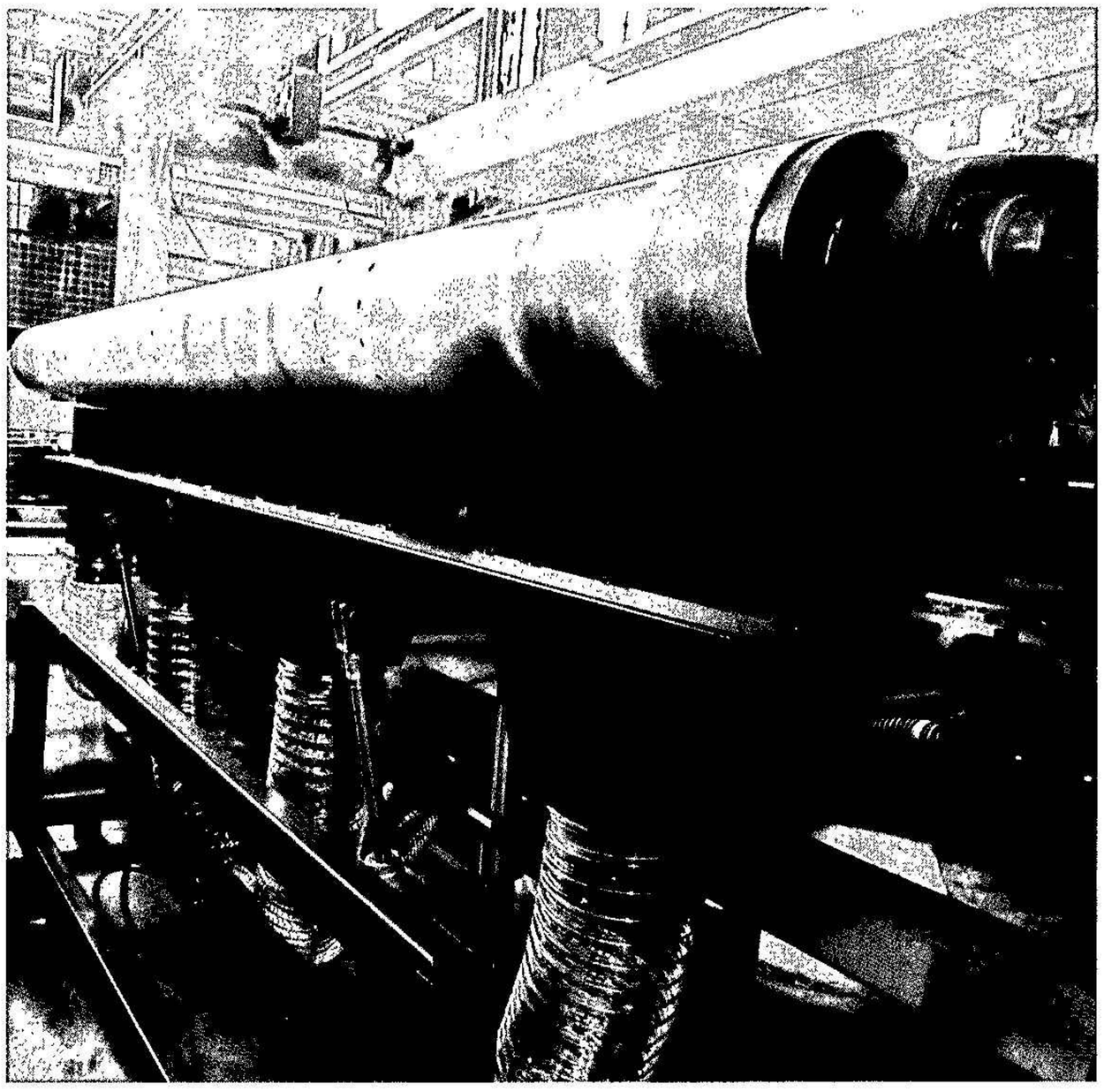


Smart monitoring in the aerospace industry

Auburn FilterSense supplied particulate emissions monitors and Insight software to a leading manufacturer of aircraft engine parts. Initially, this solution was installed at a plant in 2020, which was then extended in 2023 to another three plants, with a total of 89 monitoring points. The installation involves intelligent and improved monitoring of filter systems, improves the overall plant operations and ensures regulatory compliance. The system generates messages based on specific conditions, automated reporting and warnings for preventive maintenance.

Efficient production of particle board

Orma is a leading Turkish manufacturer of high-quality particle boards. The company is known for using residual wood from Turkish forest areas under the sustainability principle of "Respect for the tree." In conjunction with the introduction of a new, more sustainable production method in 2023, the company faced efficiency challenges due to the wood dust in their melamine press lines. To resolve this, a customised Nederman MCP SmartFilter system was installed. This yielded improvements in the form of a 73-percent reduction in the number of operational stoppages, higher efficiency, lower energy consumption and improved workforce safety.



Intelligent product innovations – the basis for new business concepts

Automation, digitalisation and connection are the starting points when we develop the next generation of our range of solutions. The filtration of industrial air flows gains a completely new meaning, focusing on a turnkey approach and creating completely new business concepts.

HIGH DEGREE OF INTELLIGENCE

In recent decades, the need for clean air in industry has focused on more effective filtration, with Nederman at the forefront of the development of digital filters. In parallel, Nederman has gradually built up expertise in the area of measurement and process control, with a broad portfolio of hardware and software products characterised by a high degree of intelligence, often featuring innovative and unique technologies. On top of this, the company offers service that increase availability and know-how.

NEDERMAN INSIGHT – HUB FOR DATA-DRIVEN EFFICIENCY

Digitalisation has also led to greater opportunities to monitor and control operation and improve the possibilities for proactive service and maintenance. The need for increased availability, energy optimisation, improved use of resources, recycling, etc., is now paving the way for data-driven efficiency. The Nederman Insight IoT platform connects all available process information and handles large amounts of data for process optimisation in real time, resulting in significant efficiency gains. Insight also stores historical data. With growing amounts of data, the potential increases dramatically, giving the user, and Nederman, unique decision-making documentation for optimisation and configuration of new systems and processes.

BASIC BUSINESS PROVIDES SIZE AND EXPERIENCE

A broad programme of products and components currently marketed via the company's own and external sales channels forms the basis for Nederman's sales. We have, for example, the market's largest range of products and solutions for separation and filtration of dust and particles, welding fumes, oil mist, gas and explosive dust. Efforts are primarily focused on a number of industrial segments – such as metalworking, fibre-based industry and energy production – with a potential major environmental impact. All development of new products and services occurs with a focus on increased productivity and an improved air environment.

KNOWLEDGE TRANSFER TO NEW INDUSTRIES

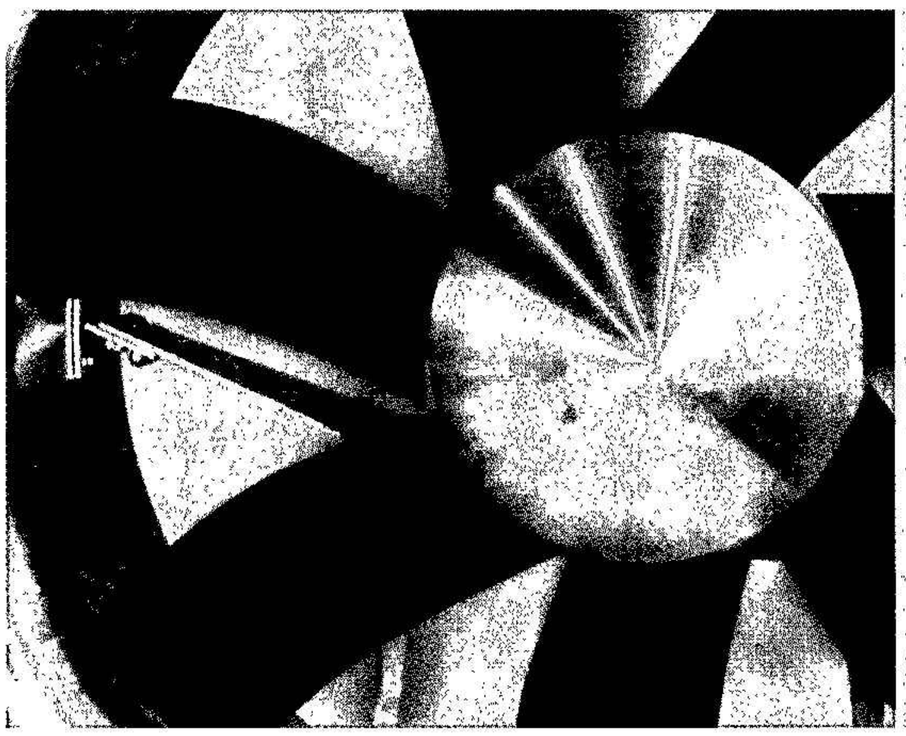
New segments, trends and needs arise when changed consumption patterns and technology development lead to a need for customisation to meet sustainability requirements from consumers, society and investors. Based on our broad product range and long experience, we have the possibility to rapidly develop new applications and thus create new positions. The added value we offer also increases as the applications become more complex, which requires experience and engineering know-how. Characteristics that often work to Nederman's advantage and are the basis of our ability to rapidly adapt existing products and services to new industries and applications. Waste-to-energy, battery production and wind power are some examples of industries in which Nederman has rapidly expanded and achieved major sales successes.

DIGITAL FILTER SYSTEMS THE NEW NORM

Filtration is the central component in an industrial air filtration system. Each year, Nederman sells and installs a four-figure number of stationary filter systems and after their launch in 2019, the share of IoT-ready systems grew from few units to 70 percent of sales in 2023.

DEGREE OF SERVICE INCREASES IN VALUE

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 continuously developing new, often industry-specific applications. This sales trend continued in 2023 and is expected to accelerate in the years to come.



Energy-efficient fans for more sustainable textile production

Considering that the industrial sector accounts for approximately 24 percent of total global greenhouse gas emissions, energy savings in the textile industry are highly relevant. During 2023, the Process Technology division and Luwa introduced their new axial flow fan with carbon fibre blades for textile plants. Carbon fibre blades are known for their light weight but also high strength, providing optimal performance in an air conditioning system. Accordingly, the new fan helps to maximise the efficiency of textile manufacturing throughout the world, provides a healthier work environment and reduces greenhouse gas emissions.

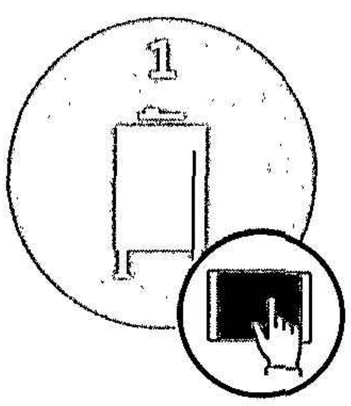
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Future-proof market offering – Clean Air as a Service

With a clear acquisition strategy and intensive product development, we now have the opportunity to control and optimise industry's air flows with a high level of efficiency, thereby creating new business models. When we can fully measure and control the customers' air filtration process, we can also offer operation, service and maintenance as an integrated service. "Clean air" as a subscription service.

Smart filters

Product-based offering



Control systems

Smart connected filters

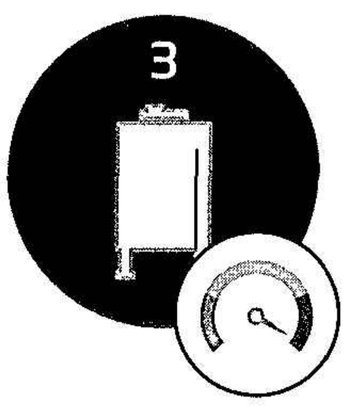
Solution-based offering



Connectivity & Service commitment

Filtration as a service

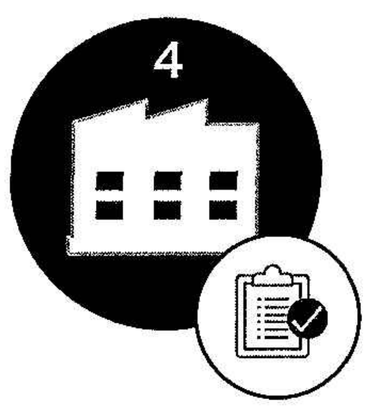
Function-based offering



Uptime commitment

Clean air as a service

Results-based offering



Compliance agreement

Structured product development builds unique technology portfolio

Nederman is continuing to increase and develop its digitalised range with a higher proportion of connected filters, connected system optimisation and new sales, as well as 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.

FILTRATION

SmartFilter
IoT-ready stationary filters

Service agreements
myAir, MikroPul-Assist

Nederman SAVE
energy optimisation for filter systems

PROCESS OPTIMISATION

Process control for industry

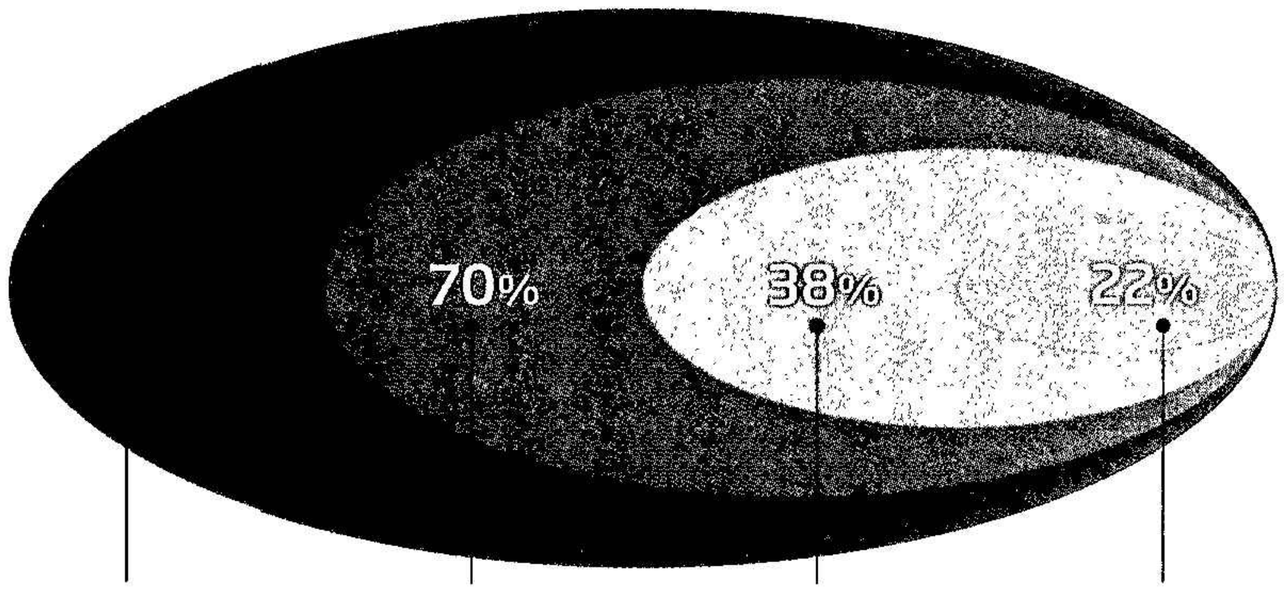
Process control for the textile industry
Luwa Digi Control 7

MONITORING

Nederman Insight
IoT platform

Emission control

Particle monitoring



Sold Nederman stationary filters

Share that is Nederman IoT-ready*

Share with Nederman Insight subscription**

Share with Insight subscription and service agreements***

Goal 2023

100%

Outcome

70%

* *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.

Market-oriented expansion with continued acquisition focus

Nederman is a leading global environmental technology company and growth is created in current market segments and by using the existing expertise and offering to expand into new areas. In addition, acquisition is a key part of the growth strategy.

Nederman's industry is global, but most players are focused on an individual geography, application or technology. Strong positions in all of our markets are a decisive advantage for us. The goal is to become number one or two in selected segments and geographies. Delivering end-to-end solutions and the latest technologies is becoming increasingly important for customers who require global contracts.

MEETS CUSTOMER NEEDS

Nederman possesses unique competence that meets the market's increased focus on and need for industrial air filtration as well as specific customer needs in relation to, for example, explosive dust, energy savings, system optimisation, secure operation, follow-up and reporting. Accordingly, we prioritise profitable growth where the guiding principles are high-quality product development and digitalisation. At the same time, the company's existing competence and offering are used to expand within new strategic growth segments. In recent years, organic expansion was achieved in new market segments, such as battery manufacturing, the defence industry, waste management and, in particular, industries related to renewable energy production.

LARGER MARKET

Increased sales and utilisation of expertise between the divisions is a key part of the company's organic growth strategy. As we broaden our product range, developing new digital services and expanding our international presence, we gain access to a larger market. The market for the segments that Nederman addresses today has an estimated size of approximately EUR 5 billion, with Nederman's share estimated at approximately 10 percent.

ACQUISITION STRATEGY

Several of the acquisitions in recent years were made in areas of technology that we deem to be strategic for our continued structural work towards the vision of Clean Air as a Service. The technologies often comprise components in major system deliveries, but are also sold as stand-alone products. In conjunction with the acquisitions, the acquired company's product portfolio is reviewed, which can sometimes lead to the discontinuation of some products or services. The continued integration focuses on globalising the offering and making the technologies available in all relevant markets and business segments, as well as developing associated service and support offerings. Acquisitions are also made to complement Nederman in individual geographic markets or in expansive product areas.

TRADEMARKS AND GROWTH

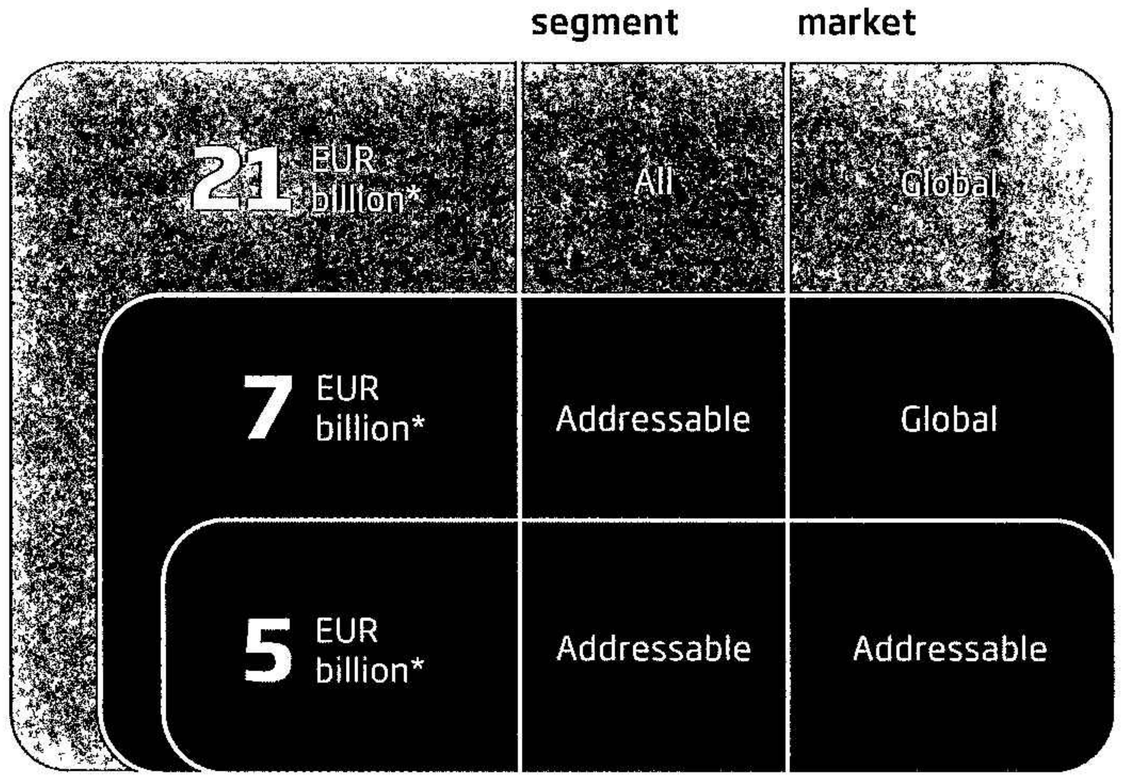
Nederman addresses the market with a strong portfolio of trademarks. Each individual trademark is to give the group a lead in a well-defined product area, technology or market segment. The management of acquired businesses' brands is determined on a case-by-case basis, and is continuously evaluated using a clear methodology where integration of each brand is the desired outcome.

Market definitions and estimated sizes

☐ **Total market**
Global market for products and services in industrial air filtration.

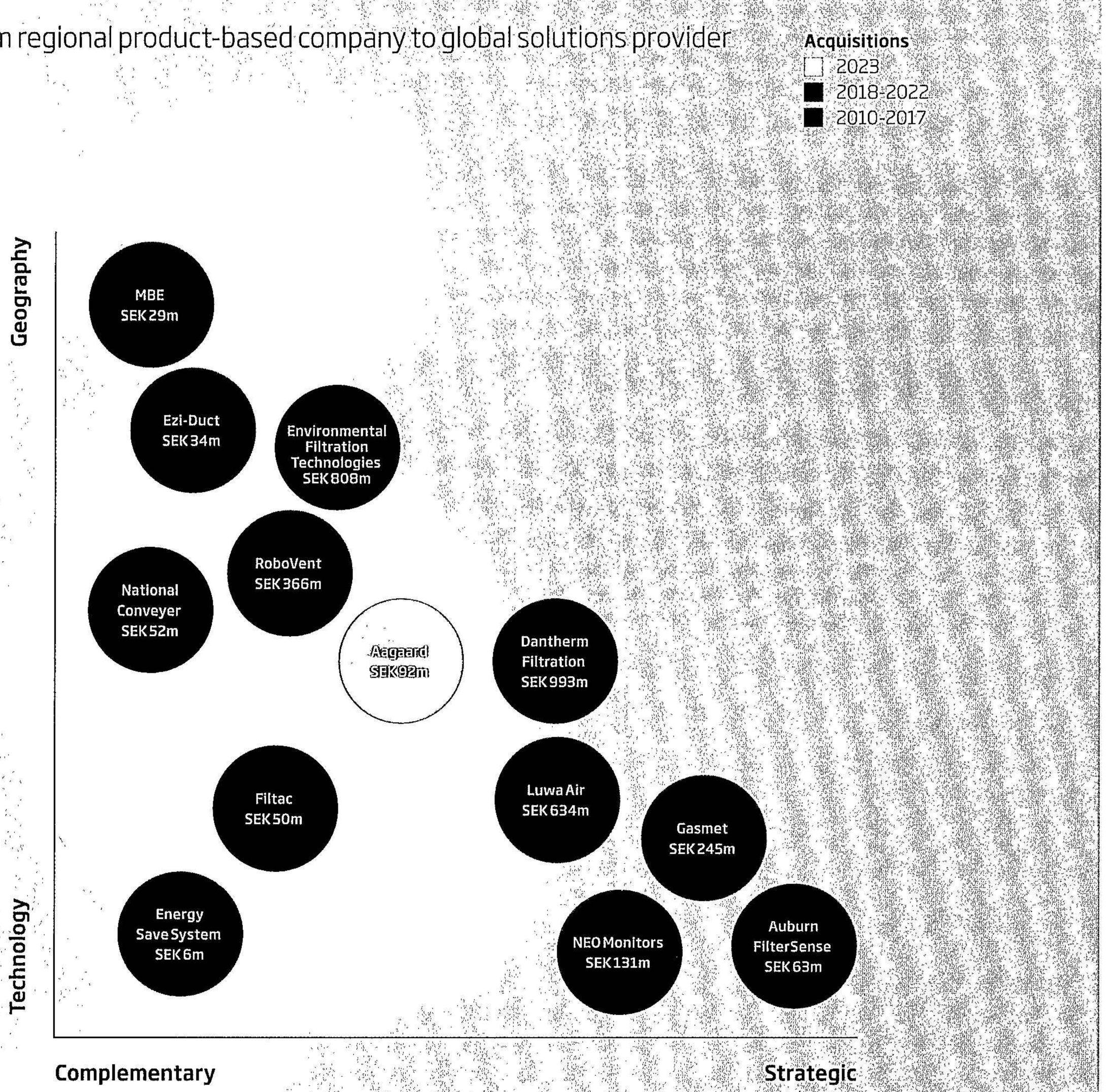
■ **Total addressable market**
Total market for products and services in Nederman's current segments.

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



**Estimated market value 2019, internal calculations*

From regional product-based company to global solutions provider



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ACQUISITIONS 2022-2023

Aagaard
Danish Aagaard A/S, which was acquired in 2023, has a strong market position and develops, produces and mounts complete turnkey systems for the woodworking and furniture manufacturing industry globally. The acquisition strengthens Nederman's position in the woodworking segment in the European market.

MBE
For more than 35 years, MBE AG – which was acquired in 2022 – has sold gas measurement instruments and services for gas detection technology and continuous monitoring of liquid processes to the Swiss market. Through this acquisition, Nederman has strengthened its presence and sales in Switzerland and Europe.

RoboVent
RoboVent Ltd, which was acquired in 2022, is the North American market leader in air filtration technology and control solutions for industrial fume, dust and oil mist control applications. With this acquisition, Nederman has strengthened its position in North America and has become the leader in industrial air filtration in the welding segment.

EZI-Duct Pty
Australian company Ezi-Duct Pty Ltd, which was acquired in 2022, manufactures and supplies ducting, fume extraction and industrial air filtration equipment. With this acquisition, Nederman has strengthened its position and its product range in the Australian market. Ezi-Duct's products and services are now sold under the Nordfab brand.

SIGNIFICANT MARKET AND GROWTH 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.

GROWTH IN NEW INDUSTRIES WITH EXISTING OFFERING

The need for clean air and to protect people, planet and production, and the requirements in these areas, are universal for all manufacturing industries. New demands for sustainable development are increasing growth and driving the emergence of new industrial segments. This, combined with strong global megatrends, strengthens Nederman's market and growth potential, with expansion taking place by using existing expertise and technical solutions for new areas. The expansion we have seen in recent years in industries with structural growth is expected to continue.

Incineration, Waste-to-energy

The amount of waste is continuing to increase steadily worldwide and is placing demands on 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.

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 manufacturing 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.

Wind power

Wind power is making strong progress 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.

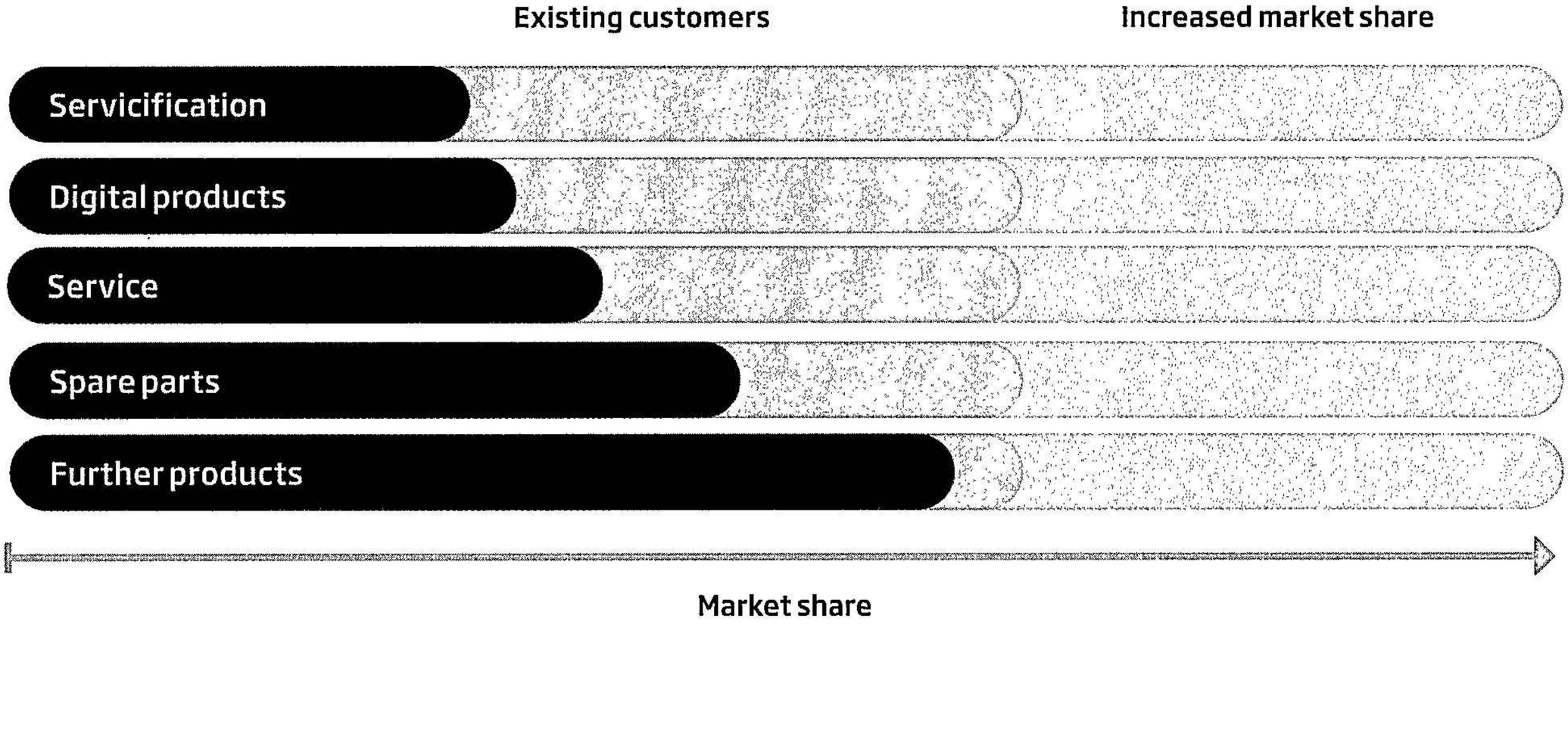
Hydrogen

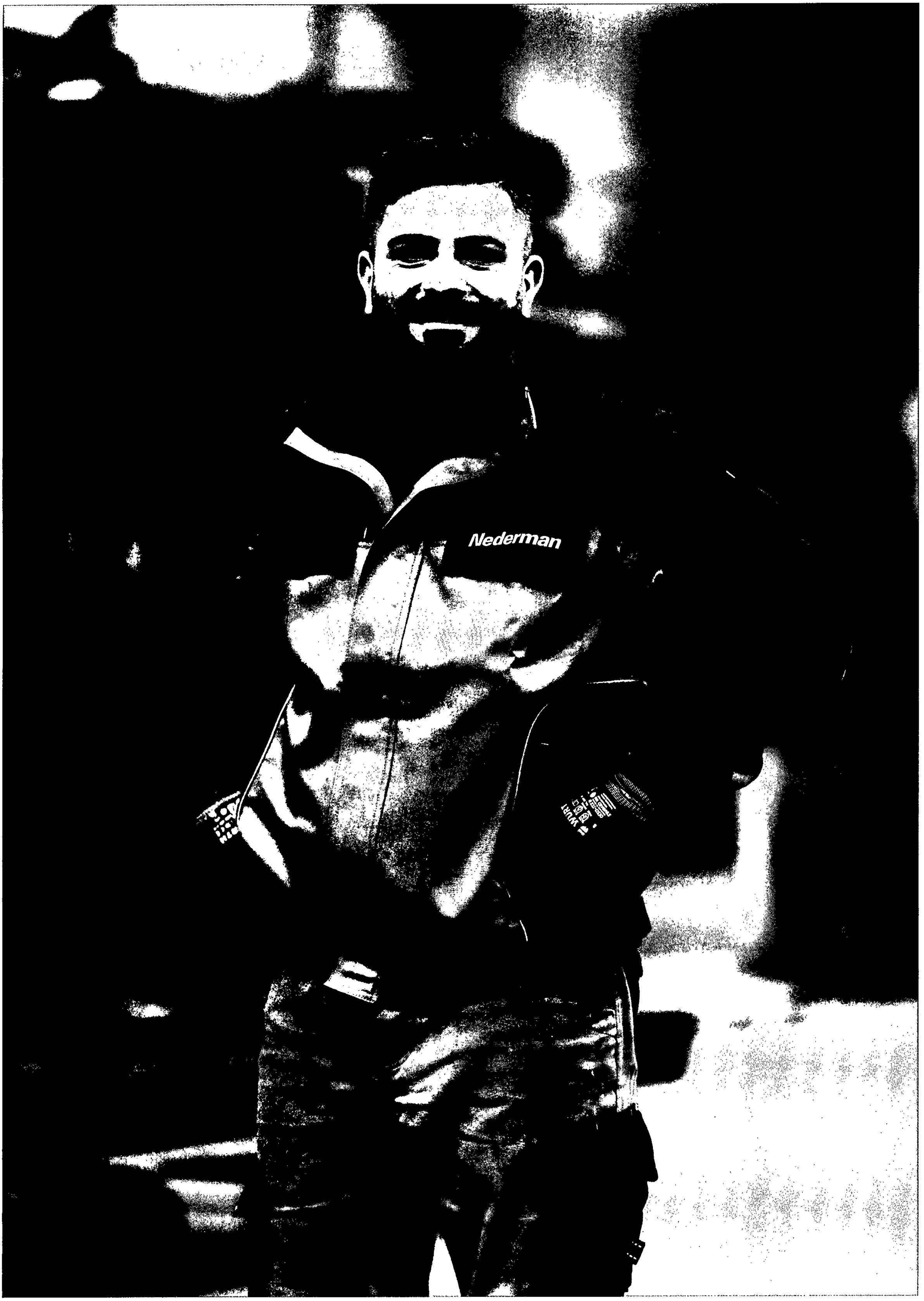
The hydrogen industry and hydrogen production is a growing future sector for clean energy to be used in many areas. In conjunction with hydrogen production, there is a need for filtration, process monitoring and recycling of the residual product carbon powder (carbon black).

Recycling

The recycling industry is a growing segment and central to sustainable development the world over. Nederman's expertise facilitates increased recycling of, for example, metal shavings, wood fibre and paper fibre in the production industry and where the specific recycling industry also imposes requirements on effective air filtration and monitoring.

Expansion within existing customers and industries




Nederman

Full focus on the USA

Nederman's strategy is to become the leader in selected markets. The journey has gone from Sweden, to Europe and then on out into the world to markets where the need and demand for industrial air filtration solutions is strong in the long term. One such market is the USA, where we have accelerated our growth ambitions in recent years in all four divisions. This is also a market with healthy industrial growth, driven by major public investments and strong domestic industry trends, among other factors.

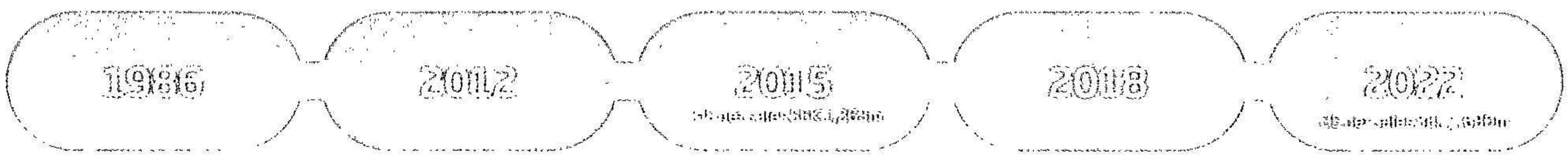
At the end of the 1980s, Nederman began to sell products in the US market via local distributors. In 2005, the first direct investments were made in the region through the establishment of a small manufacturing and logistics unit in Canada, which was then moved to Charlotte in the US in 2011.

Initially for Nederman, the North American market was of low priority and activities in the region were primarily intended to support the international expansion of European customers. It was not until 2012 that there was a change in this strategy when Environmental Filtration Technologies (EFT) was acquired. EFT, one of the leading companies in the US in industrial air filtration, owned the MikroPul, Menardi, Filtrex, LCI and Pneumafil brands, several of which have strong market positions today. The operations were located in Charlotte, North Carolina, which is now a hub for Nederman's activities in the US and the entire Americas region. With the acquisition of EFT, Nederman's sales in the US increased to nearly SEK 900m. Through organic growth and the acquisition of National Conveyors in 2015, Auburn Filtersense in 2018 and RoboVent in 2022, sales in the US continued to increase rapidly to nearly SEK 2.2 billion in 2023. In terms of sales, the US is the single largest country for Nederman.

For some time now, there has been clear growth in the US in, for example, the automotive, construction, wood, energy and metal industries, resulting in higher demand for our products and solutions. In the wake of strong domestic demand and political intentions, US companies are increasingly taking home production that was previously outsourced to Asia and this is contributing to the higher industrial activity. In addition, there has been strong expansion in industries connected with the green transition, with the US holding a leading global position in certain segments. This further increases demand for Nederman's solutions, such as in battery manufacturing, renewable energy and recycling. In addition, the need for industrial air filtration has increased considerably in such sectors as defence, food and, in particular, chemicals, where there is rapid progress towards sustainable production. In particular, GDP growth in the US and its neighbouring countries has been significantly higher than in Europe in the past decade.

Nederman's operations in the US are currently represented by all divisions, with their own sales companies that manage product sales and service. In addition, there are regional organisations that work with project sales of customised systems, which requires a high level of expertise and significant resources. Nederman has its own manufacturing in the country, which is a central feature of our strategy to ensure quality and supply of the largest product categories to customers and thus achieve competitive advantages. Sales companies are also located in Canada, Mexico and Brazil. Mexico, in particular, with its strategic location on the border to the US and major investments in industry, has good potential and Nederman is taking a long-term approach there to strengthen its position.

Our divisions have performed strongly in the US and other parts of the Americas in recent years and it is in this market that we have made the largest investments and progress throughout Nederman. The Duct & Filter Technology division has become an important supplier to manufacturers of lithium ion batteries, a significant and rapidly growing segment in the US, and has also established relationships with leading players in the defence sector. Growing in the US is a central part of Process & Technology's globalisation strategy and the division has secured several major orders in metal recycling and in the energy sector. 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. Nederman Extraction & Filtration Technology, our largest division, became even bigger in 2022 following the acquisition of RoboVent, which resulted in Nederman becoming the leading player in industrial air filtration in the welding segment in the US. For all divisions, continued growth in the US and Americas is a prioritised component of the strategy, through organic growth and acquisitions. During 2023, Nederman's sales in the US grew by 36 percent.



1986 – Establishment of Nederman LLC, a sales office in Detroit that served the market together with distributors.

2012 – Acquisition of Environmental Filtration Technologies (EFT), one of the leading industrial air filtration companies in the US.

2015 – Acquisition of National Conveyor Company, active in the US within solutions in, for example, metalworking.

2018 – Acquisition of Auburn Filtersense, an American world-leading supplier of such products as particle emission measurement devices.

2022 – Acquisition of RoboVent, the foremost player in the US in industrial air filtration in the welding segment.

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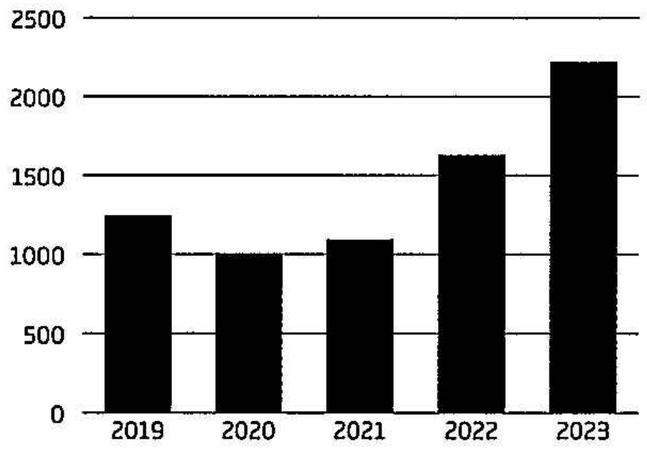
Market position

#1

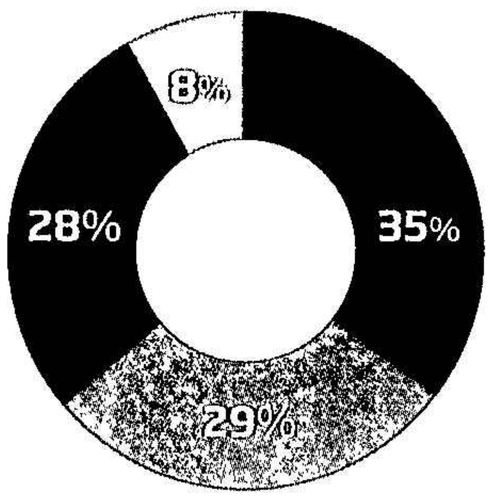
Share of group employees

23%

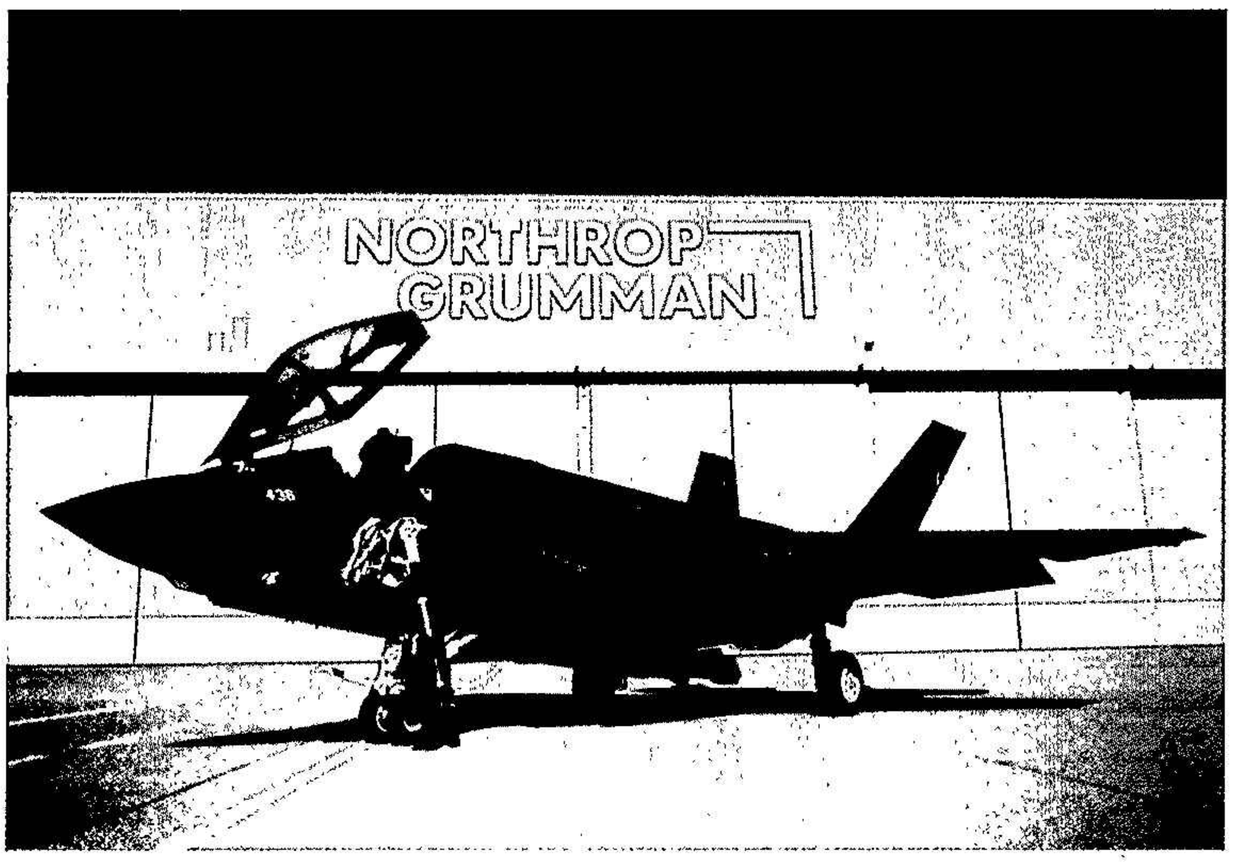
Net sales, SEKm



Net sales per division



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

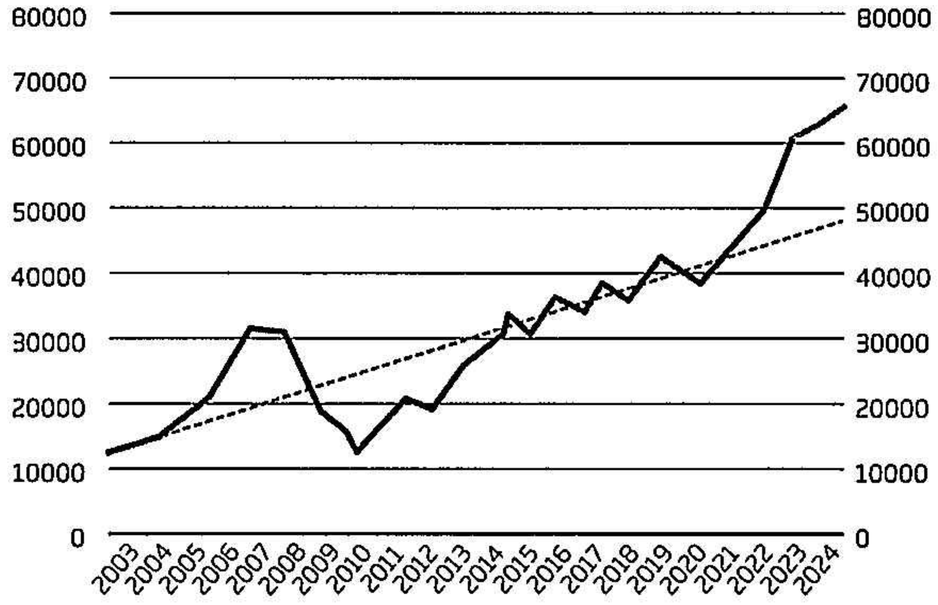


Leading defence group chooses Nederman

Menardi, part of the Duct & Filter Technology division, achieved the status of preferred supplier for US company Northrop Grumman, which is a global leader in the aerospace industry, as well as in defence. In addition to offering cost-effective solutions, the assignment entails using a dedicated team to provide personal service and technical support to meet Northrop Grumman's specific requirements. In addition, Menardi, which has a major focus on operational efficiency in its own operations, is helping Northrop Grumman to reduce its lead times and strengthen its operating capacity.

Becoming a preferred supplier to Northrop Grumman not only strengthens the existing partnership but also opens up possibilities for cooperation with similar companies in the North American market. The engagement with Northrop Grumman is also in line with Nederman's strategy to grow within the defence industry, which has potential for long-term structural growth.

Construction investments in manufacturing plants

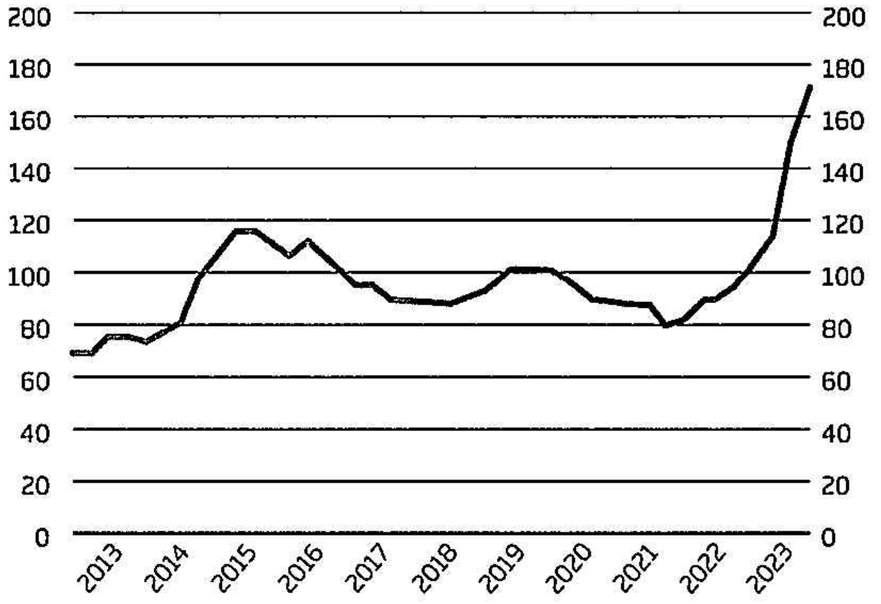


Construction investments in US manufacturing plants are at record levels and are expected to increase further in 2024.

■ Actual □ Forecast

Source: FRED Economic Data, U.S. Bureau of Economic Analysis

Foreign direct investments in manufacturing



Foreign direct investments in manufacturing in the US have increased substantially in recent years and are expected to continue to increase going forward.

Source: Census Bureau: Bureau of Labor Statistics; MLIT

Continued productivity gains in production and logistics

Nederman's global presence places demands on high efficiency and reliability in all production-related areas of operation. In recent years, we have adapted and developed the supplier and production organisation to meet the customers' needs for secure and reliable deliveries, for example by investing in expanded capacity and increased automation. Another success factor is regionally adapted manufacturing close to the customer to enable changed needs to be rapidly addressed.

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 endeavour to develop synergies wherever possible. The emphasis is on the need for a strong and reliable supply chain with the shared principles:

- Final assembly close to the customer.
- Vertical integration and increased insourcing.
- Adapted inventory levels closer to the customers.
- Alternative supply chains.
- Partnership with key suppliers.
- Increased digitalisation.

MORE EFFICIENT, CLEARER, STRONGER ORGANISATION

With operations in more than 30 markets and production and assembly units in 13 countries, there is a need for clear coordination. An improved supply chain and manufacturing based on streamlined processes and economies of scale reduce production costs and increase competitiveness. Group-wide platforms for automation and energy optimisation have been established to serve all divisions. 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.

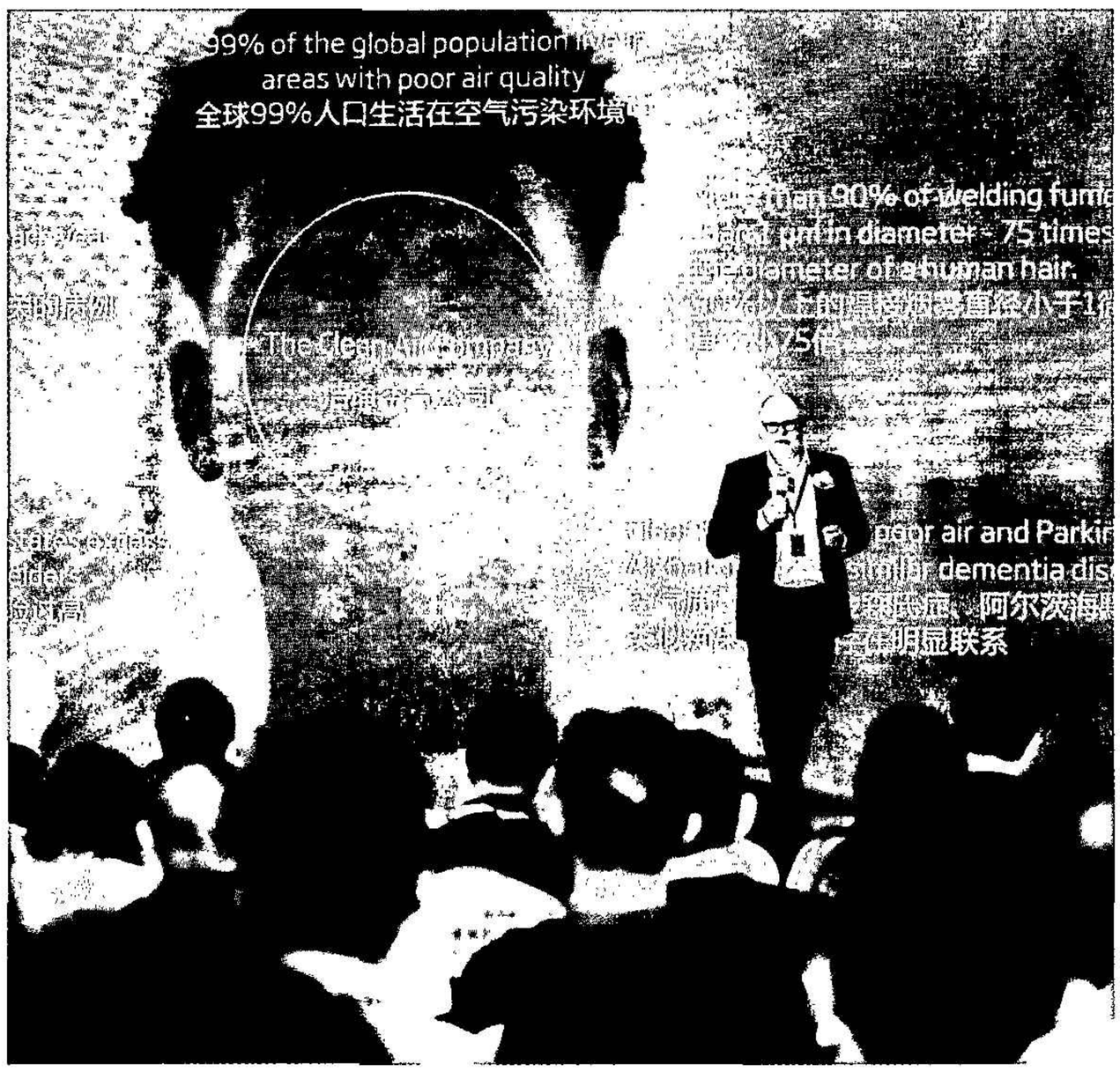
FOCUS AREAS

Sourcing

The overall goal is to secure supply chains on all continents where we operate. The focus is on our core material 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

We are working to reduce the group's climate impact with the aim of ensuring global availability and quality and reducing costs. We continuously review and adapt 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 all units.



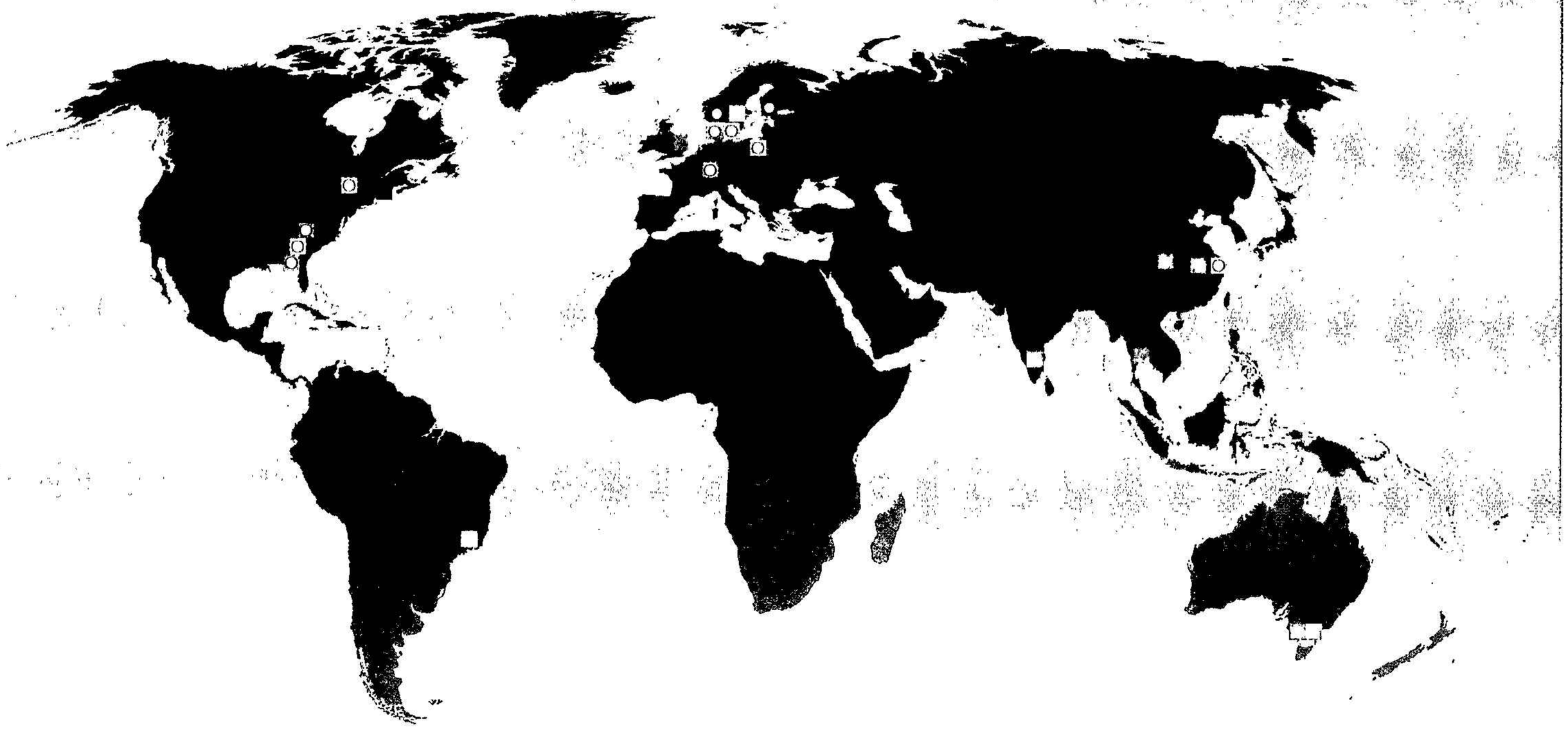
Coordinated efforts for higher effectiveness in China

The Chinese market has been challenging in recent years, partly as a consequence of the comprehensive covid-19-related lockdowns. Although the situation has improved, the market is more complex than before covid. Accordingly, in 2023, we launched a restructuring programme for our two largest divisions, Extraction & Filtration Technology and Process Technology, which comprised plans for relocation and coordination of manufacturing and sales resources in China.

At the beginning of November 2023, the updated plant in Suzhou was inaugurated and will strengthen synergies and make it possible to serve the Chinese market even more effectively than previously.

Our presence across the globe

Nederman now has its own production and/or R&D in 15 countries, but we are represented in more than 50 countries through our own sales companies or distributors and resellers.



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
Denmark / Hadsund	Extraction & Filtration Technology
Finland / Helsinki	Monitoring & Control Technology
India / Bangalore	Process Technology
China / Shanghai	Process Technology
China / Suzhou	Extraction & Filtration 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 CENTRE

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

Employees who create The Clean Air Company

Nederman offers more than just a job. We offer a secure and inspiring workplace and the possibility to join us on The Clean Air Journey, an exciting voyage to create leading solutions in air filtration and environmental technology. Quite simply, to contribute to a future with clean air the world over.

Our success is based on having the right employees who enjoy their work and can develop in a creative and multi-cultural environment. Together, we create a strong corporate culture based on a number of shared values that show what we stand for and what we believe in. Building long-term and sustainable customer relationships, having respect for the environment and each other, and being able to take action based on courage and initiative, lays the foundation for the commitment that is decisive for achieving our goals and creating sustainable development.

MAJOR FOCUS ON TRAINING AND DEVELOPMENT

Due to profitable and long-term growth, a global presence, an important purpose, leading products and strong values, we attract a diverse range of employees. We can see that more and more people can identify with what our products and offerings mean for people, companies and communities throughout the world. At the same time, it is crucial that we take the best possible care of our talents. We work to make career paths in the group increasingly clear and have updated our process for succession planning by including all types of critical competence, not only managers.

Our employees are offered training and support to be able to address new challenges and to develop themselves. This primarily involves technical competence, new software, project management, safety and leadership. But we also organise training courses in such areas as sustainability, Nederman's Code of Conduct and digital sales support.

As a new employee at Nederman, and regardless of which of our units around the world the position is located at, employment begins with The Nederman Base Camp – a digital onboarding journey that offers participation in seminars, training courses and meetings with various managers in the group. This provides a platform for gaining more in-depth knowledge and the possibility to develop a network of one's own.

At Nederman, we understand the importance of managers' and other leaders' responsibility in the creation of an environment that attracts and retains talent. Accordingly, recruitment and development of our managers have the highest priority for us as these people are the most important role models. During 2023, we launched Manager@Nederman, a support and training package for all managers that provides better insight into what is expected of them, to whom they can address questions and the tools that are at their disposal.

JOINT SURVEYS AND INDIVIDUAL TALKS

Having employees who are satisfied and who feel that they can develop and contribute is central to Nederman's ability to retain and strengthen its leading position. To confirm that we have an organisation that is on the right path, each year we conduct a comprehensive employee survey aimed at all employees throughout the world. The survey conducted in 2023 displayed a high overall engagement index of 84 (83), but the other five indexes included also indicated an improvement. The highest increase was in the index that shows the share of employees who would recommend Nederman as an employer. Based on the survey, all teams in the group are encouraged to develop action plans that improve and develop collaboration, leadership and health and safety.

A key part of the individual employee's development is the recurring individual appraisal that is conducted with his or her immediate manager. The focus of these appraisals is always the creation of the correct career path, as well as enhanced well-being. During 2023, 82 percent (77) of salaried employees and 73 percent (72) of the plant workers had an individual career appraisal with their immediate manager.

A STRONG BELIEF IN DIVERSITY AND EQUALITY

At Nederman, we are convinced that diversity strengthens innovation and creativity and is a source of increased satisfaction in the workplace. We want to offer all employees equal opportunities to develop and work with a clear equality focus in all areas. We focus on diversity when recruiting and endeavour to have at least one candidate of the under-represented gender for every three candidates. All employees and managers have completed diversity and inclusion training that further strengthens the understanding of these questions.

In our annual employee surveys, we measure such aspects as work environment and discrimination, with active follow-up of the results at management level. We have zero tolerance of all forms of harassment and discrimination and our diversity policy clearly expresses how we approach these cases. During the year, no cases of discrimination or harassment were reported.

Competence, ambition and potential will define the career opportunities for our employees, independent of gender, age and background. In 2023, 21 percent (21) of the group's workforce comprised women and the proportion of women in management positions was 12 percent (19).

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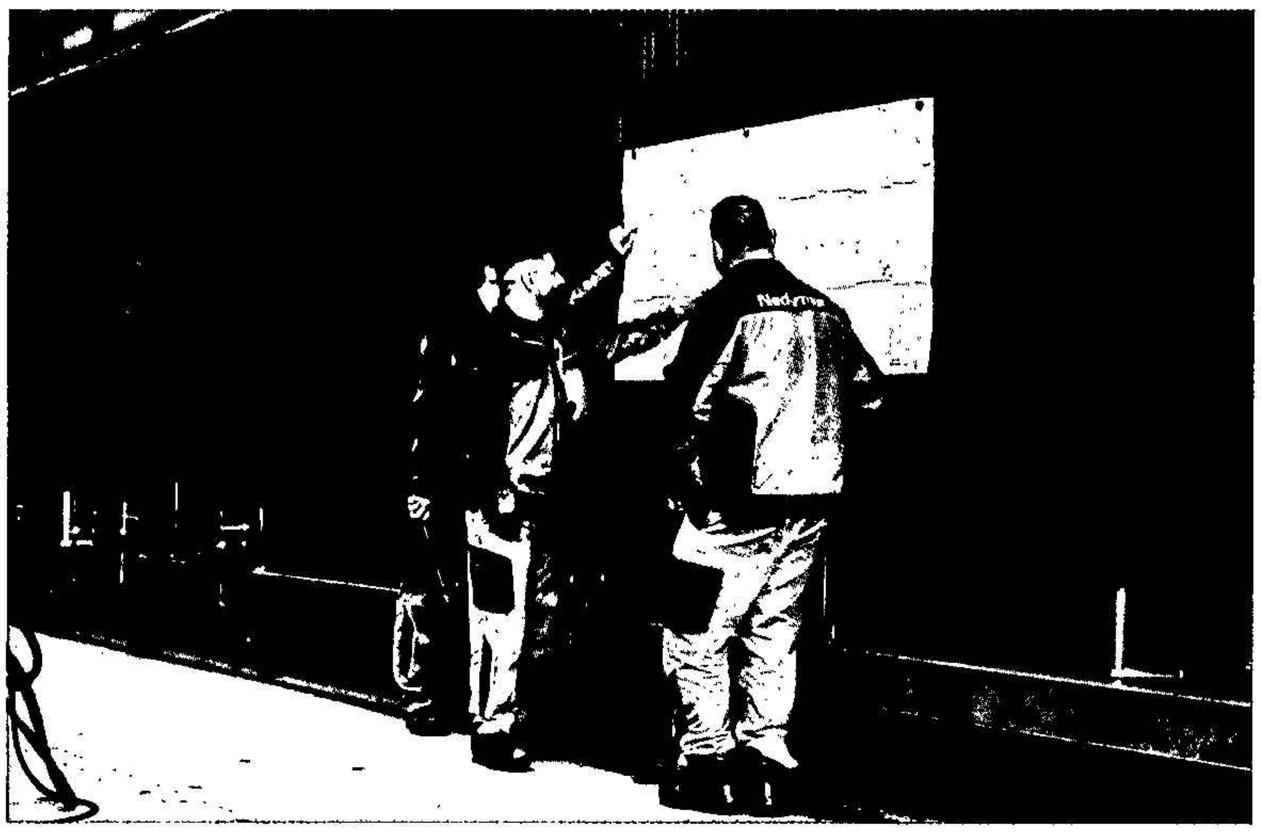
Nederman operates in a male-dominated industry and to be able to ensure the competence supply in the long term, we work to increase knowledge among groups of women regarding the opportunities in our industry and at Nederman. We are seeing positive signs from this work, but also through increasing numbers of women graduating from universities and colleges with the skills that we require.

GOOD HEALTH IS ALWAYS THE FOUNDATION

By taking an overall view of our employees' lives, we aim to work to contribute to creating the conditions to for a positive balance between work and private life and to promote an active and healthy lifestyle. Providing a safe and healthy workplace is decisive for Nederman's successes and also part of our overall purpose. For example, we offer the possibility of flexible working hours, a healthcare allowance and opportunities for exercise in external premises as well as our own. Mental and physical strength have a strong connection to the way in which we perform and how we handle stress.

OUR VALUES

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









We shape the future for clean air





"transparency and openness in focus"

Geert Ceule
Managing Director Belgium & France
Sint-Pieters-Leeuw, Belgium

Growing with Nederman in Europe

My career at Nederman has been long and a bit special, but has led to me having a large amount of responsibility. I am now Managing Director of the Extraction & Filtration Technology division's operations in Belgium and France. It's an exciting challenge, in which I see teamwork, partnership and, in particular, entrepreneurship in my colleagues as central aspects for the creation of profitable growth for the business.

My time at Nederman actually dates as far back as 1991, when I was employed as a regional seller in Belgium. Although I was content, I left the company after nearly eight years. What drew me away was an offer to establish a subsidiary in Belgium for a competing brand. However, I stayed in contact with Nederman. This played a part to my return to the company in 2005 in the role of Country Sales Manager in Belgium. In this way, it felt like I was coming to a new company, which now had the focus on solutions that I had previously been looking for. Since then, my career has gathered momentum, with increasing responsibility, and in 2014, I became head of the entire operation in Belgium and then also in France since September 2022. Receiving this trust, to head the operations in several countries, is highly gratifying and shows that experience is appreciated by Nederman.

There is a clear strategy and a well-functioning structure at Nederman that enable my colleagues and I to work toward the company's overall and long-term goals, both the financial ones and those aimed at creating a better world. This particular aspect – having a strong and meaningful purpose to work towards – lends a depth to what we do every day and creates a sense of making a difference. In addition, Nederman's commitment to professionalism sets a high level of quality for what we deliver. In my management role, I always try to balance human and business values to be able to create a successful culture, with transparency and openness in focus. Personally, I appreciate the respect and the opportunities to develop that are offered by Nederman. These have given me the chance to grow as a professional and as a person. Combined with the company's strategy, vision, professionalism and values, this makes it very satisfying to work here.

The best advice I can give new and existing employees of Nederman is to embrace your entrepreneurial spirit, to not merely go with the flow, but dare to think outside the box. Then exciting things happen. Also try to cultivate a passion for your assignment and your role. This will lead to personal development and mean that you can more easily take new steps professionally. If your are a manager, it is of course extra important to have collaborations, in the organisation and externally, otherwise no development takes place. Finally, and perhaps the most fundamental, always be honest and show respect.

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"changes are motivating"

Carolyn Bailey
Accounting Manager
Shared Service Centre Australia
Bayswater, Australia

My journey with Nederman began in 2006 as an employee of a distributor of Nederman's products in Australia. When Nederman decided to sell directly to the customers, I was invited to be involved. With two small children at home, I worked two days a week at the office but logged in remotely as required. Over time, my role developed in pace with the expansion of the operations and in 2012 I became a full-time employee. The merger with MikroPul Australia in 2015 was a major project with several challenges, such as integration of the companies' processes. This gave me more knowledge of the IFS enterprise system, which led to me now being a part of the AU Shared Service Centre. With the support of good leadership and a strong team, there is now full focus on developing more effective processes, while at the same time exchanging ideas and discussing strategies. The constantly changing work is an aspect of Nederman that I particularly like. To all new employees, I just want to say - embrace change, be flexible and open to challenges. This will give you an exciting journey.



"grasp the opportunities as they arise"

Terese Waldt
Financial Business System
Integration Specialist
Charlotte, USA

I began as a summer worker and was then given an offer to stay on while I completed my university studies. I initially worked mainly with accounts receivable and payable, but then changed to become an accountant for a couple of different companies, which led me to become the accountant responsible for Nederman Holding AB. This was at the same time as Nederman began its journey to implement a new business system for all of its companies worldwide, and I became part of this project and was involved in the implementation for the first companies in Sweden. When it was time to commence implementation in North America, I was asked to go along and I didn't hesitate once. I now work in a fantastic team in which we learn from and challenge each other, and during my years at Nederman, I have taken many steps and have developed extensively. It is quite simply a matter of grasping the opportunities as they arise, being interested in processes and people, and always trying to have fun.



"scope for personal development"

Vikas Kapur
Vice President - APAC
Shanghai, China

My role at Nederman mainly involves helping the Process Technology division to grow in Asia Pacific (APAC). Starting in February 2021 and located in Gurugram, India, I helped the country managers of APAC to define market opportunities and customer segments and to support the implementation of strategies to drive long-term sustainable business. In June 2023, I then moved to China to lead the work to re-establish growth in the country using a new business model. My earlier experience as head of APAC at Gore-Tex and Honeywell prepared me to revitalise the operations and markets using new perspectives. I value being part of an organisation that wants to make life better using pioneering products and a strong and positive culture. Nederman's possibilities in environmental technology and its focus on the potential of the individual make it the perfect place in which to develop, and to be involved in contributing to a cleaner and more sustainable future in a large and important market.



"freedom to implement new ideas"

Przemysław Pietszczyk
IT Product Manager
Warsaw, Poland

I now work as IT Product Manager, Manufacturing & Planning, at Nederman in a team that is responsible for the implementation of the new business system, globally, and currently in the US. My task is to ensure the system's functionality in my given area and improve various processes for optimal use. My journey at Nederman began slightly more than seven years ago in a role as senior production planner for various projects in Poland. Promotions followed and I ultimately accepted the challenge to be involved in pursuing the global business system project. Nederman values its employees highly, promotes talent development and gives people the possibility to grow as individuals. My experience reflects a continuous career development and the freedom to implement new ideas. The corporate culture, characterised by respect and commitment, has been a crucial part of my journey. For anyone who wants to develop in a global group with an important purpose, I advise always being open to new challenges.



Shaping a more sustainable future

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Nederman's most important and absolutely largest sustainability contribution is made through the products and solutions used by its customers worldwide. They primarily help to clean air and measure air pollution, but also to optimise processes that reduce the customers' energy and resource use. In this manner, we make a difference to several major challenges facing industry – counteracting air pollution, health and safety, reduced climate impact and the transition to the circular economy.

Nederman is "The Clean Air Company" and has sustainability as its starting point throughout its operations. Nederman's promise is to protect people, planet and production from the harmful effects of industrial processes. We endeavour to achieve this through more sustainable and innovative solutions that clean air, reduce emissions and drive energy and resource efficiency, and by working actively to achieve increased equity and inclusion. Most of the sustainability-related targets set to conclude in 2023 were achieved, as is described in this annual report. During 2023, we also prepared for the EU Corporate Sustainability Reporting Directive (CSRD) by conducting our double materiality assessment, scientifically analysing how the entire company's value chain impacts the climate and taking the first step in formally joining the Science Based Target initiative (SBTi). Based on the promise to protect people, planet and production, we also prepared to launch new ambitious sustainability goals during 2024 with a view to 2030.

More sustainable products and solutions for customers

Nederman works actively to constantly develop and sell market-leading products and solutions for clean air. In addition to the main focus of counteracting harmful air pollution, great significance is placed on these solutions being as effective as possible, with optimised energy and resource use and with the lowest total cost of ownership during the product's entire lifetime. Digitalisation and innovation represent a priority area. Digital technology and solutions simplify active monitoring of various processes so that customers can take rapid action in the event of deviations. This enables customers to work more sustainably in their operations. The impact on people, planet and production is taken into consideration in the development of all new products in accordance with the group's product strategy plan. All launches are evaluated and checked so that they are in line with Nederman's sustainability agenda.

Nederman's sustainability work is based on responsible business practices, high transparency and good business ethics, with the UN Sustainable Development Goals (SDGs) forming a base 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 the group's positive contribution to people, planet and production through our offering and minimising the negative impact 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 effectiveness of resource management and helps customers to ensure compliance with laws and regulations.

Nederman endeavours to use resources more efficiently by standardising and optimising internal processes and working actively to maximise positive effects and minimise negative impact throughout the value chain. To be able to implement changes where they make the greatest difference, priority is assigned to meaningful collaboration with business partners and other stakeholders. We are experiencing increased demand for more sustainable solutions and a greater focus among stakeholders regarding transparency and traceability in the supply chain.

SOCIETAL BENEFITS

Nederman's most important and most long-term contribution to positive social development comprises its products and solutions, which improve air quality in both the work environment and local environment, thereby reducing the risk of diseases, among other benefits. As a global company with more than 2,400 employees, we also contribute to a secure livelihood and good working conditions for our own employees and those of our customers and suppliers. In addition, local community support occurs at several of our units, such as in India and through donations made in 2023 to "One tree planted".

GREENHOUSE GAS EMISSIONS IN THE VALUE CHAIN

During 2023, Nederman, in collaboration with the research and consulting firm IVL, analysed the company's entire value chain in respect of greenhouse gas emissions, which the Greenhouse Gas Protocol refers to as Scope 1, 2 and 3. The main insights show that approximately 99 percent of Nederman's greenhouse gas emissions occur in Scope 3, of which the absolute majority of the climate impact is in the user phase. The group's Scope 1 and 2 emissions account for less than half a percent of greenhouse gas emissions in relation to the entire value chain. Since the absolute majority of the carbon footprint is outside the group's direct impact, continued close cooperation with customers and suppliers will be prioritised. The insights from the analyses of greenhouse gas emissions in Nederman's value chain will form the basis of our continued climate efforts.

SUSTAINABILITY-LINKED LOANS

Nederman's sustainability agenda is also part of the group's bank relationships. Since 2022, the group has had a Sustainability-linked Credit Facility for some of its financing. This means that interest on the facility is linked to the performance of key sustainability data that is continuously monitored. The criteria were met in 2023.

NEDERMAN'S SUSTAINABILITY FUND

Nederman's sustainability fund, which was established in 2021, aims to encourage Nederman's employees and businesses to develop and invest in line with Nederman's sustainability focus and the UN SDGs. The fund, comprising EUR 1 million annually, is used for investments approved by Group management. All

Sustainability structure

Energy	Digitalisation	Sourcing
-79%	70%	87%
Reduction of greenhouse gas (GHG) emissions Scope 1&2 in relation to sales. Base year 2014.	Share of sold stationary Nederman filters that are IoT-ready.	Percentage of our suppliers of material and goods who have signed our Code of Conduct.
Goal: -50% in 2023	Goal: 100% in 2023	Goal: 100% in 2023

Recyclability of products launched as of 2024
Goal: 100%

FINANCIAL | SOCIAL | ENVIRONMENT

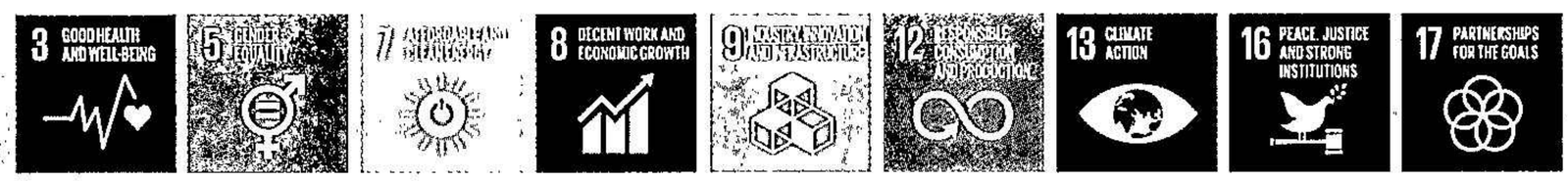
Climate goals in accordance with the Greenhouse Gas Protocol

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 in relation to our material suppliers.

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

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of Nederman's units can apply to shape the future for a better world. In 2023, the fund received many applications and contributed to investments in, for example, energy-saving roller shutter doors, heat exchangers, standing desks for ergonomic work, charging stations for electric cars and bicycles, LED lighting and bicycle storage.

Health and safety

The issue of health is central to Nederman. With a market-leading offering in industrial air filtration, Nederman contributes to improving the work environment for people the world over. We ensure improved and more sustainable air quality in processes for a large number of industries, which in turn results in better health and safety for the customers' employees. Also in relation to our suppliers, we address health and safety, primarily through our Code of Conduct for Suppliers, in which a good work environment is a central part of the demands we impose.

Sustainability is an integrated part of HR work and permeates all areas from the communication of Nederman – the Clean Air Company – in recruitment to measuring engagement in conjunction with the annual employee survey. As of the 2023 survey, questions are included that measure employee awareness, pride and engagement regarding, and managers' support for, Nederman's sustainability agenda. The Sustainability@ Nederman training course, which provides a general description of sustainability activities at Nederman, is aimed at all employees. Employee training is also important for ensuring that work equipment is used in a safe and effective way. Measures to improve the work environment are conducted continuously and contribute to enhanced contentment among employees. In 2023, Nederman's sustainability fund financed several investments for better health among employees, including standing desks, better production workplaces, inspirational lectures to increase well-being, and more bicycle stands to make it easier to increase daily exercise by cycling to work.

To prevent accidents and health problems, 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 reviews are conducted to assess the quality of risk management and take corrective and preventive action. The aim of the measures is to reduce or prevent the identified risks. Risk assessments are reviewed and updated regularly or after an incident has occurred.

The accident frequency rate is low from an industrial perspective and we are 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.

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 by way of self-assessment by the companies. There is an action plan for each risk.

More sustainable manufacturing and operation

Nederman works actively to maximise positive effects and minimise negative impact throughout the value chain. The implementation of changes where they make the greatest difference occurs in collaboration with business partners and other stakeholders. At the same time, we work to reduce our own impact and have already set ambitious goals for this.

REDUCED CARBON FOOTPRINT

Nederman will reduce its carbon footprint in manufacturing and operations by increasing energy efficiency and transitioning to renewable energy, such as through the installation of solar panels at our production plants throughout the world.

In line with the Greenhouse Gas Protocol, the target was set to reduce the group's carbon footprint in relation to Scope 1 and 2 by

High percentage of recycled steel

Of the steel that Nordfab US purchases to manufacture high-quality Quick-Fit (QF) ducting systems, nearly 50 percent is recycled. This represents a high amount in the industry and is a key step in Nederman's clean air journey. The ducting systems can also be taken apart and re-used, which further strengthens our offering and contributes to the transition to a global circular economy.

Portable measurement and analysis of emissions

Portable products for measurement and analysis of emissions are becoming increasingly important, with a focus on industrial hygiene, chimney testing and research into methane emissions, for example. At the beginning of 2023, we launched Gasmet GT6000 Mobilis, a unique and user-friendly portable emissions analyser. It was positively received and generated many orders, including within carbon capture projects.

CLIMATE REPORTING IN ACCORDANCE WITH THE GREENHOUSE GAS PROTOCOL

Nederman reported the 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 energy mix on average. The emission factors for Scope1 and 2 are provided by the company AFRY, which in turn compiles the factors from different sources. The figures are consolidated according to the financial control method.

Basis for calculation of Scope 3

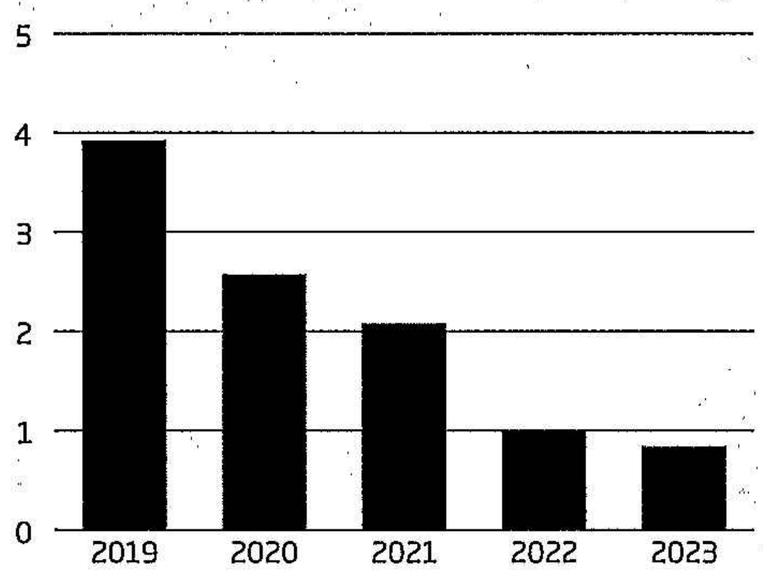
As in prior years, Scope 3 emissions in 2023 were limited to actual consumption data from goods transport of materials to Nederman's four largest production plants. An in-depth analysis of Scope 3 emissions along Nederman's value chain was conducted in the autumn of 2023. The result shows that earlier estimates relating to significant areas do not correspond with the in-depth analysis that has now been conducted. Subsequent years' reporting will be based on the result of the 2023 in-depth analysis of Scope 3 emissions.

Climate impact in accordance with the Greenhouse Gas Protocol

Emissions to air, tonnes	Outcome 2023	Outcome 2022	Outcome 2021	Outcome 2020	Outcome 2019
CO_2e Scope 1[1]	783	745	1,197	908	810
CO_2e Scope 2[2]	2,119	2152	3,761	4,297	5,023
CO_2e Scope 3[3,4,5]	764	804	1,020	8,907	8,186
Emissions, Scope 1+2	2,902	2897	4,958	5,205	5,833

1 Scope 1: Total greenhouse gas emissions from fuel combustion in manufacturing, tonnes. Manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.
2 Scope 2: Total greenhouse gas emissions from purchased electricity in manufacturing, tonnes. Manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.
3 For Scope 3 emissions, greenhouse gas emissions from goods transport are reported for our four largest production plants, which includes manufacturing and assembly units in Poland/Marki, Sweden/Helsingborg-Töredal, USA/Thomasville and USA/Charlotte. The reporting pertains to both category 4 and category 9. This is only part of Nederman's Scope 3 emissions. It is planned that reports in future years will be more complete, based on the 2023 in-depth analysis of Nederman's greenhouse gas emissions throughout the value chain.
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. As no recalculation was made against prior years, the years before 2021 are not comparable to the years from 2021 and after.
5 The proportion of total transport that the reported emissions represent is calculated at approx. 26 percent, based on the turnover of the four largest production plants in relation to total turnover.

GREENHOUSE GAS EMISSIONS IN RELATION TO SALES, KG CO_2e/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 2023: 0.84 (1.00) which entails a reduction of 79 percent in relation to the base year of 2014.

Nederman will reduce energy consumption in production in relation to sales and growth. Energy intensity is a measure of efficiency. The outcome for 2023 confirms the positive trend.

Energy intensity

MWh/MSEK	2023	2022	2021	2020	2019
Total energy use* (MWh)	14,276	14,105	16,228	13,794	14,870
Net sales (SEKm)	3,449	2,906	2,381	2,021	1,489
Energy intensity (MWH/SEKm)	4.14	4.85	6.82	6.83	9.99

The energy intensity is monitored regularly. Data is collected from the company's actual consumption. The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.

* Note that Nordfab US installed solar panels in 2023, but was unable to report the electricity consumption from this source. As such, the electricity use from solar panels in Nordfab US is an estimate in the report

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50 percent by 2023 compared with 2014. This target was already achieved in 2022 and the result for 2023 entailed a reduction of a full 79 percent compared with 2014. We can therefore conclude that excellent efforts were made in recent years. Compared with 2020, Nederman halved its carbon footprint in relation to its sales in 2023.

Nederman now only includes certain purchased goods transports in its Scope 3 reporting, which will be extended to apply to all of the value chain's carbon footprint as of 2024, when new ambitious climate-related targets will also be launched.

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

The improvement areas comprise 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 panels directly on-site.

RESOURCE MANAGEMENT

The products' air-cleaning effects, their energy efficiency, more sustainable and recycled material and a long product life are key areas for Nederman. Nederman welcomes its stakeholders' increased focus on traceability of material in the supply chain and knowledge of product content to facilitate the transition to a circular economy. The group's production units have management strategies for material management, water and waste, and these areas are measured and followed up regularly based on established goals and plans for reduced environmental impact.

The largest environmental impact from material use is upstream in Nederman's value chain. Nederman can influence this mainly by increasing the share of recycled material in its production and improving material efficiency in design and development, which, in turn, reduces energy consumption and emissions, upstream and downstream. Since 2021, we measure the share of recycled steel, aluminium and plastic used in our products manufactured at our four largest production plants. In 2023, this amounted to 13.7 percent (14.9) of the purchasing spend. The estimate follows the definition of GRI 301-2. However, note that the share of recycled material at one of our plants in the US is still based on last year's figure.

Nederman's objective is for the amount of waste from production to continuously decline in relation to net sales, the share of recycled waste to increase and the practice of sending waste to landfill to be eliminated. Nederman's production only generates a marginal amount of hazardous waste, such as used spray containers and electrical waste, as well as residual material from property maintenance, and the group works actively to eliminate hazardous substances from the loop. 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 on waste water. Material recovery from hazardous waste occurs at approved recycling plants through the separation of hazardous substances and the remainder then being recycled.

Water use is of little importance at our plants as water is not used to any great extent in production, but only for hygiene and kitchen purposes. Water consumption is regularly monitored with the aim of reducing the use of fresh water.

Management and governance

The Board of Directors has ultimate responsibility for Nederman's sustainability work, and decides on long-term sustainability 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 divisions' business plans.

QUALITY IMPROVEMENT

We endeavour to focus our resources on delivering cost-effective products and innovative solutions that lead to improvements for our customers in areas in which we really can make a difference.

Save energy with Nederman SAVE

Traditional dust collection systems are operated regardless of whether extraction is required. This leads to wasted energy, increased wear and tear and poorer performance. Nederman SAVE monitors process operation and adjusts fan operation to deliver the exact air flow required with the lowest possible amount of energy. This results in up to 70 percent lower energy consumption, as well as increased safety in relation to combustible dust and reduced system wear and tear.

Better conditions for textile production

Textile manufacturing is energy-intensive and is often conducted in industrial environments with poor air. Nederman has a strong position in the textile segment and delivers leading filter solutions that capture harmful particles and gases. In 2023, we launched the new high-performance CFB fan system, which contributes to a healthier work environment and generates considerable energy savings in existing and new textile plants.

We work for clean air and a more sustainable future

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.

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

Poor air

4th

most common cause of death

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.

It's a matter of life

Approximately 7 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

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.

Largest single health risk

Air pollutants are the single largest health risk worldwide.

10,000 litres

the amount of air we breathe per day

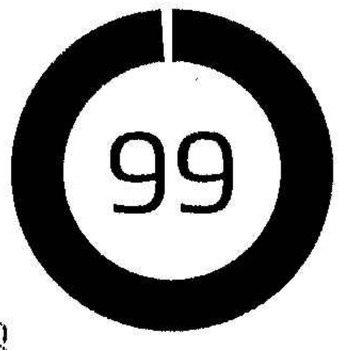
Air quality index (AQI)

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%

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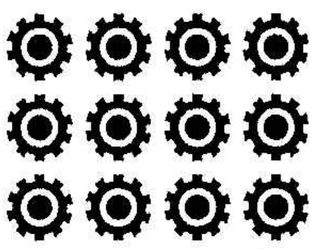


According to WHO guidelines, 99 percent of the Earth's population lives in areas with poor air quality.

2,462

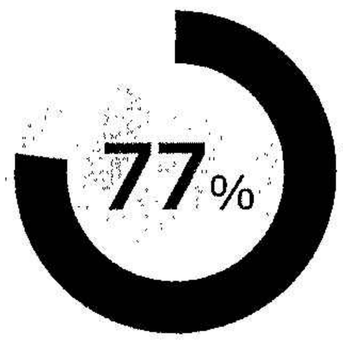
employees

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

Share of employees who say that they are proud of Nederman's sustainability agenda



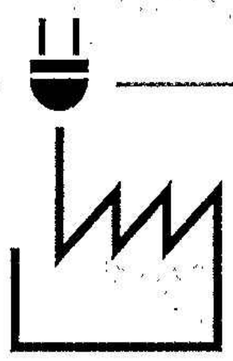
15%

improvement in energy efficiency since the preceding year

Nederman's employees who have completed our sustainability training. **92%**

Sustainability-linked Credit Facility

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



46%

electricity use from renewable electricity

79%

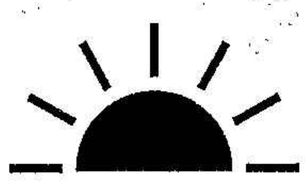
reduction of greenhouse gas emissions since 2014 from our production units connected to their energy use and purchased electricity in relation to sales.

Nederman Sustainability Fund

SEK 10m 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 within the Nederman group can apply for support for more sustainable investments from the fund, which amounts to SEK 10m per year.

During 2023, the fund contributed to, for example, investments in energy-saving roller shutter doors, heat exchangers, standing desks, charging stations for electric cars and bicycles, LED lighting and bicycle storage.



479,000 kwh

produced by own solar panels

14%

Share of recycled steel, aluminium and plastic in our products (calculated purchase share for our four largest production plants)

SmartFilter

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

Our objectives aim to drive improvements and achieve favourable results in the short and long term. We do so, for example, by focusing on resource efficiency and process improvements. The target to reduce costs and environmental impact, which are linked to quality issues in production, in relation to sales was <0.3 percent until 2023. The result was 0.18 percent (0.18).

Nederman works continuously to ensure adaptation to new sustainability requirements and legislation and we are aware of the need to focus on our development areas. Several development activities were initiated during the year and have a link to, for example, process and system development, responsibility structure, data collection, development of reporting, and communication.

GLOBAL MANAGEMENT SYSTEM

The parent company and all of the production units are to 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 2023, 16 out of 21 production units were certified according to ISO 9001 and 15 out of 21 units were certified according to ISO 14001.

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:

- 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.

A revitalisation of Nederman's global management system using a new platform was commenced in 2022 and is under constant development, for example, through the incorporation of newly acquired companies.

DATA COLLECTION, REPORTING AND AUDITING

Internal data collection for all sustainability indicators is compulsory and pertains to all production units included in the Group as of January 1, 2023 (refer to page 29 for a list of production units). The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023), are excluded in the report for 2023.

Data on employees comprises all companies included in the reporting process. Collection is primarily made quarterly. 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. The sustainability reporting was 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, reflecting 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 on a quarterly basis.

The sustainability report, which is prepared in accordance with the GRI Standards, can be found on pages 34-48 and 114-123 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 Taxonomy Regulation on pages 46 and 115-119, has been reviewed. See the auditor's report on page 49.

Global initiatives and internal corporate governance documents

Nederman's business principles are characterised by integrity, responsibility and sound ethics – fundamental principles shared with employees, customers, suppliers and investors. For many years now, the UN Global Compact initiative has served as the



More trees for cleaner air

Trees clean the air that we breathe. However, forests and the diversity of trees are now under threat throughout the world due to human activity. This could be due to economic interests or climate change, which is leading to fires and outbreaks of pests. As the Clean Air Company, it is self-evident that we must do what we can to turn this trend around. Accordingly, we support the voluntary organisation One Tree Planted, which works to promote the replanting of trees in the most threatened areas around the world. During 2023, we contributed to 35,000 trees being planted in projects in Brazil, Denmark, Thailand and in Oregon, in the US.

Read more about the organisation at onetreeplanted.org

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group's ethical compass. Nederman became a member of this initiative in 2020 and has continued to work and develop its sustainability activities in accordance with it.

NEDERMAN GROUP'S CORPORATE GOVERNANCE DOCUMENTS

Nederman's corporate governance documents regulate the principles and values that guide its operating activities in general and its sustainability agenda, in particular. Policies and plans are reviewed regularly and updated and communicated as required.

Code of Conduct

Nederman's Code of Conduct is an integrated part of the operations. Taking responsible and correct action is fundamental and we take a very serious view of any matters relating to corruption and bribery. Our ambition is therefore to continuously train all employees in Nederman's Code of Conduct and aim to have no violations of the company's anticorruption policy.

Code of Conduct for Suppliers

Nederman's Code of Conduct for Suppliers is based on international guidelines and is harmonised in line with the company's 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.

We require 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. We urge all suppliers to establish their own codes of conduct or written policy documents based on the above international guidelines. The code is available for download from nedermangroup.com.

Our goal is to only work with suppliers who agree to comply with Nederman's Code of Conduct for Suppliers. Existing methods are under constant development to assess the suppliers' sustainability efforts in order to promote responsibility throughout the value chain.

Policy for sustainability and quality

Nederman's sustainability and quality policy, which also includes the company's environmental policy, is the 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.

Policy for anti-corruption and fraud

Nederman's policy against corruption and fraud is aimed at describing and improving the rules to be applied to prevent corruption and fraud in all activities that are under company's control. All 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.

Anti-trust policy

Nederman's anti-trust policy comprises all companies and employees of the group. No employee is permitted to act in any way that suppresses the free market. The policy also stipulates that the company and all of 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 anything 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

We strive and work 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.

Nederman must comply with all relevant export legislation in the jurisdictions in which the company operates. Laws are to be followed regardless of their origins or where the operations are conducted. Compliance is important and to ensure awareness, training is compulsory for the relevant personnel.

Whistleblower policy

We have a clear reporting process for employees and other stakeholders in accordance with Nederman's whistleblower policy. These are encouraged to report suspected irregularities, illegal activities, or failure to act, that they perceive as breaching applicable legislation, Nederman's internal policies or the group's IT security policy. Nederman's whistleblower policy and the accompanying principles, including the reporting process, are in



Support for schools in India

In India, Nederman's subsidiary Luwa has participated since 2017 in a local charity project to improve the conditions for children and teachers at a number of rural schools in the Bengaluru province. The focus has been to provide basic needs such as access to drinking water, furniture, laboratories, kitchens and waste management, but also to improve the availability of school books, school bags and school uniforms for the children. The schools are located close to Luwa's offices in the province, and this engagement also comprises some voluntary work, with Luwa's employees helping out at one of the schools.

place to protect the whistleblower. Reports can be made anonymously and are processed confidentially. Appropriate action is taken for each report.

Reports can be made in two ways:

- Employees contact their immediate superior or the manager of the department in question. 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.
- The report can be made 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. 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.

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.

Nederman:
- 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 the employee survey that we conduct each year and is aimed at all employees, we 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. The company's Understanding Diversity training programme is available to all employees.

Health and safety policy
Providing a safe and healthy work environment is decisive for Nederman's successes. We work actively to create physical and mental health and well-being 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.

UN GLOBAL COMPACT

Member of the UN Global Compact

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

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:

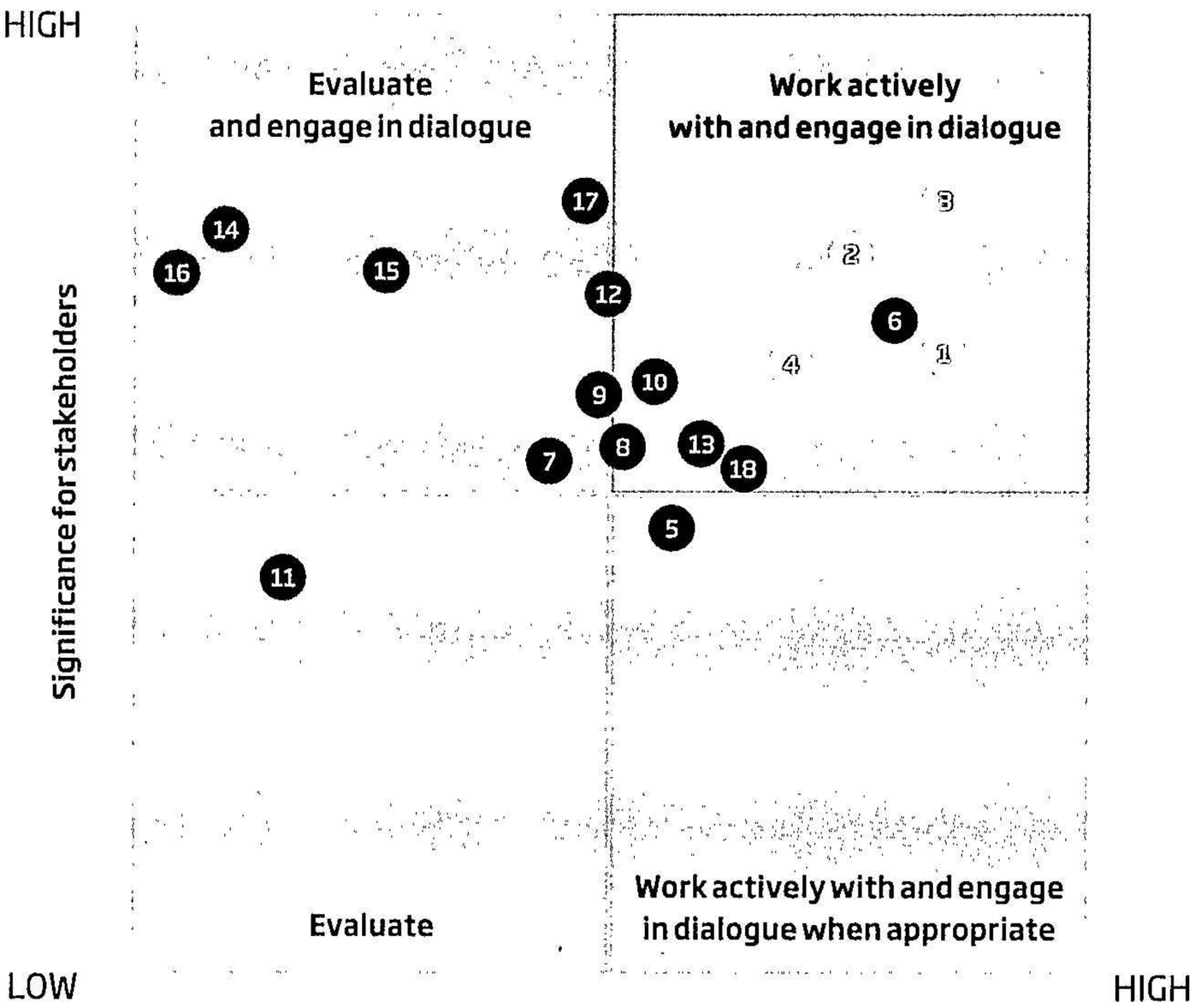
- Conducting business in a responsible manner by adapting their strategies and operations to the ten principles on human rights, work, the environment and anti-corruption.
- Taking strategic action to promote broader social goals, such as the UN Sustainable Development Goals, with the emphasis on cooperation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

Nasdaq ESG Transparency Partner
Nederman is a Nasdaq ESG Transparency Partner, meaning that we report transparently on our sustainability activities in Nasdaq's ESG portal.

COMMITTED ecovadis Sustainability Rating JAN 2024

EcoVadis
During 2023 Nederman Group joined the EcoVadis international ranking, which comprises 21 criteria in Environment, Labor and Human Rights, Ethics and Sustainable Procurement.

Materiality assessment



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

The materiality assessment 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.

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.

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.

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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. Since 1 January 2022, companies such as Nederman must start applying this Taxonomy and classify sales (turnover), capital expenditure (CapEx) and operating expenditure (OpEx).

Based on the objectives of the Taxonomy, Nederman must identify the activities in the business that are Taxonomy-eligible and Taxonomy-aligned. Nederman has identified activities that are Taxonomy-eligible for Climate change mitigation and Circular economy.

The activities within Climate change mitigation comprise the manufacture of various measuring systems and development of software within the Monitoring & Control Technology Division; these are reported under 3.6 Manufacture of other low-carbon technologies and 8.2 Data-driven solutions for GHG emissions reductions, respectively. These activities are also considered to be aligned with the target area.

The activities in Circular economy comprise the manufacture of various measurement systems and the development of software in the Monitoring & Control Technology Division and manufacturing renovation equipment in the Process Technology Division; these are reported under 1.2 Manufacture of electrical and electronic equipment, 5.1 Repair, refurbishment and remanufacturing and 4.1 Provision of IT/OT data-driven solutions and software. Activities in Circular economy shall not be reported in 2023 on the basis of their alignment.

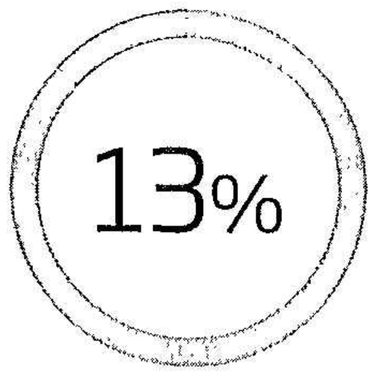
See the complete report on pages 115-119.

NEDERMAN'S CONTRIBUTION TO THE POLLUTION AREA

In 2023, four areas were added to the EU Taxonomy. These are: Water, Circular economy, Pollution and Biodiversity. Since Nederman's business mainly involves air filtration, we want to clarify our contribution to Pollution, although according to the EU Taxonomy's classification system, our operations are non-eligible in this respect.*



Filter air and measure air quality
91 percent of Nederman's sales (turnover) derives from sales of products, solutions and service that filter air and measure air quality in and from industrial processes.*



Eligibility according to EU Taxonomy
In accordance with the EU Taxonomy, 13 percent of Nederman's sales (turnover) is eligible.

* 91 percent of Nederman's sales (turnover) pertain to products and services that contribute to filtering air from pollution caused by the customers' activities in production. Although the definition is in line with the technical screening criteria for pollution prevention and control within the EU Taxonomy, Nederman's activities are not Taxonomy-eligible. As the boundaries are currently written, the Taxonomy area for pollution only covers activities related to the manufacturing of pharmaceuticals and active pharmaceutical ingredients or active substances as well as water supply, wastewater treatment, waste management and remediation.

GRI Content Index

Nederman has reported in accordance with GRI Standards for the period 1 January 2023 to 31 December 2023

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Nederman

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

To Nederman Holding AB, 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 2023. Nederman Holding Aktiebolag has defined the scope of the Sustainability Report referred to on page 47, the Statutory Sustainability Report is defined on page 42.

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 47 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 International Standard on Quality Management 1, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. 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.

14 March, 2024

Ernst & Young AB

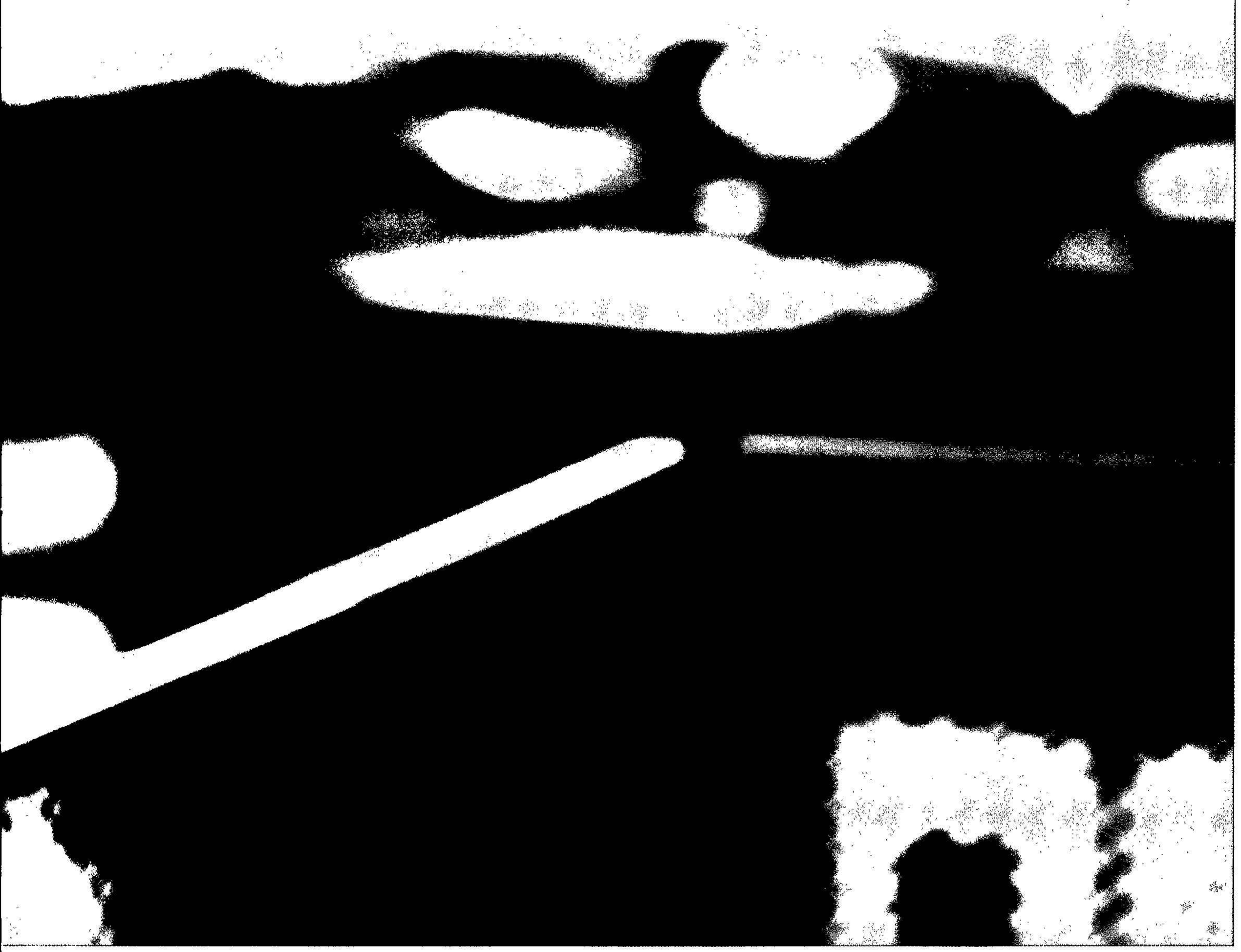
Andreas Mast
Authorized Public Accountant

Outi Alestalo
Specialist member in FAR

Divisions designed to meet market needs

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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.





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.

DIVISION AT A GLANCE

Head of Division: Hans Dahlén
Brands: Nederman, RoboVent, Aagaard
Average number of employees: 1,004

SEKm	2023	2022	2021
External orders received	2,581	2,238	1,781
Sales	2,583	2,165	1,763
Adjusted EBITA	340	357	309
Adjusted EBITA margin	13.1%	16.5%	17.5%

External sales by region

AMERICAS	EMEA	APAC
36%	56%	8%

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Strengthened positions in growing segments

Nederman Extraction & Filtration Technology's positive performance continued during 2023, with new records set for sales and orders received. This was the result of such factors as previous acquisitions, continued strong sales in structurally growing industries and successful product launches.

The acquisition of RoboVent in the autumn of 2022 strengthened the operations of both the division and all of Nederman in the important North American market. Today, the division is the foremost player in the US within the industrial air filtration welding segment, a position that, in 2023, resulted in several major orders from new and existing customers and which provided a significant contribution to the overall development in the division. However, RoboVent's growing share of sales entailed some pressure on profitability, since the business has lower margins than other parts of the division. A weak trend in China and price pressure in traditional customer segments also contributed to the lower profitability. During the year, a restructuring programme was launched in China, aimed at making the operations more competitive, and included relocation of inventory and manufacturing. Read more on page 28.

A continued slowdown in consumer-driven growth dampened demand in the automotive and wood products industries, to which the division has significant exposure. To strengthen the position in the woodworking segment in Europe, Danish company Aagaard was acquired, which reports healthy growth and profitability with products and solutions that complement the division's current offering. In addition, the division accelerated its sales activities targetting industries assessed as having the capacity to demonstrate good structural growth, including food, transport, green energy, the defence industry and activities related to electrification. During the year, a large number of orders were secured for these areas globally, including in India, Brazil, Spain and the US, comprising, for example, battery manufacturing, waste recycling and solar panel manufacturing. The share of the division's exposure to green industries increased significantly and this trend is expected to continue in the coming years.

The marketing and rollout of the division's new Clean Air Optimised concept continued, including in conjunction with major, leading industry trade shows in Europe and North America. The concept communicated that the division's solutions for clean air also optimise conditions for the employees' health and safety, fulfil regulations and offer the highest process and energy efficiency.

The need for solutions that contribute to reducing energy consumption remains considerable, in part to increase efficiency and lower costs, but also due to an increasing focus among customers to reduce their climate impact. Nederman SAVE continued to be rolled out in Europe and was launched in Americas, with several orders as a result. SAVE is a digital air flow system that enables significant energy savings. Customer installations demonstrate a reduction in energy consumption of more 60 percent compared with traditional systems. Nederman SAVE also received the 2023 Visionary New Product Award at the AWFS trade show in Las Vegas, an international trade show for the woodworking industry.

Although the division generally reported healthy growth, the trend in service and aftermarket stands out and encompasses 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.

Digitalisation is a natural part of the offering, as in the Clean Air Optimised concept and Nederman SAVE. 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 with upgraded control functions. Moreover, Nederman ProQuote was launched, a digital tool for effective product configuration, system optimisation and design. The interest in mobile products is considerable among customers, which the division has been able to satisfy through the launch of Fume Eliminators 840 and 860, mobile fume extractors equipped with nanofilters that meet the highest standards. The 865 ATEX 3G IIB hose reel was launched in selected markets and meets customers' needs for the effective management of emissions from gas and hybrid operations in public transport.

During the year, actions to optimise the logistical and manufacturing structure continued, including through the ongoing relocalisation of the division's units in China. In addition, the construction of the major new facility in Helsingborg continued. This will be opened at the end of 2024 and will enable more rapid logistics flows, strengthen production capacity and drive innovation.

SALES AND MARKET DEVELOPMENT

The division's orders received increased currency neutrally by 10.8 percent to SEK 2,581m (2,238) and sales increased currency neutrally by 14.5 percent to SEK 2,583m (2,165). Sales and orders received increased both in Americas and EMEA during the year, with Americas accounting for the strongest performance. In contrast, APAC performed weakly. The division's sales in Service and aftermarket strengthened in all regions.

Milestones in 2023

- Continued positive development of sales and orders received.
- Acquisition of Aagaard A/S, a Danish company in the woodworking segment.
- Several large orders in green industries and the defence and energy sector.
- Strong trend in service and aftermarket.
- Launch of the Fume Eliminators 840 and 860.
- Nederman SAVE won the Visionary Product Award at the AFWS trade show in Las Vegas.
- Restructuring programme initiated for the operations in China.



Nederman Process Technology

MARKET POSITION
The customer base includes 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 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 often 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.

DIVISION AT A GLANCE
Head of Division: Tomas Hagström
Brands: MikroPul, Luwa, Pneumafil, LCI
Average number of employees: 721

SEKm	2023	2022	2021
External orders received	1,921	1,825	1,785
Sales	2,147	1,722	1,292
Adjusted EBITA	209	100	51
Adjusted EBITA margin	9.7%	5.8%	3.9%

External sales by region

AMERICAS	EMEA	APAC
30%	44%	26%

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Profitable growth and global expansion

The division recorded a very strong 2023. Sales and profitability reached new record levels, with the successful execution of a large number of projects, for example, while the division continued to grow in both new segments and new markets. During the year, the energy-efficient CFB fan was launched.

The strong orders received in recent years generated gradually increased sales and higher profitability, with the performance in 2023 representing a considerable boost. Despite some continued challenges in the supply chain, the division was able to deliver on its projects in line with or in excess of budgeted margins. The division managed processes effectively and generated strong cash flow, while also successfully implementing price initiatives to offset inflation and other price increases.

Progress in the division's globalisation effort continued to be made during the year with the launch of solutions in new geographic markets and use of technology in new applications. For example, the division advanced its position in non-woven (hygiene products) by utilising its world-leading position and technology in the textile industry. 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. This occurred, for example, in metal recycling in Americas.

Being well-positioned in segments that benefit from strong global megatrends has high priority. A strong and accelerating trend is the green transition, in which the division's innovative technologies benefit from rapidly growing demand in the recycling of metals, textiles and other resources. For instance, the division is world leader in air filtration control in the recycling of aluminium, and the non-woven operations are favoured by the growing health trend and increased economic prosperity in emerging economies. Even other industries, such as green steel and chemicals, can uitilise the division's solutions. Projects related to such trends can be found throughout the solutions portfolio. During the next few years, there are favourable growth opportunities in, for example, recycling and non-woven.

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 encompasses a strengthened focus on the offering in service and aftermarket with support in digital solutions. New advances were made during the year to meet the needs of the large base of installed systems throughout the world. Sales in service operations grew robustly. Further investments in remote monitoring and IoT solutions contribute to new, more advanced business models.

The division continued its work to coordinate operations globally and within the various regions through a focus on digital processes and cooperation. 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. To meet the growing demand and strengthen productivity, investments have also increased in our own manufacturing. A restructuring programme was launched at the beginning of the year in China to address and adapt the operations to the local conditions and establish a base for profitability improvements.

In the textile segment, demand was dampened by geopolitical challenges and short-term overcapacity, at the same time as the long-term outlook remains favourable. The division captured market shares and supports its customers through local manufacturing and launches of supplementary solutions that enhance competitiveness. During the year, the energy-efficient CFB fan was launched, which helps textile customers to reduce their energy costs and at the same time, improve their indoor environment. The division's operation in the adjacent non-woven noted continued healthy demand with a number of significant orders.

In the foundry and smelter segment, the green transition is contributing in various industries to a long-term increase in demand for the division's solutions, particularly in recycling, which displayed favourable growth during the year. The strategic decision to globalise the segment made it possible for the division to become established in new and growing markets.

The customised solutions segment is the most cyclical and often comprises large and complex projects. During the year, the division strengthened its position in the mining sector and secured new important projects in the chemicals sector. Also in this segment, the division's globalisation strategy has brought about establishment in new markets with favourable growth opportunities, including India.

SALES AND MARKET DEVELOPMENT

The division's orders received increased currency neutrally by 2.4 percent to SEK 1,921m (1,825) and sales increased currency neutrally by 20.2 percent to SEK 2,147m (1,722). In APAC, which is dominated by the textile segment, the trend was relatively stable. In EMEA, where the division is leading with systems for foundries and smelters, sales grew robustly, while development in Americas was even stronger, posting high sales growth and several new projects. Service sales developed strongly in all regions.

Milestones in 2023

- Strongly improved sales and profitability.
- Successful execution of a large number of projects.
- Continued globalisation with regional collaborations.
- Strengthened establishment in new markets using existing products
- Launch of CFB, a high-performing fan system
- Commencement of restructuring in China
- Investment in related industries, such as non-woven.
- Strengthened digital offering, particularly in service.



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.

DIVISION AT A GLANCE
Head of Division: Jeppe Rasmussen
Brands: Nordfab, Menardi
Average number of employees: 304

SEKm	2023	2022	2021
External orders received	763	704	495
Sales	839	791	541
Adjusted EBITA	157	127	104
Adjusted EBITA margin	18.7%	16.1%	19.2%

External sales by region

AMERICAS	EMEA	APAC
81%	11%	8%

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Fast, reliable and profitable

It was another good year for Nederman Duct & Filter Technology With full focus on developing value creation around the "Fast, Friendly and Reliable" concept, the division continued to strengthen its customer base and enhance the efficiency of operations, which led to increased sales and a strong improvement in earnings.

To be able to develop sales and retain healthy margins, the division works with the "Fast, Friendly and Reliable" concept, with a focus on presence with its own production, as well as digitalisation and automation of processes for a higher degree of service and efficiency. This strategy has led to stronger market shares for the division's two operations, which also celebrated 50 years (Nordfab) and 110 years (Menardi) in 2023.

The division's filter solutions, under the Menardi brand, have displayed strong improvements in the past three years, with increased sales and, above all, higher profitability as a result. In the US, in particular, local and efficient production, high delivery reliability, establishment of a sales organisation in California, the offer of framework agreements for large customers and opportunities in the market after consolidation in the industry are some of the factors that are behind this successful development. During 2023, Menardi was appointed preferred supplier to the leading defence group, Northrop Grumman, and received for the second consecutive year the Environmental Impact Award for only using recycled packaging material.

The division's ducting systems, which represent nearly 80 percent of the sales, under the Nordfab brand, also had a strong performance in recent years. New customer segments, such as battery manufacturers, were added, while the share of sales increased in other structurally growing segments, such as recycling, food, aerospace and the defence sector. High product quality and delivery reliability are two of the factors that led to the breakthrough on the customer side. Combined with cost control, more efficient production and price initiatives, profitability was considerably strengthened and reached a new record in 2023.

To meet higher customer requirements and stronger demand, the division's production and logistics are continuously upgraded. Increased automation, combined with a renewed machine park, are prioritised investments to strengthen the "Fast, Friendly and Reliable" concept. At the division's largest plant, in Thomasville, NC, in the US, a new warehouse was opened at the beginning of the year, which simplifies inventory management by providing a larger area, but also provided more space for production. The result was fewer production disruptions and increased delivery reliability. A new warehouse management system was also introduced. The next step is full automation and the launch of the Nordfab Now concept, with the delivery of standardised ducting products within 24 hours. During the autumn of 2023, the 9,000 m² solar panel installation on the roof of the plant was inaugurated and connected to the local electricity grid.

In the US, Menardi invested in a new laser cutter for high-quality filter bags that meet high demands within such segments as food and pharmaceuticals. In the UK, where sales in ducting systems have doubled within a short time, a review of the domestic production capacity commenced with the aim of becoming even better at addressing the strong interest among customers in the country. To meet the growing demand, a large number of deliveries to customer projects in the UK are made from the division's plant in Assens, in Denmark.

Innovation and the continuous upgrade of products and systems are another prioritised aspect of the division's strategy. During 2023, a new clamp for Quick-Fit (QF) ducts was launched in Europe that improves performance and results in a shorter delivery time. A new version of Spark Trap that is simpler to install in various industrial environments was launched in the US market and detailed documentation of the implosion performance for the division's channel system was presented. Nordfab's customer portal and digital order management tool, QTO, where the customers can choose between thousands of standard products from various ducting systems, was extended to include the range within Nordfab Now. Menardi also continued the development of digital tools for better configuration of its filter solutions.

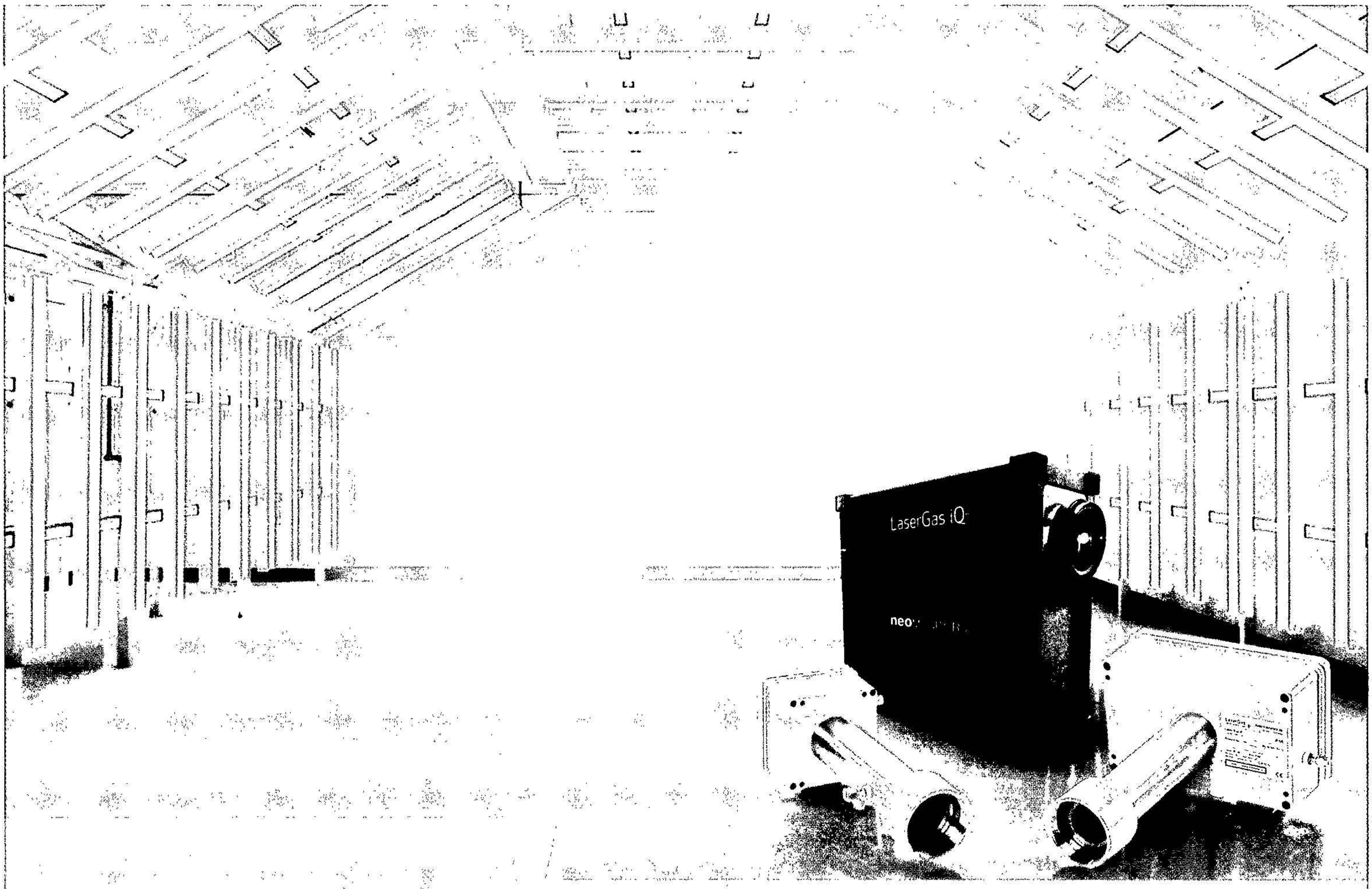
The integration and development of Nordfab's establishment in Australia continued during the year. A system for business support was implemented with the aim of strengthening sales processes and a reseller network has begun to be established. At the end of the year, the QF ducting system was launched with good results. New orders were secured for, among others, the education sector and in metal recycling.

SALES AND MARKET DEVELOPMENT

The division's external orders received increased currency neutrally by 2.6 percent to SEK 763m (704) and sales increased currency neutrally by 0.4 percent to SEK 839m (791). Americas is the division's dominant market, accounting for more than 80 percent of sales, and this region continued to perform positively in 2023. In particular, the region's sales and orders received increased for the division's filter solutions.

Milestones in 2023

- Increased sales and strong improvement in profitability.
- Nordfab celebrated 50 years and Menardi 110 years as brands.
- Moved into the new warehouse in Thomasville, NC, USA.
- Connection of the solar panel facility in Thomasville.
- New warehouse management system in Thomasville.
- Investment in new laser cutter for high-quality filter bags.
- Implementation of ERP system and launch of Quick-Fit (QF) in Australia.
- Preferred supplier to leading defence group in the US.



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.

DIVISION AT A GLANCE
Head of Division: Joakim Ryrstedt
Brands: NEO Monitors, Auburn FilterSense, Gasmet, Insight
Average number of employees: 253

SEKm	2023	2022	2021
External orders received	740	657	562
Sales	733	606	537
Adjusted EBITA	153	97	121
Adjusted EBITA margin	20.8%	15.9%	22.5%

External sales by region

AMERICAS	EMEA	APAC
32%	40%	28%

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Strengthening in a growing market

The growing interest in digital monitoring and control of production processes drives demand for the division's leading offering in the area. During 2023, new records were noted in sales and orders received, while higher volumes, increased efficiency and a better functioning supply chain resulted in stronger profitability.

The division's smart, connected products in combination with software solutions and automation are a differentiating factor and create competitive advantages. During 2023, the division placed additional focus on increasing sales, production, development and service capacity to further strengthen the division's leading position in a growing market. In addition, there was initiative aimed at increasing the share of direct sales. Earlier challenges in obtaining components within a normal timeframe gradually disappeared during the year, but the division had higher-than-usual inventory to ensure deliveries.

Several new orders were secured with major international customers in, for example, the energy and process industry, as well as a large number of customers associated with the green transition. Gasmet demonstrated a robust strengthening of its operations in the EMEA, with a significant contribution from the acquisition of the Swiss distributor MBE in 2022. The joint effort to encourage the growth of all brands in the US, for example, by increasing the number of direct transactions with end customers, generated a positive impact for all business units. NEO Monitors displayed stable growth with large orders in such areas as gas, oil and chemicals. In response to this, investments were made in new production capacity. Auburn FilterSense (AFS) was able to successively deliver on its large order backlog following capacity limitations in conjunction with the implementation of a new ERP system. The APAC region's strong recovery was another key factor for the division as a whole. The end of the comprehensive covid-19-related lockdowns in China meant that sales activities gathered momentum again and resulted in new orders and the ability to implement projects that had been postponed earlier.

To keep the solutions of the division's three units together and conduct effective sales and service work, a great deal of effort has been put into building up and integrating digital processes, tools and systems. The roll-out continued of digital tools for operations monitoring and control, such as the ERP system for AFS in Americas, which generated considerable efficiency improvements. To strengthen the long-term growth possibilities, major focus is placed on a joint brand strategy, marketing and cross sales. In line with the group's overall go-to-market strategy, the division works to identify synergies and collaborations based on digital sales and marketing channels.

A particularly important long-term activity is to increase service sales. The service range was further strengthened during the year, with the division's digital solution (Insight) becoming an increasingly important feature. Insight enables remote monitoring and rapid repair of installed systems. This, together with extended local support, led to an increase in the number of service contracts, primarily in the US and China.

The division continuously upgrades its portfolio and launches new solutions to optimise, measure, validate and report. Development of Insight and Automation continued to support customers in Industri 4.0 with the introduction of machine learning and AI to enhance efficiency. The products are also developed to meet various services for a green transition and for new applications in such areas as battery manufacturing, the hydrogen industry and carbon capture. For example, Gasmet was highly ranked by the Ecovadis service, which evaluates sustainability work of suppliers, thereby facilitating more business to be secured in the European automotive industry, among others sectors. The interest in portable products continued to increase. During 2023, the GT6000 Mobilis was launched, Gasmet's unique portable emissions analyser, which enables and simplifies mobile emission measurements. The customer response was strong in all regions, with orders from, among others, carbon capture projects. During the year, new certification and audits/re-certification of the current portfolio were carried out by international certification bodies, including UKCA and TÜV. The development of Insight Control and Insight Cloud continued, with Gasmet CEMS now being included. In addition, continuous work is under way to develop new generations of products for all brands, with the aim of meeting the rapidly growing interest in digital control and monitoring of production processes.

SALES AND MARKET DEVELOPMENT

The division's orders received increased currency neutrally by 9.6 percent to SEK 740m (657), while sales increased currency neutrally by 17.3 percent to SEK 733m (606). The division's exposure is relatively evenly distributed across Nederman's three regions. During the year, sales and orders received increased in all regions, with APAC accounting for the strongest development, mainly driven by a sharp increase in customer activity in China.

Milestones in 2023

- Strong orders received and sales growth.
- Launch of portable GT6000 Mobilis emissions analyser.
- Go-live of ERP in AFS, resulting in major efficiency improvements.
- Strengthened service offering in the US and China.
- Growing offering with focus on sustainability.
- Initiative to grow in the US with all three brands.
- Large orders in the energy sector.



Review of business operations

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The Board of Directors and CEO of Nederman Holding AB (publ), corporate registration number 556576-4205, have prepared the annual report for the 2023 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 portfolio 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 a clean and safe working environment, 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 costumers, 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 2023, 16 out of 21 production units were certified according to ISO 9001 and 15 out of 21 units were certified according to ISO 14001. Certification of additional units is planned to take place in 2024. 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 brands. This means that the operating segments are global. 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. 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 portfolio 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 2023, there were 4,569 (4,239) shareholders.

ACQUISITION OF BUSINESS OPERATIONS

Aagaard A/S

On 21 July 2023, Nederman acquired 100 percent of the shares in the Danish company Aagaard A/S. The acquisition price amounted to SEK 48.9m, of which SEK 8.7m comprised a deferred consideration and SEK 4.8m a conditional earn-out payment based on the adjusted operating profit for the April 2023 to March 2024 period.

Aagaard A/S, founded in 1965, has a strong market position and develops, produces, markets and mounts complete turnkey systems for the woodworking and furniture manufacturing industry globally with the major focus on the European market. Aagaard products and solutions are sold through selected dealers or via proprietary sales offices also controlling installation and service jobs. The product range includes dust extraction and filter systems as well as silos. The acquisition strengthened the Extraction & Filtration Technology (E&FT) division and in particular Nederman's European business in the wood segment. Aagaard's headquarters are in Hadsund, Denmark. The company has 34 employees and will continue to operate under the Aagaard brand. Aagaard reported sales of SEK 95m in 2023.

ORDERS RECEIVED AND SALES

Orders received amounted to SEK 6,004.6m (5,424.8), equivalent to currency neutral growth of 6.8 percent compared with 2022. Sales amounted to SEK 6,187.8m (5,178.9), equivalent to currency neutral growth of 14.9 percent compared with 2022.

PROFIT/LOSS

Consolidated operating profit for 2023 totalled SEK 592.8m (480.2), corresponding to an operating margin of 9.6 percent (9.3). Adjusted EBITA amounted to SEK 714.9m (566.6). The adjusted EBITA margin was 11.6 percent (10.9). Profit before tax amounted to SEK 476.2m (438.8). Net profit totalled SEK 340.9m (328.7), corresponding to earnings per share of SEK 9.71 (9.37).

Nederman's positive development continued during 2023. All four divisions grew their sales and for the group in its entirety, sales exceeded SEK 6 billion. The Group achieved its highest operating profit ever, and despite an increased portion of solution sales in the mix, operating margin also increased compared with the preceding year.

For Nederman Extraction & Filtration Technology sales and orders received increased to new record levels following the acquisition of RoboVent in 2022 and Aagaard in 2023. The division was impacted more than the others by the high inflationary pressure, particularly in the EMEA region where there is a higher fixed cost base. This is the main factor behind the weaker adjusted EBITA. 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 remained strong, while the division's successes in growing in both new segments and new markets continued. 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 orders received, sales and profitability. Profitability developed well with a significant impact from investments made in production equipment and facilities. For Nederman Monitoring & Control Technology the trend was also strong in 2023 and this division also saw good growth in orders received, sales and profitability. The high rate of product development seen in previous years continued while investments in increased production capacity are starting to see positive results.

The group's profitability target to achieve an adjusted EBITA margin of at least 14 percent, announced in April 2022, remains, and during the year the adjusted EBITA margin increased to 11.6 percent (10.9). The long-term targets 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 130.1m (126.4), of which SEK 51.5m (53.9) was capitalised in the statement of financial position, and is primarily related to investments in the group's digital product offering.

INVESTMENTS IN FIXED ASSETS AND DEPRECIATION/AMORTISATION

The group's capital expenditure in intangible assets for the year amounted to SEK 91.7m (97.6). Capital expenditure for the year was primarily related to the group's digital product range and the implementation of a global business system. Amortisation of intangible assets for the year totalled SEK 104.9m (78.0). The group's capital expenditure in tangible assets for the year amounted to SEK 103.9m (72.9) and was primarily related to the expansion of the production and warehouse facility in Thomasville, in the US. Depreciation of tangible assets for the year was SEK 59.4m (44.7).

CASH FLOW

Cash flow for the year amounted to SEK 115.4m (133.1) and cash flow from operating activities to SEK 576.3m (345.7). Inventory and accounts receivable were reduced during the year and made a positive contribution to the development of working capital. In the preceding year, there was an increase in tied-up capital in inventory, partly offset through advance payments made by customers in connection with major projects. The year's net investments in fixed assets amounted to SEK 198.3m (170.0). The largest single investment relates to the factory and warehouse building in Thomasville, US. Cash flow from financing activities mainly relates to the amortisation of lease liabilities of SEK 93.2m (80.1) and dividends paid to shareholders of SEK 131.6m (122.8). Net borrowing for the year, including utilised overdraft facilities, amounted to a total of SEK 0.6m (605.6).

LIQUIDITY AND FINANCIAL POSITION

At the end of the period, the group had SEK 815.2m (721.2) in cash and cash equivalents, as well as SEK 88.8m (108.4) 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 were signed in March 2022 and have a three-year maturity with extension options for two additional years with one year at the time. In 2023 the option to extend one year was exercised for the agreement with SEB and SHB but not with SEK. The agreements mature in March 2026 and March 2027 on exercise of the remaining options. Accordingly, at the end of the period, the group had a credit facility of SEK 632m (562) 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. Under certain conditions, the banks are entitled to terminate the agreements early.

Net debt amounted to SEK 1332.4m (1,477.1). Equity amounted to SEK 2,372.0m (2,186.5), corresponding to an equity/assets ratio of 36.9 percent (35.2) and a net debt/equity ratio of 56.2 percent (67.6). The net debt/equity ratio decreased compared with the preceding year, which is a result of the fact that net debt decreased in relation to equity. The reduced level of net debt was primarily due to strong operating cash flow. In comparison with the preceding year, the pension liability decreased by SEK 39m, which was primarily a consequence of an increase in the discount rate. The lease liability was in line with the preceding year. The

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cash balance continued to strengthen due to continued strong working capital development.

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 54m (236).

EMPLOYEES

The group had 2,462 (2,444) employees at year-end. The average number of employees in the group during the year was 2,377 (2,288). 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 21.2m (19.4) and pertained to service revenue from subsidiaries. Profit for the period amounted to SEK 3.4m (109.8). The decrease compared with the preceding year was mainly attributable to increased interest expenses from group companies and to some extent to a 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	470,181,728
Net profit for the year	3,414,319
Total SEK	**479,462,747**

The Board of Directors proposes that a dividend	
of SEK 3.95 per share be paid to shareholders*	138,666,413
to be transferred to the share premium reserve	5,866,700
to be transferred to retained earnings	334,929,634
Total SEK	**479,462,747**

* Based on the number of shares outstanding at 31 December 2023. The dividend amount could be changed as treasury shares could be converted by the record date of 18 April 2024. 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/assets ratio amounts to 35.5 percent and is therefore good in relation to the industry sector in general. The dividend corresponds to 41 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. See also note 33 Events after the end of the reporting period.

OUTLOOK

Demand and orders received remained favourable, while Nederman's base business and strong digital offering enable us to assert ourselves well in the current market. At the same time, there is a risk that problems in the supply chain, inflationary pressure and weaker economic prospects will impact customers' investment decisions. Moreover, the growing geopolitical uncertainty could eventually lead to increased protectionism.

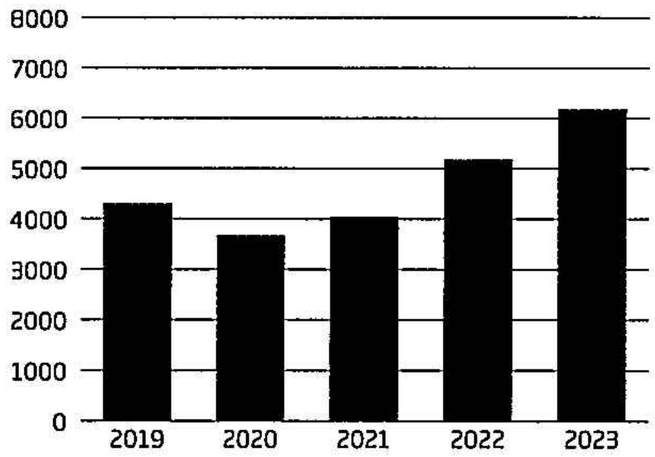
Even if the outlook in our industry could be temporarily dampened by various external factors, the long-term potential remains. In a world with growing insight into the damage that poor air does to people, Nederman, with its leading industrial air filtration offering, has a key role to play and good possibilities for continued growth.

Five-year overview

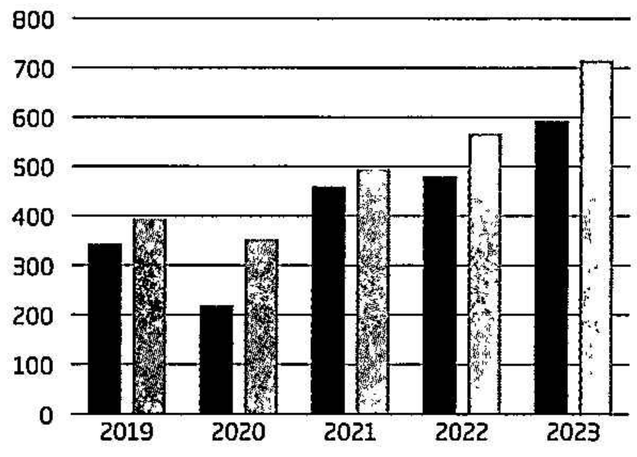
SEKm	2023	2022	2021	2020	2019
Operating revenue and earnings					
Net sales	6,187.8	5,178.9	4,041.8	3,674.8	4,307.7
EBITA	697.6	558.2	522.3	275.7	388.1
Adjusted EBITA	714.9	566.6	494.6	352.3	394.0
EBITDA	850.3	682.0	633.2	384.6	489.9
Adjusted EBITDA	867.5	690.4	605.5	461.2	495.8
Operating profit	592.8	480.2	458.9	219.0	343.2
Adjusted operating profit	610.0	488.6	431.2	295.6	349.1
Profit before tax	476.2	438.8	417.1	148.5	307.3
Net profit	340.9	328.7	305.3	110.4	225.8
Assets, equity and liabilities					
Fixed assets	3,412.5	3,358.8	2,645.6	2,480.8	2,647.7
Current assets	3,009.9	2,861.3	2,083.4	1,768.7	2,102.6
Cash and cash equivalents	815.2	721.2	541.6	466.8	445.3
Equity	2,372.0	2,186.5	1,717.4	1,300.8	1,382.0
Interest-bearing liabilities	2,147.6	2,198.3	1,609.4	1,917.3	2,009.4
Non-interest-bearing liabilities and provisions	1,902.8	1,835.3	1,402.2	1,031.4	1,358.9
Balance sheet total	6,422.4	6,220.1	4,729.0	4,249.5	4,750.3
Profitability					
EBITA margin	11.3%	10.8%	12.9%	7.5%	9.0%
Adjusted EBITA margin	11.6%	10.9%	12.2%	9.6%	9.1%
EBITDA margin	13.7%	13.2%	15.7%	10.5%	11.4%
Adjusted EBITDA margin	14.0%	13.3%	15.0%	12.6%	11.5%
Operating margin	9.6%	9.3%	11.4%	6.0%	8.0%
Adjusted operating margin	9.9%	9.4%	10.7%	8.0%	8.1%
Return on equity	15.0%	16.8%	20.2%	8.2%	17.2%
Return on operating capital	16.6%	15.2%	15.6%	10.4%	14.0%
Capital turnover rate, multiple	1.7	1.6	1.5	1.3	1.7
Capital structure					
Net debt	1,332.4	1,477.1	1,067.8	1,450.5	1,564.1
Net debt/equity ratio	56.2%	67.6%	62.2%	111.5%	113.2%
Net debt/adjusted EBITDA, multiple	1.5	2.1	1.8	3.1	3.2
Adjusted EBITDA/net financial items, multiple	7.4	16.7	14.5	6.5	13.8
Interest cover ratio, multiple	4.4	7.9	9.6	4.1	8.1
Equity/assets ratio	36.9%	35.2%	36.3%	30.6%	29.0%
Operating capital	3,704.4	3,663.6	2,785.2	2,751.3	2,946.1
Share data					
Number of shares on closing date	35,146,020	35,146,020	35,146,020	35,146,020	35,146,020
Weighted average number of shares prior to dilution	35,101,313	35,093,096	35,093,096	35,093,096	35,093,096
Weighted average number of shares after dilution	35,101,313	35,093,096	35,093,096	35,093,096	35,093,096
Equity per share, before dilution, SEK	67.58	62.31	48.94	37.07	39.38
Equity per share, after dilution, SEK	67.58	62.31	48.94	37.07	39.38
Earnings per share, before dilution, SEK	9.71	9.37	8.70	3.15	6.43
Earnings per share, after dilution, SEK	9.71	9.37	8.70	3.15	6.43
Proposed dividend per share, SEK	3.95	3.75	3.50	-	-
Employees					
Average number of employees	2,377	2,288	2,154	2,097	2,195

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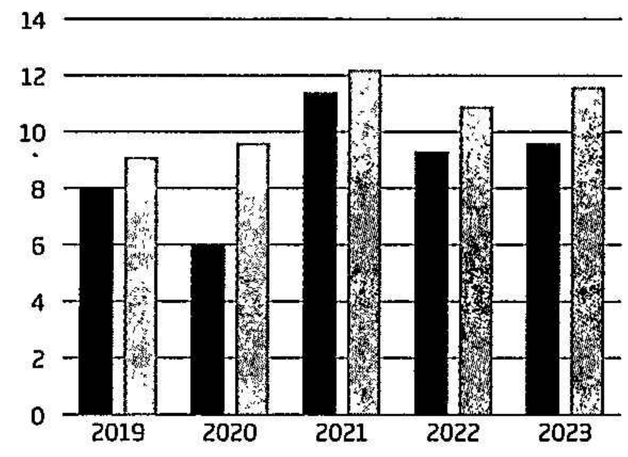
SALES, SEKM



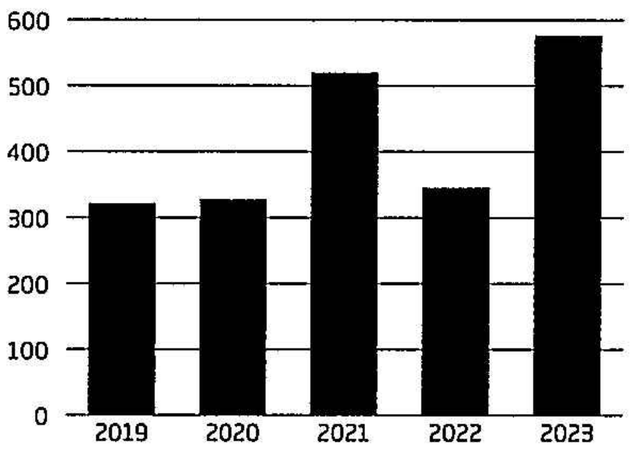
OPERATING PROFIT AND ADJUSTED EBITA, SEKM



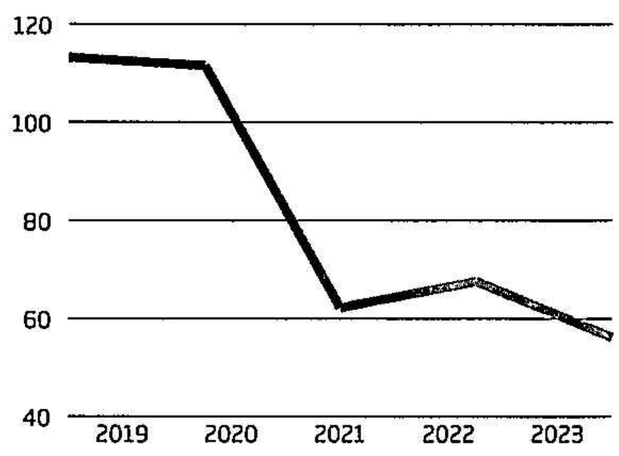
OPERATING MARGIN AND ADJUSTED EBITA MARGIN, %



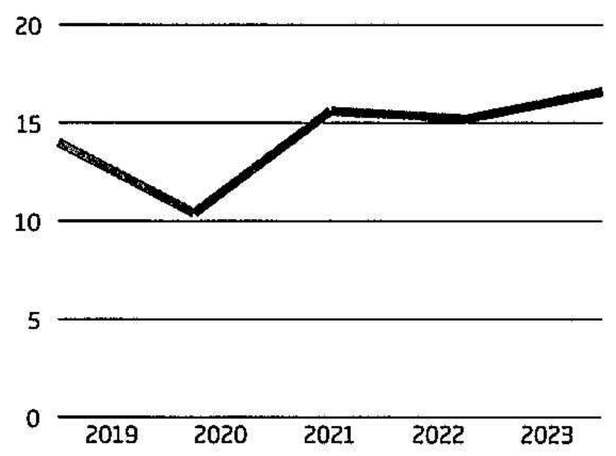
CASH FLOW, SEKM



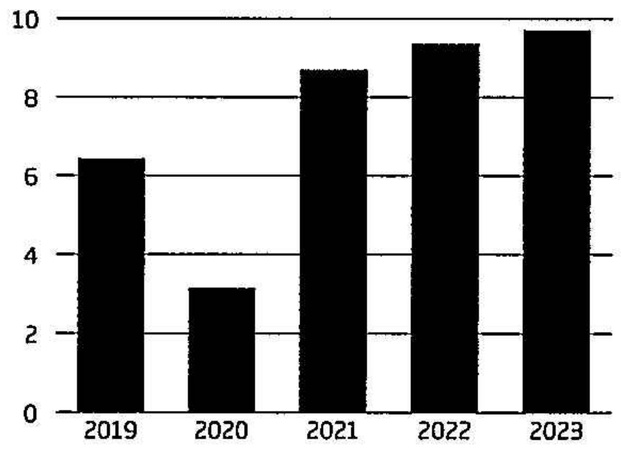
NET DEBT/EQUITY RATIO, %



RETURN ON OPERATING CAPITAL, %

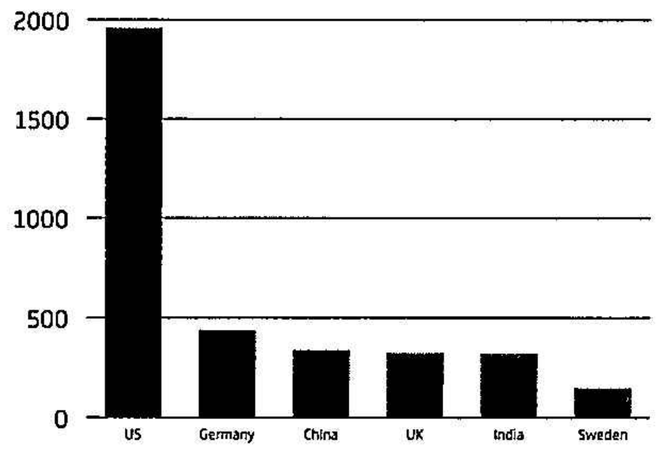


EARNINGS PER SHARE, SEK

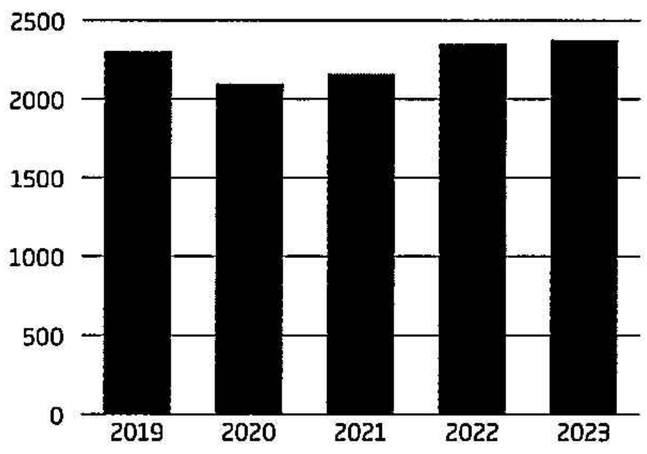


LARGEST MARKETS IN 2023, SEKM

External sales



AVERAGE NUMBER OF EMPLOYEES



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. Nederman group's risks are organised into five categories: Strategic risks, Operating risks, Compliance risks, Financial risks and Cyber and information risks.

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
Retain skills and capacity to implement strategic activities	Continued succession planning. Incentivising, motivating and developing key personnel. Recruitment is to be based on the company's values and vision.
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**
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.
External factors, such as fire, extreme weather conditions, natural disasters, war or pandemics	Continued contingency planning, regular risk assessments and site inspections.
Project-related risks	Systematic evaluation of projects, even in the tender phase. Focus on financial and operational project management.
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 safeguards product quality and functionality, ensuring that legal requirements regarding safety are complied with in full.

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Financial risks	Management
Underlying weakening of the economy	Continual updating of contingency plans, on local, regional and global levels.
Price increases and inflation	Increasing production efficiency, purchasing coordination across group companies, close monitoring and management of sales and purchase pricing. Continuous cost control and long-term efficiency enhancements based on digitalisation
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: Through its global operations, Nederman group is exposed to currency risk since exchange rate changes 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 approximately 51 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 changes impact the value of loans. Translation exposure arises when exchange rate changes affect the value of assets and liabilities in foreign subsidiaries, which comprises a currency exposure of equity.
Interest rate risks: The Nederman group is exposed to interest rate risk through its 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.	Interest risk pertains to the risk that changed interest levels could impact Nederman group's income and cash flow. 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 2023 by SEK 15.0m (13.3), 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.
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 the credit 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 1.1 percent of sales. The five largest customers accounted for 4.7 percent of sales. The company's risk spread can thus be regarded as very good. Contract assets consist of work performed that has not yet been invoiced, and mainly refers to the sale of small and medium-sized projects, which by its nature constitutes a credit risk. If several of the group's larger customers fails to meet its undertakings the group could suffer significant losses. 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.
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.	To limit the liquidity risk, the Nederman 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 were signed in March 2022 and have a three-year maturity with extension options for two additional years with one year at the time. In 2023 the option to extend one year was exercised for the agreements with SEB and SHB but not with SEK. The agreements mature in March 2026 and March 2027 on exercise of the remaining options. At the end of the year, the scope within the agreement with SEB and SHB had been utilised in an amount of SEK 1,368m (1,438). Accordingly, at the end of the period, the group had a credit facility of SEK 632m (562) 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. Under certain conditions, the banks are entitled to terminate the agreements early.

Cyber and information 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.
Ongoing IT projects	Systematic planning, securing relevant internal competence updating IT hardware and software.

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 2023, the company had 4,569 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 AB owned 8.90 percent. The ten largest shareholders had a total holding corresponding to 80.29 percent of the shares. Foreign investors held 16.45 percent of the shares. For further information about the share and shareholders, see pages 142-143.

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 24 April 2023. At the Meeting, 60 shareholders participated, representing 77.91 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 3.75 per share, corresponding to SEK 131.6m, and SEK 491.9m would be carried forward.

The Meeting decided in accordance with the Board of Directors' proposal on the transfer of treasury shares under the 2021-2022 LTI programme and on authorisation of the Board of Directors' to acquire and transfer the company's treasury shares. The Meeting also resolved to approve the Board of Directors' 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, Sven Kristensson, Johan Menckel and Sam Strömerstén were re-elected to the Board of Directors, alongside the first-time election of Anders Borg. 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 of Directors 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 of Directors, it comprised five members and thereby still met the requirements of the Articles of Association regarding the number of members until the appointment of Anders Borg at the Annual General Meeting on 24 April.

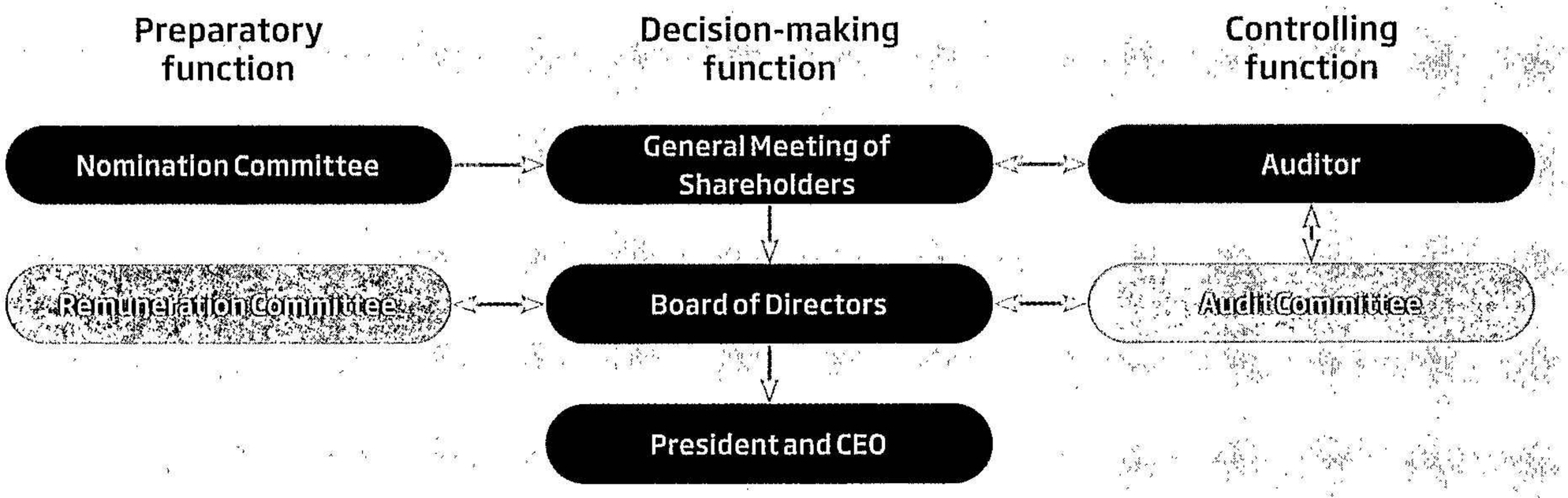
NOMINATION COMMITTEE

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, Ossian Ekdahl, Investment AB Latour (Chairman); Henrik Forsberg Schoultz, Neudi Kapital AB; Fredrik Ahlin, IF Skadeförsäkring AB and Oscar Bergman, Swedbank Robur, were appointed to the Nomination Committee ahead of the Annual General Meeting in 2024. Johan Menckel, Chairman of Nederman's Board of Directors, is a co-opt-

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Overall structure of corporate governance in Nederman



ed member of the Nomination Committee. For questions concerning the work of the Nomination Committee, contact ossian.ekdahl@gmail.com.

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.

The Board of Directors follows a written rule of procedure that is 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 of Directors is to meet and to what extent any deputies are to participate in the work of the Board and attend meetings. The rule 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 of Directors 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 2023, particular emphasis was placed on measures to increase profitability in underperforming markets such as China, to develop the service business, as well as on investments in upgrading the Group's production and logistics as well as digital initiatives. The increased geopolitical uncertainty was also an issue for the Board of Directors' work during the year. In 2023, in addition to the first Board meeting following election, the Board held six minuted meetings. To date, two minuted meetings have been held in 2024. The 2023 Annual General Meeting resolved that a total of SEK 2,009,000 would be paid in directors' fees, with SEK 773,000 paid to the Chairman of the Board and SEK 309,000 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 108,000 would be paid to the Chairman of the Audit Committee and SEK 71,000 to the committee members, and that a fee of SEK 54,000 would be paid to the Chairman of the Remuneration Committee and SEK 27,000 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, with the exception of Johan Menckel, independent in relation to the major share-

holders 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 76 and at nedermangroup.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 most of 2023, Nederman's Board of Directors comprised six members elected by the 2023 Annual General Meeting. On 3 February, Anna Kinberg Batra relinquished her seat on the Board of Directors 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 of Directors, it comprised five members until the appointment of Anders Borg at the Annual General Meeting on 24 April. The CEO is a member of the Board of Directors. The CFO is not a member of the Board of Directors 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

Anders Borg	4 of 4 possible
Gunilla Fransson	6 of 6 possible
Ylva op den Velde Hammargren	5 of 6 possible
Sven Kristensson	6 of 6 possible
Johan Menckel	6 of 6 possible
Sam Strömerstén	6 of 6 possible

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 of Directors' 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 of Directors 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 (Chairman) and Gunilla Fransson. The committee is a body within the company's Board of Directors 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 of Directors then presents as a proposal to the Annual General Meeting. The two members of the Remuneration Committee held one minuted meeting in 2023.

The prevailing guidelines for executive remuneration were adopted by the Annual General Meeting in 2023. 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 2023 and has held one minuted meeting to date in 2024. The company's auditor participated on these occasions. On February 14, 2024 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 2023 and until the Annual General Meeting on 24 April, the Audit Committee consisted of Board members Ylva op den Velde Hammargren (Chairman.) and Sam Strömerstén and after the Annual General Meeting of Anders Borg (Chairman), Ylva op den Velde Hammargren and Sam Strömerstén.

Attendance at Audit Committee meetings

Anders Borg	5 of 5 possible
Ylva op den Velde Hammargren	6 of 6 possible
Sam Strömerstén	6 of 6 possible

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.

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At the Annual General Meeting on 24 April 2023, 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 2024 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, Lindex, Revolutionrace and VBG Group. 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 2023 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 2023 and pertain mainly to auditing of the nine-month report and the sustainability report, as well as other auditing-related services.

REMUNERATION TO SENIOR EXECUTIVES

The Annual General Meeting on 24 April 2023 adopted the Board of Directors' proposal for guidelines for executive remuneration. In relation to the earlier guidelines, this proposal entails that the company has changed the structure in terms of long-term variable remuneration for senior executives in accordance with the section "Long-term variable remuneration" below. 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.

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 remuneration 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.

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.

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.

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.

Resolution on the transfer of treasury shares under the 2021-2022 LTI programme

The Annual General Meeting on 24 April 2023 decided in accordance with the Board of Directors' proposal on the transfer of treasury shares under the 2021-2022 LTI programme. The 2021-2022 LTI programme was concluded according to plan on 31 December 2022 and ten executives received a bonus in accordance with the programme terms. The Board of Directors' proposal means Nederman Holding AB transferred 12,325 treasury shares to participants who must hold the shares for at least three years.

Authorisation of the Board of Directors to acquire and transfer the company's treasury shares

The Annual General Meeting on 24 April 2023 decided in accordance with the Board of Directors' proposal on authorisation of the Board to acquire and transfer the company's treasury shares. The authorization means the Board of Directors has the right on one or more occasions during the period until the 2024 Annual General Meeting to resolve on the acquisition of treasury shares

and the transfer of treasury shares. The acquisition of treasury shares may take place on Nasdaq Stockholm at a price within a range between the highest buying price and lowest selling price, respectively, and the company's holding of treasury shares may amount to no more than 10 percent of all shares outstanding. The transfer of treasury shares may take place with no more than the number of shares held by the company on the date of the Board of Directors' decision and that are not required to supply shares under the company's incentive programme. The transfer of treasure shares may take place on Nasdaq Stockholm and as payment of the acquisition price when acquiring companies or businesses or when merging when the consideration is to correspond to the market value of the shares and can be paid in cash, with capital contributed in kind or through set-off against the asset in the company. The transfer may take place with deviation from the shareholders' preferential rights.

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. During the autumn, the Board began work to ensure compliance with the changes proposed to the Code by the Swedish Corporate Governance Board concerning requirements for formalised procedures that ensure that established principles for sustainability reporting are met and the company's sustainability reporting is prepared in accordance with law, applicable reporting standards and other requirements on listed companies.

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 communicated 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. Nederman's business strategy process contains a clear focus on sustainability, which is anchored with the parent company's board. At each Board meeting, the company's CEO reports on social, environmental and economic movements within "The Clean Air Journey", a voyage with a focus on creating the solutions of the future in air filtration and environmental technology. At least one annual board meeting is held at one of Nederman's development units and/or at key customers, which provides an opportunity to present information and discuss environmental, social and economic progress for "The Clean Air Journey".

Nederman's business strategy process 2023 included in-depth work in Group management regarding sustainability. The Nederman Group sustainability-related performance measures and focal points are presented for Group management by division managers at every third meeting of Group management. The process means that the sustainability work is constantly evaluated and improved, which enables a good spread of efforts within the group.

In 2023, Nederman carried out preparatory work regarding the European Commission's Corporate Sustainability Reporting Directive (CSRD), which will apply to Nederman from 1 January 2024. In addition, Nederman extended its efforts regarding the EU Taxonomy regulation and now also reports under objective four: Transition to a circular economy.

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 of Directors. 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 General Meeting of Shareholders 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 2023 on page 145.



Guidelines for executive remuneration

The Annual General Meeting on 24 April 2023 adopted the guidelines for executive remuneration proposed by the Board of Directors of Nederman Holding AB (hereinafter "Nederman" or "the company"). In relation to the earlier guidelines, this proposal entails that the company has changed the structure in terms of long-term 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. These guidelines do not apply to any remuneration decided or approved by the General Meeting separately.

PROMOTION OF NEDERMAN'S 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 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 remuneration 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

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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-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.

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 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.

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 Annual 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.

Board of Directors



JOHAN MENCKEL (1971)

Education: M.Sc. Eng. Industrial Economy, KTH Royal Institute of Technology
Nationality: Swedish
Role: Member, Chairman
Year of election: 2016, Chairman of the Board 2022
Committees: Chairman of the Remuneration Committee
Employment: CIO Investment AB Latour
Current activities*: *Chairman of the board:* Bemsiq AB, Nord-Lock International AB and Swegon Group AB. / *Board member:* CTEK AB, Latour Industries AB, SAAB AB and Securitas AB / *Other key roles:* Member of the Steering Committee of the World Materials Forum
Previous key roles:
President and CEO of Gränges AB and CEO of Sapa Heat Transfer and Sapa Heat Transfer Shanghai. Board member of the Swedish Chamber of Commerce in China. Management consultant at Accenture and founder of addnature.com.
Shareholding: 4,000 shares
Dependency: Dependent in relation to the company's major shareholders



SVEN KRISTENSSON (1962)

Education: The Swedish Air Force. University of Linköping
Nationality: Swedish
Role: Board member
Year of election: 2008
Employment: President and CEO of Nederman Holding AB.
Current activities*: *Chairman of the Board:* BK Pac AB, Dieden-ekodoor AB, Kristensson Holding AB and Novotek AB / *Board member:* Brohov AB, Swegon Group AB and Sydsvenska Industri- och Handelskammarens Service AB / *Other key roles:* Board member and Vice Chairman of the Board of Dr. P. Håkanssons stiftelser and Board member and Chairman of the Board of the Scandinavian Institute for Public Policy
Previous key roles: Various positions in medical technology (Group management of Getinge AB) and packaging (Group management of AB Åkerlund & Rausing), among others.
Shareholding: 336,689 shares
Dependency: Dependent in relation to the company



ANDERS BORG (1968)

Education: Studied political science, economic history, and philosophy at Uppsala University, and various studies at Stockholm University, including postgraduate studies in economics
Nationality: Swedish
Role: Board member
Year of election: 2023
Committees: Chairman of the Audit Committee
Employment: Professional board member and/or chairman of the board
Current activities*: *Chairman of the board:* Checkin.com Group AB, DanAds International AB, Sehlhall Fastigheter AB and Sehlhall Holding AB / *Board member:* Anders Borg Investment AB, LKAB, Rud Pedersen Public Affairs Company AB, Stena International SARL and Viaplay Group AB / *Other key roles:* Senior advisor to Amundi, East Capital, Kinnevik Investment and Nordic Capital
Previous key roles: Sweden's Minister of Finance 2006-2014. Board member of a number of companies in telecommunications and fintech, international organisations and public authorities. Previous assignments include positions at Sveriges Riksbank, Citigroup, ABN Amro, SEB and the World Economic Forum.
Shareholding: 1,834 shares
Dependency: Independent



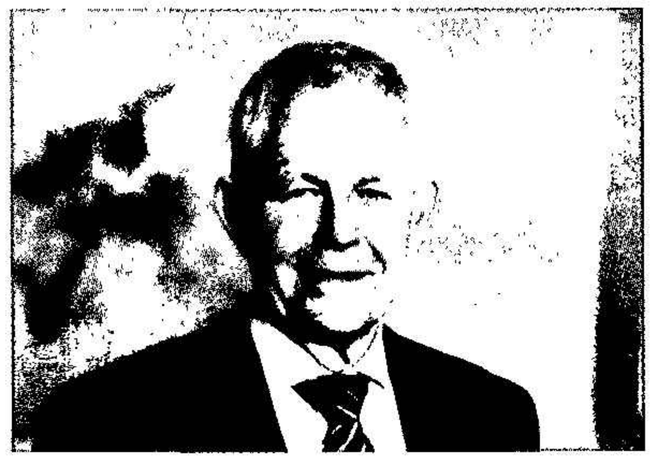
GUNILLA FRANSSON (1960)

Education: M.Sc. Eng. and Licentiate of Technology, KTH Royal Institute of Technology
Nationality: Swedish
Role: Board member
Year of election: 2016
Committees: Member of the Remuneration Committee.
Employment: Professional board member and/or chairman of the board
Current activities*: *Chairman of the board:* NetInsight AB / *Board member:* Eltel AB, the Dunker Foundations, Securitas AB and Trelleborg AB
Previous key roles: Various management positions within Saab AB and Ericsson AB
Shareholding: 800 shares
Dependency: Independent



YLVA OP DEN VELDE HAMMARGREN (1966)

Education: M.Sc. Eng. Materials Science, KTH Royal Institute of Technology
Nationality: Swedish
Role: Board member
Year of election: 2011
Committees: Member of the Audit Committee
Employment: Manager Technology Development AB SKF
Current activities*: Various management positions at SKF
Previous key roles: Board member of Södra
Shareholding: Owns no shares in Nederman
Dependency: Independent



SAM STRÖMERSTÉN (1955)

Education: M.Sc. Eng. Mechanical Engineering, Lund University, Faculty of Engineering
Nationality: Swedish
Role: Board member
Year of election: 2019
Committees: Member of the Audit Committee
Employment: Professional board member
Current activities*: *Board member* Skurups Elverk AB and Skurups Energihandel AB / *Other key roles:* President of the 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

* excl. deputy assignments

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Group management



SVEN KRISTENSSON (1962)

Role: President and CEO
Year of employment: 2001
Nationality: Swedish
Education: The Swedish Air Force. University of Linköping
Current activities*: *Chairman of the board:* BK Pac AB, Dieden-ekodoor AB, Kristensson Holding AB, Novotek AB and the Scandinavian Institute for Public Policy / *Board member:* Brohov AB, Dr. P. Håkanssons stiftelser, Swegon Group AB and Sydsvenska Industri- och Handelskammarens Service AB
Shareholding: 336,689 shares



MATTHEW CUSICK (1977)

Role: SVP, CFO
Year of employment: 2011
Nationality: Swedish/UK citizen
Education: B.A. Accounting & Finance
Current activities*: No other activities
Shareholding: 2,689 shares



HANS DAHLÉN (1968)

Role: SVP, Head of Division Extraction & Filtration Technology
Year of employment: 2013
Nationality: Swedish
Education: M.Sc. Chemical Engineering
Current activities:* No other activities.
Shareholding: 6,478 shares



TOMAS HAGSTRÖM (1976)

Role: SVP, Head of Division Process Technology
Year of employment: 2017
Nationality: Swedish/US citizen
Education: M.Sc. Electrical Engineering, B.Sc. Business Administration, MBA
Current activities*: No other activities
Shareholding: 2,651 shares



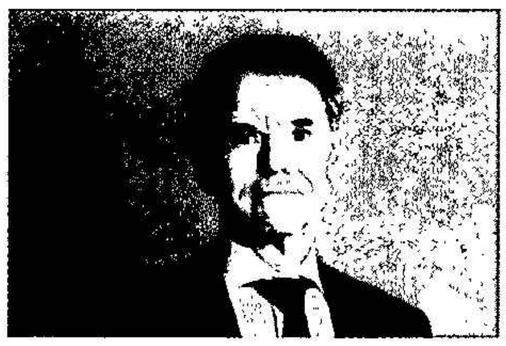
MIKAEL HÄGGBLAD (1977)

Role: SVP, Corporate IT & CIO
Year of employment: 2024
Nationality: Swedish
Education: M.Sc. Systems Sciences
Current activities*: *Board member:* Allegondy AB, Gardenr AB, and Q Division AB
Shareholding: Owns no shares in Nederman



THOMAS NIKLASSON (1970)

Role: SVP, Marketing & Communications
Year of employment: 2014
Nationality: Swedish
Education: M.Sc. Business & Economics
Current activities*: No other activities
Shareholding: 1,809 shares



KETIL GORM PAULSEN (1961)

Role: SVP, Corporate Strategy & IP
Year of employment: 2017
Nationality: Norwegian
Education: M.Sc. Physics/Civil Engineer, Master of Management
Current activities*: No other activities
Shareholding: 1,152 shares



JEPPE RASMUSSEN (1962)

Role: SVP, Head of Division Duct & Filter Technology
Year of employment: 2019
Nationality: Danish
Education: M.Sc. Ph.D. Marine Engineering
Current activities*: *Board member:* New Nordic Engineering A/S
Shareholding: 1,058 shares



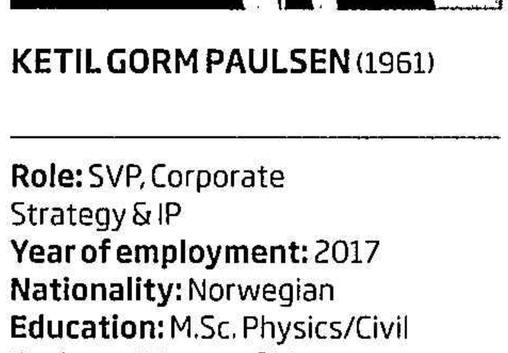
JOAKIM RYRSTEDT (1974)

Role: SVP, Head of Division Monitoring & Control Technology
Year of employment: 2021
Nationality: Swedish
Education: M.Sc. Business Administration
Current activities*: No other activities
Shareholding: 654 shares



EVA CARIN SVENSSON (1964)

Role: SVP, HR
Year of employment: 2009
Nationality: Swedish
Education: B.Sc. in Human Resources Management & Labor Relations
Current activities*: No other activities
Shareholding: 5,753 shares



ERIK WAHN (1980)

Role: SVP, Corporate Business Intelligence and M&A
Year of employment: 2019
Nationality: Swedish
Education: M.Sc. Business & Economics
Current activities*: *Chairman of the board:* Pej AB / *Board member:* Friway AB, Salutare AB, Waughn Ventures AB
Shareholding: 667 shares

* excl. deputy assignments

Consolidated statement of profit or loss

		1 January - 31 December	
SEKm	**Note**	**2023**	**2022**
Net sales	5, 6	6,187.8	5,178.9
Cost of goods sold	9	-3,941.6	-3,311.0
Gross profit		**2,246.2**	**1,867.9**
Selling expenses	9	-1,075.2	-877.8
Administrative expenses	4, 9	-472.4	-429.9
Research and development expenses	9	-78.6	-72.5
Restructuring costs	9	-14.4	-
Other operating income and expenses	7	-12.8	-7.5
Operating profit	5, 8, 10, 13, 14, 15, 24, 27	**592.8**	**480.2**
Financial income	28	30.5	23.0
Financial expenses		-147.1	-64.4
Net financial items	11	**-116.6**	**-41.4**
Profit before tax		**476.2**	**438.8**
Taxes	12	-135.3	-110.1
Net profit for the year		**340.9**	**328.7**
Net profit for the year attributable to			
Parent company's shareholders		340.9	328.7
Earnings per share	20	**9.71**	**9.37**

Consolidated statement of other comprehensive income

		1 January - 31 December	
SEKm	**Note**	**2023**	**2022**
Net profit for the year		**340.9**	**328.7**
Other comprehensive income			
Items that cannot be reclassified to net profit for the year			
Revaluation of defined-benefit pension plans	24	35.0	35.3
Tax attributable to revaluation of defined-benefit pension plans		-7.0	-8.0
		28.0	**27.3**
Items that have been or can be reclassified to net profit for the year			
Exchange differences arising on translation of foreign operations		-54.2	235.9
		-54.2	**235.9**
Other comprehensive income for the year, net after tax		**-26.2**	**263.2**
Total comprehensive income for the year		**314.7**	**591.9**
Total comprehensive income attributable to			
Parent company's shareholders		314.7	591.9

Consolidated statement of financial position

		31 December	
SEKm	**Note**	**2023**	**2022**
Assets			
Intangible assets	13	2,642.9	2,674.3
Tangible assets	14	443.5	390.1
Right-of-use assets	15	190.2	186.2
Long-term receivables	18	8.2	4.2
Deferred tax assets	12	127.7	104.0
Total fixed assets		**3,412.5**	**3,358.8**
Inventory	16	873.3	890.8
Current tax assets	12	134.6	65.4
Accounts receivable	17, 26	788.8	814.8
Contract assets	6, 26	197.4	165.3
Other receivables	18, 26	120.9	110.7
Prepaid expenses and accrued income	19	79.7	93.1
Cash and cash equivalents	26, 31	815.2	721.2
Total current assets		**3,009.9**	**2,861.3**
Total assets	5	**6,422.4**	**6,220.1**
Equity	20		
Share capital		1.2	1.2
Other capital contributed		345.9	345.9
Reserves		259.0	313.2
Retained earnings including net profit for the year		1,765.9	1,526.2
Equity attributable to the parent company's shareholders		**2,372.0**	**2,186.5**
Total equity		**2,372.0**	**2,186.5**
Liabilities			
Long-term interest-bearing liabilities	3, 21, 26	1,862.6	1,931.9
Long-term lease liabilities	3, 21, 26	123.1	122.0
Other long-term liabilities	22, 26	11.3	28.0
Pension provisions	24	31.1	70.5
Other provisions	25	37.5	28.3
Deferred tax liabilities	12	120.0	119.0
Total long-term liabilities		**2,185.6**	**2,299.7**
Current interest-bearing liabilities	3, 21, 26	54.4	-
Current lease liabilities	3, 21, 26	76.4	73.9
Accounts payable	3, 26	423.2	498.2
Contract liabilities	6, 26	638.4	615.3
Current tax liabilities	12	127.0	97.4
Other liabilities	22, 26	168.8	137.5
Accrued expenses and prepaid income	23, 26	298.7	268.5
Provisions	25	77.9	43.1
Total short-term liabilities		**1,864.8**	**1,733.9**
Total liabilities	5	**4,050.4**	**4,033.6**
Total equity and liabilities		**6,422.4**	**6,220.1**

Consolidated statement of changes in equity

	Equity attributable to the parent company's shareholders				
SEKm	Share capital	Other contributed capital	Translation reserve	Retained earnings including net profit for the year	Total equity
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	-	-	-	-122.8	-122.8
Closing equity 2022-12-31	**1.2**	**345.9**	**313.2**	**1,526.2**	**2,186.5**
Opening equity 2023-01-01	1.2	345.9	313.2	1,526.2	2,186.5
Net profit for the year	-	-	-	340.9	340.9
Other comprehensive income					
Change in translation reserve for the year	-	-	-54.2	-	-54.2
Revaluation of defined-benefit pension plans, net after tax	-	-	-	28.0	28.0
Total other comprehensive income	**-**	**-**	**-54.2**	**28.0**	**-26.2**
Total comprehensive income for the year	**-**	**-**	**-54.2**	**368.9**	**314.7**
Transactions with group's owners					
Dividend	-	-	-	-131.6	-131.6
Share-based payments	-	-	-	2.4	2.4
Closing equity 2023-12-31	**1.2**	**345.9**	**259.0**	**1,765.9**	**2,372.0**

Consolidated statement of cash flows

SEKm	Note	1 January - 31 December 2023	2022
Operating activities			
Operating profit		592.8	480.2
Adjustment for:			
Depreciation, amortisation and impairment of fixed assets		258.5	201.8
Other adjustments for non cash items	31	29.1	0.7
Interest received		25.7	11.1
Interest paid		-107.6	-64.2
Income tax paid		-214.3	-134.9
Cash flow from operating activities before changes in working capital		**584.2**	**494.7**
Increase (-)/Decrease (+) in inventories		9.3	-186.5
Increase (-)/Decrease (+) in operating receivables		-45.8	-114.0
Increase (-)/Decrease (+) in operating liabilities		28.6	151.5
Cash flow from changes in working capital		**-7.9**	**-149.0**
Cash flow from operating activities		**576.3**	**345.7**
Investing activities			
Capital expenditure for tangible assets		-103.9	-70.7
Sales of tangible assets		1.0	0.6
Capital expenditure on capitalised development costs		-51.5	-53.9
Capital expenditure on other intangible assets		-40.2	-46.2
Acquisition of subsidies/business, net of cash	4	-38.4	-445.3
Changes in financial assets		-3.7	0.2
Cash flow from investing activities		**-236.7**	**-615.3**
Financial activities			
New loans		27.0	1,945.9
Change in interest-bearing liabilities		25.7	-
Amortisation of loans		-52.1	-1,340.3
Amortisation of lease liability		-93.2	-80.1
Dividend paid to parent company shareholders		-131.6	-122.8
Cash flow from financing activities		**-224.2**	**402.7**
Cash flow for the year		**115.4**	**133.1**
Cash and cash equivalents at the beginning of the year		721.2	541.6
Translation differences		-21.4	46.5
Cash and cash equivalents at the end of the year	31	**815.2**	**721.2**

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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 submits material information on 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.

Accounting policies	Note	
Business acquisitions and divestments	4	Acquisitions of business operations
Operating segment	5	Segment reporting
Revenue	6	Revenue from customer contracts
Financial income and expenses	11	Financial income and expenses
Research and development	13	Intangible assets
Customer relations	13	Intangible assets
Trademarks	13	Intangible assets
Goodwill	13	Intangible assets
Tangible assets	14	Tangible assets
Leasing	15	Leasing
Inventory	16	Inventory
Pensions and similar obligations	24	Provisions for pensions and similar obligations
Restructuring costs	25	Other provisions
Warranty commitments	25	Other provisions
	29	Pledged assets and contingent liabilities
Government grants	27	Government grants
Contingent liabilities	29	Pledged assets and contingent liabilities
Cash flow statement	31	Cash flow
Financial instruments	3	Goal and policy regarding financial risk
	17	Accounts receivable
	18	Other receivables
	21	Interest-bearing liabilities
	26	Financial instruments

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 according to the Riksbank. 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 hyperinflationary 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.

New accounting policies in 2023
New and amended standards and interpretations applied to the financial year beginning 1 January 2023 have had the following effect on the Group's financial statements for 2023:

Amendments to IAS 1 Presentation of Financial Statements (disclosure of accounting policies)
As a result of the amendments, the requirement in IAS 1 for disclosure of significant accounting policies has been replaced by a requirement for material accounting policies. At the same time, the IASB's Practice Statement 2 Making Materiality Judgements has been updated with guidance and examples intended to illustrate the application of the materiality criterion to accounting policy disclosures. The aim is to achieve a real change in practice towards better, more effective communication in financial statements.

The amendments has resulted in a reduction in the amount of text relating to standardised and immaterial disclosures on accounting policies and additional company-specific information has been added.

New accounting policies in 2024 and later
Several new and amended standards and interpretations have been published by the IASB but have not yet become effective. None of the new or amended standards or interpretations have been early adopted by the Group. The Group intends to comply with these new and amended standards upon their effective date.

Amendments to IAS 1 Presentation of Financial Statements (Classification of liabilities)
In January 2020 and in October 2022, the IASB published amendments to IAS 1 regarding the classification of liabilities as current or non-current, particularly in the presence of covenants. The amendments to IAS 1 also clarify that it is the conditions as of the balance sheet date that form the basis for determining how a liability should be classified and that management's expectations regarding whether loan conditions will or will not be breached in the future are not relevant for classification. Both amendments are, according to the IASB, to be applied retrospectively for financial years commencing on January 1, 2024, or later. The amendments are approved by the EU.

The Group has financial covenants in its credit facility agreement and actively monitors the headroom for these covenants. The Group currently complies with these covenants. Therefore, the amendment is assessed to have no impact on the Group's financial reports during the initial application period. However, the Group will continuously consider and assess the amendments when potentially entering into new credit agreements.

None of the other amended IFRS are assessed to have any material impact on the Group's or the parent company's financial reports.

2 Significant judgements when applying the accounting policies, estimates and assumptions

When preparing the group's financial statements, senior management makes estimates and assumptions that influence the recognised amounts of assets, liabilities, income and expenses with related notes and disclosures of *contingent liabilities*.

Uncertainty in relation to these estimates and judgements may lead to significant adjustments to the carrying amount of the assets and liabilities that will impact future financial statements since the outcome may differ from earlier estimates and judgements. Changes in accounting estimates are applied prospectively.

Senior management also needs to exercise judgement in applying the group's accounting policies.

Judgements
In applying the group's accounting policies, senior management made the following judgements with the most significant impact on the carrying amounts in the financial statements:

	Note	
Establishment of the lease period in agreements with extension options.	15	Leasing

Estimates and assumptions
The key assumptions regarding the future and other sources of uncertainty in estimates that exist on the balance sheet date for which there is a significant risk of a material adjustment to assets and liabilities within the next financial year are described below. Assumptions and estimates are based on available information when the financial statements are prepared. Circumstances and assumptions about future developments could be modified, based on changes in the market or other circumstances that arise that are outside the control of the group. Such changes are taken into account in the assumptions when they occur.

	Note	
Revenue recognition relating to sales of solutions (project sales)	6	Revenue from customer contracts
Deferred tax receivable and uncertainty in income tax processes	12	Income tax
Examination for impairment of goodwill and other intangible assets	13	Intangible 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 were signed in March 2022 and have a three-year maturity with extension options for two additional years with one year at the time. In 2023 the option to extend one year was exercised for the agreements with SEB and SHB but not with SEK. At the end of the year, the scope within the agreement with SEB and SHB had been utilised in an amount of SEK 1,368m (1,438). Accordingly, at the end of the period, the group had a credit facility of SEK 632m (562) 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. Under certain conditions, the banks are entitled to terminate the agreements early.

The group's agreements with SEB, SHB and SEK contain established 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 2,116.6m, of which SEK 1,888.0m in bank loans and SEK 199.5m in lease liabilities. SEK 29.0m of the overdraft facilities was utilised.

The group had SEK 815.2m in cash and cash equivalents and SEK 88.8m in unutilised overdraft facilities. In addition, there was a further credit facility of SEK 631.7m within the framework of Nederman's loan agreement with SEB and SHB. Accordingly, there were available funds totalling SEK 1,535.7m on 31 December 2023. 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 2023 by SEK 15.0m (13.3), 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.

The effective rate of interest was 4.89 percent (2.57).

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3 Goal and policy regarding financial risk, continued

2023, SEKm	Currency	Nominal interest rate	Nominal amount in original currency	Total	Within 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Bank loan* (revolving)	SEK	2.84%-4.84%	926.5	1,073.8	22.7	22.7	45.3	983.1	-
Bank loan* (revolving)	USD	4.87%-6.45%	44.0	511.9	10.8	10.8	21.6	468.8	-
Bank loan* (term loan)	SEK	2.89%-5.07%	500.0	579.5	12.2	12.2	24.5	530.6	-
Current bank loan				26.6	0.6	26.0	-	-	-
Bank overdraft				30.4	0.7	29.7	-	-	-
Undiscounted lease payments				222.0	38.1	43.7	58.2	70.1	11.9
Accounts payable				423.2	410.2	9.4	1.7	1.0	0.9
Total				**2,867.4**	**495.3**	**154.5**	**151.3**	**2053.6**	**12.8**

2022, SEKm	Currency	Nominal interest rate	Nominal amount in original currency	Total	Within 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
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

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 1.1 percent of sales. The five largest customers accounted for 4.7 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.

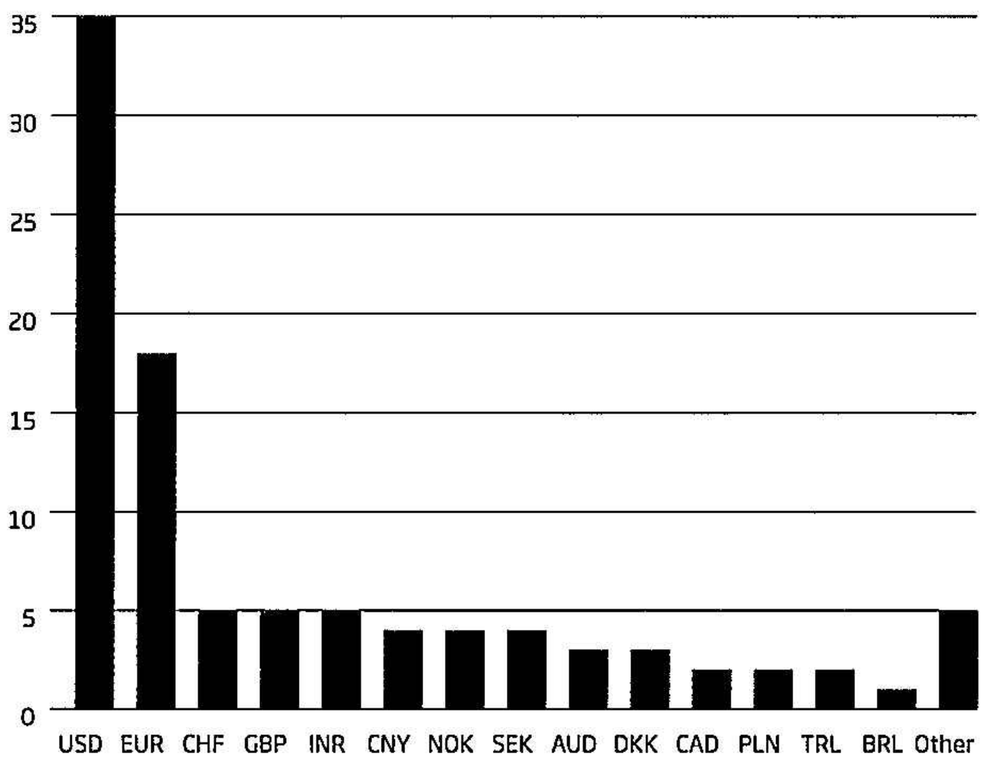
Provisions for bad debts are based on expected credit losses for their remaining time to maturity. Impairment is carried out on an individual case assessment basis. The group's bad debt losses in 2023 amounted to SEK 22.9m (26.1). Bad debt losses decreased year-on-year and pertain mainly to customers in China. Of the group's total accounts receivable, net of the credit loss reserve, of SEK 788.8m, 2.1 percent (5.0) comprises accounts receivable overdue by more than 90 days. At 31 December 2023, provisions for credit losses amounted to SEK 56.3m (41.6), equivalent to 6.7 percent (4.9) 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 changes 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 51 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 changes impact the value of loans. Translation exposure arises when exchange rate changes affect the value of assets and liabilities in foreign subsidiaries, which comprises a currency exposure of equity.

Invoicing in the group, % 2023



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 2023, Nederman group used no foreign exchange forwards to hedge currency exposure.

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

	2023		2022	
SEKm	-10%	+10%	-10%	+10%
CNY	-2.3	2.3	-0.5	0.5
EUR	9.4	-9.4	-11.5	11.5
GBP	-1.0	1.0	-2.1	2.1
NOK	-1.4	1.4	0.4	-0.4
PLN	-2.5	2.5	-8.3	8.3
USD	-3.0	3.0	-11.4	11.4

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	2023		2022	
BRL	38.8	2%	18.6	1%
CAD	50.1	2%	18.9	1%
CHF	136.0	6%	22.2	1%
CNY	-54.6	-2%	23.2	1%
CZK	28.1	1%	17.9	1%
DKK	291.3	12%	10.4	0%
EUR	378.9	16%	433.7	20%
GBP	63.1	3%	28.1	1%
INR	86.8	4%	7.3	0%
NOK	3.8	0%	41.3	2%
PLN	319.7	13%	212.0	10%
SEK	869.7	37%	875.9	40%
THB	-97.3	-4%	-70.7	-3%
TRL	-12.4	-1%	-9.7	-0%
USD	282.7	11%	558.8	25%
Other	-12.7	-0%	-1.4	-0%
Total	**2,372.0**	**100%**	**2,186.5**	**100%**

4 Acquisition of business operations

Accounting policies

Business acquisitions

Business acquisitions are recognised according to the acquisition method.

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 2023 is presented in the disclosures in parent company note 13, Shares and participations.

ACQUISITIONS

Aagaard A/S

On 21 July 2023, Nederman acquired 100 percent of shares in the Danish company Aagaard A/S. The acquisition price amounted to SEK 48.9m, of which SEK 8.7m comprised a deferred consideration and SEK 4.8m a conditional earn-out payment based on the adjusted operating profit for the April 2023 to March 2024 period. Acquired net assets amounted to SEK 21.9m and the transaction generated goodwill of SEK 27.0m. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 35.2m. The acquisition analysis is still preliminary, with an ongoing analysis of the acquired balance-sheet items inventory and projects.

Nordfab Pty Ltd

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 earn-out payment. The earn-out payment was related to the valuation of inventory and tangible fixed assets. In April 2023, the valuation was completed, resulting in an increase in the fair value of inventory of SEK 7.6m and a decrease in tangible fixed assets of SEK 5.1m. Upon final calculation of the fair value of identified acquired assets and liabilities, pension-related liabilities also increased by SEK 0.9m. Accordingly, the fair value of acquired net assets was adjusted by SEK 1.6m, thus amounting to SEK 16.1m. The adjustment has meant that the value of goodwill has decreased by the corresponding amount. In April 2023, the contingent earn-out payment was also paid, which totalled SEK 3.2m. The acquisition analysis is final.

SEKm	Aagaard A/S	Total
Acquisition price	48.9	48.9
whereof conditional earn-out payment	*4.8*	*4.8*
Identifiable acquired assets and liabilities, SEKm		
Intangible assets	0.8	0.8
Tangible assets	26.3	26.3
Inventory	12.7	12.7
Accounts receivables and other receivables	10.0	10.0
Cash and cash equivalents	0.2	0.2
Interest-bearing liabilities	-3.8	-3.8
Accounts payable and other operating liabilities	-16.0	-16.0
Current tax liabilities	-0.8	-0.8
Deferred tax liabilities	-7.5	-7.5
Total identifiable net assets	**21.9**	**21.9**
Goodwill	27.0	27.0
Total	**48.9**	**48.9**
Transferred remuneration	-35.4	-35.4
Acquired cash and cash equivalents	0.2	0.2
Effect on consolidated cash and cash equivalents	**-35.2**	**-35.2**
Net sales during holding time	29.5	29.5
Net sales 2023 before acquisition	65.3	65.3
Total	**94.8**	**94.8**
Net profit during holding time	-0.5	-0.5
Net profit 2023 before acquisition	5.7	5.7
Total	**5.2**	**5.2**

If all acquisitions had taken place on 1 January 2023 the group's sales would have amounted to SEK 6,253.1m and the net result to SEK 346.6m.

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 assets.

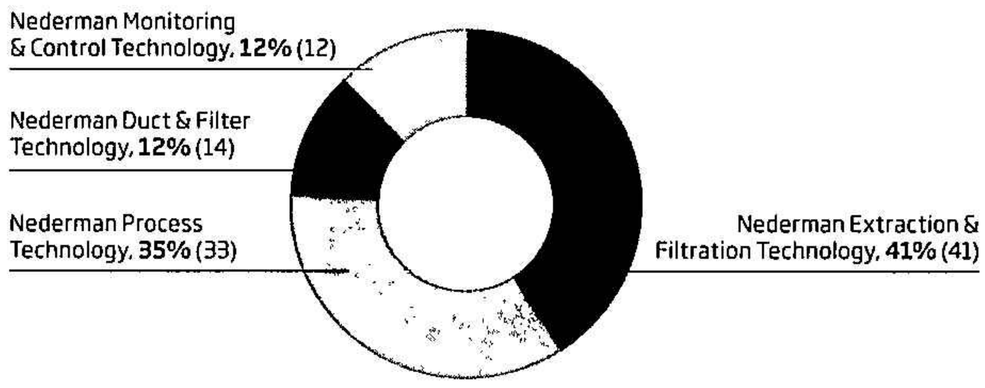
On a secondary level, the operations are monitored based on the following regions: Americas (North and South America), EMEA (Europe, Middle East and Africa) and APAC (Asia-Pacific).

Operating segment

Nederman group's operating segments are described on pages 50-59 and comprise:

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

External sales per operating segment, 2023



5 Segment reporting, continued

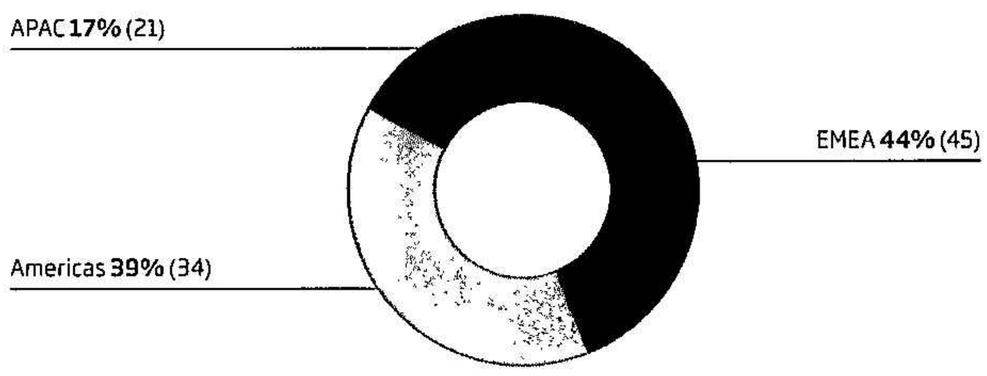
2023, SEKm	Extraction & Filtration Technology	Process Technology	Duct & Filter Technology	Monitoring & Control Technology	Non-allocated	Elimination	Total Nederman Group
Net sales, external customers	2,572.6	2,138.0	750.4	726.8	-	-	6,187.8
Net sales, internal between operating segments	9.9	8.6	88.6	6.0	-	-113.1	-
Net sales	**2,582.5**	**2,146.6**	**839.0**	**732.8**	**-**	**-113.1**	**6,187.8**
Cost of material	-1,110.6	-1,366.6	-299.2	-225.5	-	113.1	-2,888.8
Cost of remuneration to staff	-791.3	-376.4	-201.8	-230.4	-132.3	-	-1,732.2
Other costs	-341.1	-194.6	-181.5	-124.3	-10.4	-	-851.9
Adjusted EBITA	**339.5**	**209.0**	**156.5**	**152.6**	**-142.7**	**-**	**714.9**
Amortisation of intangible assets							-104.9
Acquisition costs							-2.8
Restructuring costs							-14.4
Operating profit							**592.8**
Net financial items							-116.6
Taxes							-135.3
Net profit for the year							**340.9**
Assets included in working capital	879.7	626.2	215.5	363.9	203.0	-228.2	2,060.1
Goodwill	807.9	397.6	21.9	790.4	-	-	2,017.8
Non-allocated assets	-	-	-	-	2,344.5	-	2,344.5
Total assets	**1,687.6**	**1,023.8**	**237.4**	**1,154.3**	**2,547.5**	**-228.2**	**6,422.4**
Liabilities included in working capital	644.1	736.7	113.0	106.8	156.7	-228.2	1,529.1
Non-allocated liabilities	-	-	-	-	2,521.3	-	2,521.3
Total liabilities	**644.1**	**736.7**	**113.0**	**106.8**	**2,678.0**	**-228.2**	**4,050.4**
Other segment information							
Capital expenditure	37.2	20.7	49.5	59.6	28.6	-	195.6
Entered lease agreements during the year	47.3	22.5	2.3	1.7	1.9	-	75.7
Depreciation/Amortisation and impairment	-104.9	-34.9	-27.9	-70.0	-20.8	-	-258.5
Items not affecting cash flow other than depreciation/amortisation	20.1	25.2	0.5	1.1	-17.8	-	29.1

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

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Geographic regions
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, long-term receivables and deferred tax assets.

External sales by region, 2023



2023, SEKm	Sweden	Germany	UK	Rest of EMEA	USA	Rest of Americas	China	India	Rest of APAC	Total
External net sales	146.7	436.6	324.4	1,566.7	1,956.7	467.5	337.8	319.6	631.8	6,187.8
Fixed assets	231.9	59.3	23.2	415.5	398.2	5.9	30.7	51.3	42.8	1,258.8
Capital expenditure	60.7	17.7	1.7	28.6	80.7	1.8	1.1	0.3	3.0	195.6

2022, SEKm	Sweden	Germany	UK	Other EMEA	USA	Other Americas	China	India	Other 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

6 Revenue from customer contracts

Accounting policies

Nederman's sales model
Nederman's range encompasses everything from individual products, complete solutions, design, installation, and commissioning to service. Based on this range, 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 are 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 relation 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

Significant estimates and assumptions

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. estimates the extent to which accrual of the projects has occurred, requires estimates and assumptions. Sales from solutions accounted for 47 percent (43) of the group's total sales in 2023.

Allocation of sales on segments and sales types

2023, SEKm	Products	Solutions	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	824.6	1,225.1	522.9	2,572.6
Nederman Process Technology	-	1,621.7	516.3	2,138.0
Nederman Duct & Filter Technology	728.0	19.1	3.3	750.4
Nederman Monitoring & Control Technology	579.1	46.6	101.1	726.8
Total Nederman group	**2,131.7**	**2,912.5**	**1,143.6**	**6,187.8**

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**

Sales of solutions (project sales)
At the beginning of 2023, contract liabilities amounted to SEK 615.3m (404.2), of which SEK 483.9m (330.4) was recognised as revenue in the current year. The opening contract liability in 2023 comprised partly of projects only scheduled to commence during 2024, 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 2024. At the end of 2023, contract liabilities amounted to SEK 638,4m. 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 2024.

Contract assets, SEKm	2023	2022
Work performed that has not yet been invoiced	197.4	165.3
Total	**197.4**	**165.3**

Contract liabilities, SEKm	2023	2022
Advances from customers in projects	611.5	598.8
Other advances from customers	26.9	16.5
Total	**638.4**	**615.3**

7 Other operating income and expenses

Other operating income, SEKm	2023	2022
Profit from sale of fixed assets	0.7	0.9
Recovered bad debt losses	2.0	4.0
Exchange gains on operating receivables/liabilities	-	18.4
Other	24.1	8.9
Total	**26.8**	**32.2**

Other operating expenses, SEKm	2023	2022
Loss from sales of fixed assets	-0.8	-0.1
Bad debt losses	-22.9	-26.1
Exchange losses on operating receivables/liabilities	-10.5	-
Other	-5.4	-13.5
Total	**-39.6**	**-39.7**

Total other operating income and expenses, SEKm	-12.8	-7.5

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

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8 Employees

Remuneration policy

The prevailing guidelines for executive remuneration were adopted by the Annual General Meeting in 2023 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 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 STI remuneration may amount to not more than 50 percent of the total fixed salary under the performance period for the CEO and 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. 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. 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 23 April 2023 approved the Board's proposal that the annual programmes for variable remuneration should be supplemented with a long-term incentive connected to the development of the share price. The LTI programme comprises three financial years. During year 1, the initial grant value of the LTI shall correspond to the STI earned during the previous year. 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.

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	2023	2022
Salaries and other remuneration	1,464.3	1,269.9
Pension expenses, defined-benefit plans (see also Note 24)	3.8	6.5
*Pension expenses, defined-contribution plans (see also Note 24)**	*77.2*	*66.3*
Social security expenses	186.9	170.3
Total	**1,732.2**	**1,513.0**

* Of the parent company's pension costs SEK 1.9m (1.8) 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	2023	2022
Board of Directors, CEO and senior executives	120.9	105.0
(of which variable remuneration)	(18.4)	(15.7)
Other employees	1,343.4	1,164.9
Total	**1,464.3**	**1,269.9**

Average number of employees	Women	Men	2023 Total	Women	Men	2022 Total
Australia	7	51	58	12	45	57
Belgium	3	15	18	3	13	16
Brazil	8	17	25	7	17	24
Denmark	10	76	86	9	64	73
England	23	91	114	25	85	110
Finland	27	59	86	27	59	86
France	3	8	11	4	7	11
Hong Kong	2	6	8	2	6	8
India	8	266	274	8	265	273
Indonesia	1	12	13	1	11	12
Canada	9	23	32	7	25	32
China	52	145	207	65	185	250
Malaysia	1	5	6	1	5	6
Mexico	6	10	16	4	7	11
The Netherlands	1	20	21	1	21	22
Norway	11	79	81	8	67	75
Poland	37	164	201	34	172	206
Russia	0	2	2	0	2	2
Switzerland	8	40	48	4	36	40
Singapore	3	5	8	3	5	8
Spain	3	12	15	3	13	16
Sweden	70	156	225	64	153	217
Thailand	17	30	47	15	32	47
Czech Republic	2	16	18	2	17	19
Turkey	7	14	21	3	21	24
Germany	37	150	187	36	149	185
USA	134	410	544	123	330	453
Austria	1	4	5	1	4	5
Total	**491**	**1,886**	**2,377**	**472**	**1,816**	**2,288**
Of whom, senior executives	**12**	**91**	**103**	**32**	**137**	**169**

Gender breakdown of senior executives, percentage of women	2023	2022
Board of Directors	7%	7%
Other senior executives	12%	19%

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Remuneration to senior executives

2023, SEKt	Base salary Board fees	Variable remuneration	LTI	Other benefits	Pension expenses	Total
Chairman of the board Johan Menckel	827	-	-	-	-	827
Member of the board Anders Borg	417	-	-	-	-	417
Member of the board Gunilla Fransson	336	-	-	-	-	336
Member of the board Ylva op den Velde Hammargren	381	-	-	-	-	381
Member of the board Sam Strömerstén	380	-	-	-	-	380
CEO Sven Kristensson	5,559	2,682	652	188	1,877	10,958
Other senior executives (9 individuals)	21,982	5,780	1,536	1,341	4,853	35,942
Total	**29,882**	**8,462**	**2,188**	**1,529**	**6,730**	**48,791**

2022, SEKt	Base salary Board fees	Variable remuneration	LTI	Other benefits	Pension expenses	Total
Chairman of the board Johan Menckel	802	-	-	-	-	802
Resigning member of the board Anna Kinberg Batra	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	3,786.0	1,277	4,712	35,244
Total	**28,418**	**6,712**	**5,533.0**	**1,465**	**6,483**	**48,611**

9 Expenses by nature

Operating expenses by nature, SEKm	2023	2022
Cost of material	2,888.8	2,461.6
Cost of remuneration to staff	1,732.2	1,513.0
Other external costs and other personnel costs	686.5	506.4
Acquisition costs	2.8	8.4
Restructuring costs	14.4	-
Depreciation and amortisation	257.5	201.8
Total	**5,582.2**	**4,691.2**

Restructuring costs allocated by function, SEKm		
Cost of goods sold	10.8	-
Selling expenses	1.5	-
Administrative expenses	2.1	-
Total	**14.4**	**-**

Restructuring costs by nature, SEKm		
Cost of material	2.3	-
Cost of remuneration to staff	9.6	-
Other external costs and other personnel costs	2.5	-
Total	**14.4**	**-**

10 Fees and expenses to auditors

SEKm	2023	2022
EY		
Audit assignment	8.7	6.9
Audit-related fee	0.9	0.9
Other assignments	0.4	0.4
Total	**10.0**	**8.2**
Other auditors		
Audit assignment	2.2	1.7
Tax advice	0.8	0.4
Other assignments	0.5	0.1
Total	***3.5***	***2.2***
Fees and expenses to auditors, SEKm	**13.5**	**10.4**

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, revenue from dividends, foreign exchange differences on interest-bearing financial assets and liabilities. 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	2023	2022
Financial income		
Interest income on bank deposits	25.3	11.0
Other interest income	0.4	-
Exchange rate changes	4.8	12.0
Total	**30.5**	**23.0**
Financial expenses		
Interest expenses, credit institutions	-111.5	-50.9
Interest expenses, leasing liabilities	-11.4	-9.5
Interest expenses, other	-6.2	-3.5
Exchange rate changes	-18.0	-0.5
Total	**-147.1**	**-64.4**
Net financial items	**-116.6**	**-41.4**

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12 Income tax

Significant estimates and assumptions

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.

Deferred tax assets for loss carryforwards are recognised to the extent it is probable they will be able to be utilised for settlement of future taxable gains. Significant estimates are made by senior management to determine recognised amounts for deferred tax assets based on the timeline when these can probably be utilised and the level of future taxable gains together with planned tax strategies, which are impacted by the future business climate, earnings capacity or changed tax rules.

Reported in the consolidated income statement

SEKm	2023	2022
Current tax expense (-)		
Tax expense for the period	-172.6	-128.5
Adjustment of tax relating to previous years	-0.6	1.9
Total	**-173.2**	**-126.6**
Deferred tax expense (-) / tax income (+)		
Deferred tax concerning temporary differences	32.6	11.8
Utilisation of previously activated loss carryforwards	-7.7	-1.5
Revaluation of loss carryforwards	-4.9	-0.4
Deferred tax income in tax loss carryforwards capitalised during the year	17.9	6.6
Total	**37.9**	**16.5**
Total consolidated tax expenses	**-135.3**	**-110.1**

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	2023	2023, SEKm	2022	2022, SEKm
Profit before tax		476.2		438.8
Tax according to the applicable tax rate for the parent company	20.6%	-98.1	20.6%	-90.4
Effect of other tax rates for foreign subsidiaries	3.2%	-15.3	2.5%	-10.9
Non-taxable income	-1.5%	7.1	-0.2%	1.0
Non-tax deductible expenses	1.6%	-7.7	1.0%	-4.4
Revaluation of temporary differences	0.3%	-1.4	0.3%	-1.1
Increase of tax loss carryforwards without corresponding capitalisation of deferred tax	3.2%	-15.4	2.1%	-9.9
Utilisation or revaluation of previously non-capitalised tax loss carryforwards	1.0%	-5.0	-1.4%	6.0
Tax relating to previous years	0.1%	-0.6	-0.4%	1.9
Effect of changes in tax rates and tax rules	0.3%	-1.2	-0.0%	0.2
Other	-0.5%	2.3	0.6%	-2.5
Reported effective tax	**28.4%**	**-135.3**	**25.1%**	**-110.1**

Current tax assets amount to SEK 134.6m (65.4) and represent the recoverable amount of current tax on the net profit for the year.

Reported in consolidated statement of financial position

Deferred tax assets and liabilities, SEK m	Assets	Liabilities	2023 Net	Assets	Liabilities	2022 Net
Intangible assets	8.5	81.6	-73.1	2.5	102.8	-100.3
Tangible assets	5.5	31.1	-25.6	5.7	19.4	-13.7
Right-of-use assets	-	42.6	-42.6	-	42.7	-42.7
Financial assets	-	0.5	-0.5	0.3	0.6	-0.3
Inventories	45.3	0.8	44.5	21.2	0.4	20.8
Accounts receivable	8.5	24.1	-15.6	14.3	9.4	4.9
Long-term liabilities	0.1	-	0.1	0.1	0.1	-0.0
Provision for pensions	4.8	9.1	-4.3	5.9	2.0	3.9
Provisions	23.5	-	23.5	23.1	-	23.1
Lease liabilities	44.6	-	44.6	44.8	-	44.8
Short-term liabilities	25.2	21.2	4.0	23.1	26.0	-2.9
Loss carryforwards	54.8	2.1	52.7	48.0	0.6	47.4
Tax assets/liabilities	**220.8**	**213.1**	**7.7**	**189.0**	**204.0**	**-15.0**
Netting	-93.1	-93.1	-	-85.0	-85.0	-
Deferred tax assets/liabilities according to statement of financial position	**127.7**	**120.0**	**7.7**	**104.0**	**119.0**	**-15.0**

The majority of recognised loss carryforwards are not time limited.

12 Income tax, continued

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	2023	2022
Unrecognised tax loss carryforwards	294.3	251.0

Unrecognised tax loss carryforwards would correspond to a deferred tax asset of SEK 72.1m. Unrecognised 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 2025-2028.

Change in deferred tax on temporary differences and loss carryforwards

SEKm	Balance on 1 January 2023	Recorded in income statement	Recorded in other comprehensive income	Translation difference	Acquisitions of business operations	Balance on 31 December 2023
Intangible assets	-100.3	27.6	-	-0.4	-	-73.1
Tangible assets	-13.7	-11.4	-	-0.5	-	-25.6
Right-of-use assets	-42.7	0.4	-	-0.3	-	-42.6
Financial assets	-0.3	-0.2	-	-	-	-0.5
Inventories	20.8	30.8	-	0.4	-7.5	44.5
Accounts receivable	4.9	-20.6	-	0.1	-	-15.6
Long-term liabilities	-0.0	-0.1	-	0.2	-	0.1
Provision for pensions	3.9	-0.9	-7.1	-0.2	-	-4.3
Provisions	23.1	0.4	-	0.0	-	23.5
Lease liabilities	44.8	-0.2	-	-	-	44.6
Short-term liabilities	-2.9	6.8	-	0.1	-	4.0
Loss carryforwards	47.4	5.3	-	-0.0	-	52.7
Total	**-15.0**	**37.9**	**-7.1**	**-0.6**	**-7.5**	**7.7**

SEKm	Balance on 1 January 2022	Recorded in income statement	Recorded in other comprehensive income	Translation difference	Acquisitions of business operations	Balance on 31 December 2022
Intangible assets	-68.4	6.6	-	-2.1	-36.4	-100.3
Tangible assets	-11.8	-0.7	-	-0.1	-1.1	-13.7
Right-of-use assets	-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	-	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**

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13 Intangible 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. Other trademarks are amortised over their estimated useful life. Trademarks are tested for impairment annually and in the event of an indication of impairment. Any impairment losses are charged to operating income.

Goodwill

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. 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.

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, individual assessment conducted of useful life
- Computer programs 3–5 years
- Customer relations, individual assessment conducted of useful life

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. 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.

Significant estimates and assumptions

Examination for impairment of goodwill and other intangible 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 estimate 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 assets, continued

SEKm	Capitalised development expenditure	Computer programs	Customer relations	Trademarks	Goodwill	Current investments and advances	2023 Total
Accumulated cost							
Opening balance	489.2	214.4	260.6	201.0	2,027.5	33.5	3,226.2
Business acquisition	6.7	-	-	-	25.4	-	32.0
Internally developed assets	51.5	-	-	-	-	-	51.5
Other capital expenditure	-	24.8	-	-	-	15.4	40.2
Sold and scrapped	-4.0	-0.7	-	-	-0.3	-	-5.0
Reclassifications	-3.5	34.0	-	-	0.0	-27.9	2.6
Translation differences	-4.5	-1.9	-7.4	1.8	-34.8	0.5	-46.2
Closing balance	**535.4**	**270.6**	**253.2**	**202.8**	**2,017.8**	**21.5**	**3,301.3**
Accumulated amortisation and impairment							
Opening balance	-265.9	-146.0	-68.9	-71.1	-	-	-551.9
Business acquisition	-5.8	-	-	-	-	-	-5.8
Sold and scrapped	3.8	0.7	-	-	-	-	4.5
Amortisation and impairment	-46.5	-29.5	-27.9	-1.7	-	-	-105.6
Reclassifications	1.0	-3.2	-	-	-	-	-2.2
Translation differences	2.6	1.1	3.1	-4.2	-	-	2.6
Closing balance	**-310.8**	**-176.9**	**-93.7**	**-77.0**	**-**	**-**	**-658.4**
Carrying amount							
Opening balance	223.3	68.4	191.7	129.9	2,027.5	33.5	2,674.3
Closing balance	**224.6**	**93.7**	**159.5**	**125.8**	**2,017.8**	**21.5**	**2,642.9**

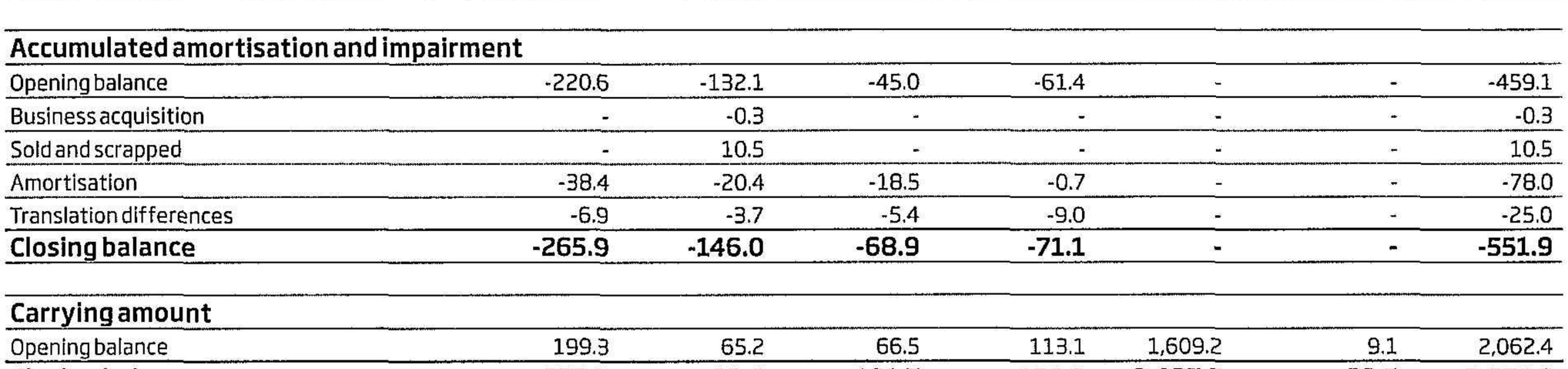
SEKm	Capitalised development expenditure	Computer programs	Customer relations	Trademarks	Goodwill	Current investments and advances	2022 Total
Accumulated cost							
Opening balance	419.9	197.3	111.5	174.5	1,609.2	9.1	2,521.5
Business acquisition	-	1.2	134.8	5.1	282.5	-	423.6
Internally developed assets	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**

The amount for amortisation and impairment in 2023 includes impairment totalling SEK 0.7m.

The Group's expenses for development of the existing product range and new products amounted to SEK 78.6m (72.5). SEK 51.5m (53.9) was capitalised in the consolidated statement of financial position.

Capitalised development expenditure is primarily related to investments in the group's digital product portfolio where the remaining amortisation period is approximately four years. Customer relations were mainly established in the acquisitions of RoboVent and Gasmet where the remaining amortisation period is approximately six years.

Research and development expenses in relation to sales, SEKm



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13 Intangible assets, continued

Amortisation and impairments, SEKm	2023	2022
Amortisation and impairment is included in the following rows in the income statement:		
Cost of sold goods	-82.2	-55.7
Selling expenses	-7.0	-5.9
Administrative expenses	-16.4	-16.4
Total	**-105.6**	**-78.0**

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 period 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 2023, the pre-tax discount rate amounted to 16.74 percent (11.33). 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 123.1m (125.4).

Trademarks per operating segment, SEKm	2023	2022
Nederman Extraction & Filtration Technology	2.7	4.5
Nederman Process Technology	100.1	102.2
Nederman Duct & Filter Technology	-	-
Nederman Monitoring & Control Technology	23.0	23.2
Total	**125.8**	**129.9**

Goodwill per operating segment, SEKm	2023	2022
Nederman Extraction & Filtration Technology	807.9	793.8
Nederman Process Technology	397.6	394.1
Nederman Duct & Filter Technology	21.9	24.0
Nederman Monitoring & Control Technology	790.4	815.6
Total	**2,017.8**	**2,027.5**

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% (3.0)	17.47% (12.24)
Nederman Process Technology	2.0% (3.0)	2.0% (3.0)	18.25% (10.53)
Nederman Duct & Filter Technology	3.0% (4.0)	3.0% (4.0)	17.46% (12.40)
Nederman Monitoring & Control Technology	5.0% (5.0)	5.0% (5.0)	15.20% (10.42)

Sensitivity analysis goodwill and trademarks

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. 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.

Amortisation

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 15-50 years
- plant and machinery 3-20 years
- equipment, tools and fixtures 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.

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. 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 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.

14 Tangible assets, continued

SEKm	Land and buildings	Plant and machinery	Equipment, tools and fixtures	Current investments and advances	2023 Total
Accumulated cost					
Opening balance	499.7	381.1	257.5	50.3	1,188.6
Business acquisition	28.3	8.5	5.3	-	42.1
Capital expenditure	4.4	15.8	19.2	64.5	103.9
Sold and scrapped	-0.5	-7.3	-25.5	-	-33.3
Reclassifications	55.5	26.4	2.6	-89.4	-4.9
Translation differences	-9.9	-4.8	-4.3	0.2	-18.8
Closing balance	**577.5**	**419.7**	**254.8**	**25.6**	**1,277.6**
Accumulated depreciation and impairment					
Opening balance	-303.1	-287.5	-207.9	-	-798.5
Business acquisition	-8.5	-9.0	-3.4	-	-20.9
Depreciation and impairment	-14.3	-20.9	-24.5	-	-59.7
Sold and scrapped	0.5	6.8	25.1	-	32.4
Reclassifications	0.1	-	4.3	-	4.4
Translation differences	4.1	1.8	2.3	-	8.2
Closing balance	**-321.2**	**-308.8**	**-204.1**	**-**	**-834.1**
Carrying amount					
Opening balance	196.6	93.6	49.6	50.3	390.1
Closing balance	**256.3**	**110.9**	**50.7**	**25.6**	**443.5**

SEKm	Land and buildings	Plant and machinery	Equipment, tools and fixtures	Current investments and advances	2022 Total
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
Reclassifications	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	-11.1	-16.1	-17.5	-	-44.7
Sold and scrapped	0.1	3.1	4.3	-	7.5
Reclassifications	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 amount					
Opening balance	183.1	81.7	41.1	10.9	316.8
Closing balance	**196.6**	**93.6**	**49.6**	**50.3**	**390.1**

Depreciation and impairments, SEKm	2023	2022
Depreciation and impairment is included in the following rows in the income statement:		
Cost of sold goods	-37.9	-28.2
Selling expenses	-8.6	-5.9
Administrative expenses	-13.2	-10.6
Total	**-59.7**	**-44.7**

The amount for depreciation and impairment in 2023 includes impairment totalling SEK 0.3m.

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15 Leasing

Accounting policies

Leasing

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 has the right to control the use of the asset.

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. At the initial date, the right-of-use asset is recognised to the value of the lease liability.

For leases where the implicit rate is not available according to the lease, 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.

The standard contains two exceptions for reporting in the statement of financial position, which Nederman applies: short-term leases and leases for which the underlying asset has a low value (USD 5,000). 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.

Significant judgements

Establishing the lease period

An assessment is 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. 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. Example of factors included in the analysis are 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. The lease term is determined on an individual basis.

Significant estimates and assumptions

Measurement of leasing

The interest rate used to discount future lease expenses impacts the measurement of the right-of-use asset and lease liability. If the implicit rate in the lease cannot be easily established, which was the case for all lease contracts for the group December 31, 2023, the incremental borrowing rate is used. The determination of the incremental borrowing rate includes estimates and assumptions related to company-specific information, such as, credit ratings of each company.

SEKm	Land and buildings	Cars and other vehicles	Machinery and equipment	2023 Total
Accumulated cost				
Opening balance	313.0	68.1	17.7	398.8
New lease contracts	24.3	47.2	4.2	75.7
Terminated lease contracts	-59.1	-26.9	-5.5	-91.5
Revaluated lease contracts	26.8	2.4	-	29.2
Translation differences	-5.1	-1.8	0.2	-6.7
Closing balance	**299.9**	**89.0**	**16.6**	**405.5**
Accumulated depreciation and impairment				
Opening balance	-168.5	-33.2	-10.9	-212.6
Depreciation	-63.6	-26.1	-3.5	-93.2
Terminated lease contracts	56.4	25.7	5.4	87.5
Translation differences	2.5	0.6	-0.1	3.0
Closing balance	**-173.2**	**-33.0**	**-9.1**	**-215.3**
Carrying amount				
Opening balance	144.5	34.9	6.8	186.2
Closing balance	**126.7**	**56.0**	**7.5**	**190.2**

15 Leasing, continued

SEKm	Land and buildings	Cars and other vehicles	Machinery and equipment	2022 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 amount				
Opening balance	150.4	31.9	10.0	192.3
Closing balance	**144.5**	**34.9**	**6.8**	**186.2**

Depreciation and impairments, SEKm	2023	2022
Depreciation is included in the following rows in the income statement:		
Cost of sold goods	-41.8	-35.1
Selling expenses	-39.3	-33.7
Administrative expenses	-10.0	-8.4
Research and development expenses	-2.1	-1.9
Total	**-93.2**	**-79.1**

Lease expenses, SEKm	2023	2022
Depreciation of right-of-use assets	-93.2	-79.1
Interest expense on lease liabilities	-11.4	-9.5
Short term leases	-2.0	-1.5
Lease assets of low value	-4.0	-3.1
Total	**-110.6**	**-93.2**

Cash flow from leasing, SEKm	2023	2022
Cash flow from leasing	-103.9	-89.3

For term analysis of undiscounted leasing fees, see note 3.

Leases not yet commenced

The anticipated cash flow for 2023 pertaining to signed leases not yet commenced on 31 December 2023 amounted to SEK 602m (0). The cash flow is related to two property contracts signed for 15 and 20 years.

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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.

Significant estimates and assumptions

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	2023	2022
Raw materials and consumables	443.4	486.6
Work in progress	104.8	109.4
Finished goods and tradable goods	325.1	294.8
Total	**873.3**	**890.8**

Change in impairment of inventory, SEKm	2023	2022
Opening balance	169.1	136.9
Business acquisitions and business divestments	-2.3	9.8
Change reported in the operating profit	27.3	19.1
Disposals	-19.4	-3.8
Reclassifications	-	-2.2
Translation differences	-1.9	9.3
Impairment of inventory at 31 December	**172.8**	**169.1**

17 Accounts receivable

Accounting policies

Accounts receivable
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.

Significant estimates and assumptions

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.

See note 3 for information about credit risks.

					2023					2022
Accounts receivable maturity structure, SEKm	Not yet due	Overdue, number of days 1-30	31-90	>90	Total	Not yet due	Overdue, number of days 1-30	31-90	>90	Total
Accounts receivable, gross	591.3	123.2	64.3	66.3	845.1	536.5	156.2	83.5	80.2	856.4
Expected credit losses	-2.9	-1.7	-2.0	-49.7	-56.3	-1.7	-	-0.4	-39.5	-41.6
Accounts receivable, net	**588.4**	**121.5**	**62.3**	**16.6**	**788.8**	**534.8**	**156.2**	**83.1**	**40.7**	**814.8**
Credit loss level	0.5%	1.4%	3.1%	75.0%	6.7%	0.3%	-%	0.5%	49.3%	4.9%

Change in credit loss provision	2023	2022
Opening balance	-41.6	-26.5
Business acquisition	-0.5	-1.3
Provisions for bad debts	-23.7	-19.9
Receivables written off and not recoverable	0.5	3.8
Reversed provisions	6.6	4.7
Translation differences	2.4	-2.4
Closing balance	**-56.3**	**-41.6**

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	2023	2022
Capital insurance related to pension plans	0.8	2.8
Other receivables	7.4	1.4
Total	**8.2**	**4.2**

Other receivables which are current assets, SEKm	2023	2022
VAT receivable	54.9	48.0
Other receivables	66.0	62.7
Total	**120.9**	**110.7**

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	2023	2022
Rent/leasing	5.2	6.6
Computer/license costs	18.6	19.8
Insurance	3.6	6.8
Bank costs	0.2	0.1
Other	52.1	59.8
Total	**79.7**	**93.1**

20 Equity and number of shares

Number of shares	2023	2022
Issued number of shares as of 31 December	35,146,020	35,146,020
Weighted average number of shares prior to dilution	35,101,313	35,093,096
Weighted average number of shares after dilution	35,101,313	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	2023	2022
Opening number of treasury shares held	52,924	52,924
Effects of share-based payments	(12,325)	-
Closing number of treasury shares held	**40,599**	**52,924**

Information about the group's share-related incentive plan see note 8, Employees.

Earnings per share, SEK	2023	2022
Net profit for the year attributable to the parent company's shareholders	340.9	328.7
Earnings per share before dilution	9.71	9.37
Earnings per share after dilution	9.71	9.37

20 Equity and number of shares, continued

Dividend

The Board of Directors proposes a dividend of SEK 3.95 (3.75) per share, a total of SEK 138.7m (131.6). The dividend amount is based on the number of shares outstanding at 31 December 2023, which could be changed as treasury shares could be converted by the record date of 18 April 2024. The dividend will be adopted by the Annual General Meeting on 26 April 2024.

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 3.95 per share to the 2024 Annual General Meeting, corresponding to 5.8 percent of equity. During the past five years, the ordinary dividend has amounted to an average of 4.4 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	2023	2022
Total equity	2,372.0	2,186.5

Net debt/equity ratio	2023	2022
Interest-bearing liabilities and pension provisions	2,147.6	2,198.3
Cash and cash equivalents	-815.2	-721.2
Net debt	**1,332.4**	**1,477.1**
Net debt/equity ratio	**56.2%**	**67.6%**

The net debt/equity ratio decreased compared with the preceding year, which is a result of the fact that net debt decreased more in relation to equity. The reduced level of net debt was primarily due to strong operating cash flow. In comparison with the preceding year, the pension liability decreased by SEK 39m, 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 strong working capital development.

Equity was strengthened during the year as a consequence of favourable profitability. In addition, equity was impacted by the mix of currency exposure, which led to the change in translation reserve, attributable to the translation of foreign subsidiaries, amounting to SEK 54m.

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 2023, the group had pension provisions of SEK 65.0m (70.5) as recognised in note 24.

Long-term liabilities, SEKm	2023	2022
Bank loans	1,862.6	1,931.9
Lease liabilities	123.1	122.0
Total	**1,985.7**	**2,053.9**

Short-term liabilities, SEKm	2023	2022
Bank overdraft	29.0	-
Current part of bank loans	25.4	-
Current part of lease liabilities	76.4	73.9
Total	**130.8**	**73.9**
Total interest-bearing liabilities	**2,116.5**	**2,127.8**

21 Interest-bearing liabilities, continued

Terms and repayment due dates

For terms and due dates for repayment of interest-bearing liabilities, see the table below. No security for the bank loans has been provided.

2023, SEKm	Currency	Due date	Nominal interest	Nominal amount in original currency	Recorded amount
Bank loan* (revolving)	SEK	2027-03-24	2.84%-4.84%	926.5	923.8
Bank loan* (revolving)	USD	2027-03-24	4.87%-6.45%	44.0	440.4
Bank loan* (term loan)	SEK	2026-03-29	2.89%-5.07%	500.0	498.4
Current bank loan					25.4
Bank overdraft					29.0
Lease liabilities					199.5
Total interest-bearing liabilities					**2,116.5**

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

22 Other liabilities

Other long-term liabilities, SEKm	2023	2022
Deferred payment of acquisition price upon business acquisition (see note 4)	8.2	23.4
Other liabilities	3.1	4.6
Total	**11.3**	**28.0**

Other short-term liabilities, SEKm	2023	2022
Deferred payment of acquisition price upon business acquisition (see note 4)	9.3	5.0
Personnel-related liabilities	58.9	49.9
VAT receivable	59.3	45.7
Other liabilities	41.3	36.9
Total	**168.8**	**137.5**

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	2023	2022
Personnel-related expenses	185.9	185.8
Interest expenses	0.1	0.0
Audit expenses	6.5	5.3
Selling expenses	9.3	9.9
Freight and customs expenses	0.7	0.6
Other	96.2	66.9
Total	**298.7**	**268.5**

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24 Provisions for pensions and similar obligations

Accounting policies

Defined-contribution pension plans

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 2023, 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 5.0m (6.5). Nederman group anticipates paying approximately SEK 6m in premiums to Alecta during 2024. The collective consolidation level measures distributable assets in relation the insurance obligation. According to Alecta's consolidation policy for defined-benefit insurance, the collective consolidation level is usually permitted to vary between 125 and 175 percent. At the end of 2023, Alecta's surpluses, in the form of the collective consolidation level, amounted to 157 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 0.032 percent (0.029) and the group's share of the total number of active insured individuals amounts to 0.027 percent (0.026).

Defined-benefit pension 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.

Significant estimates and assumptions

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. The sensitivity analysis that is presented in the relevant note shows the effect of the defined-benefit obligations if material assumptions are changed. 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 pension plans

SEKm	2023	2022
Costs for defined-contribution pension plans	-77.2	-66.3

Defined-benefit pension plans

Defined-benefit net liability, reported in statement of financial position, SEKm	2023	2022
Defined-benefit obligation	314.9	268.8
Fair value of plan assets (after deduction of asset ceiling)	283.8	198.3
Deficit(+) / Surplus(-)	**31.1**	**70.5**
Whereof plans with net surplus	46.0	9.8
Present value of entirely or partially funded obligations	237.8	188.5
Present value of unfunded obligations	80.3	80.3
Total present value of defined-benefit obligations	**318.1**	**268.8**
Fair value of plan assets	-253.1	-198.3
Net debt	**65.0**	**70.5**

Change in present value of defined-benefit obligations, SEKm	2023	2022
Obligations for defined-benefit plans, 1 January	268.8	374.7
Payment of pension benefits	-5.2	-72.7
Cost of service in current period	3.8	6.5
Contribution and payments from plan participants	11.3	3.6
Interest cost	7.2	1.9
Revaluations		
- Actuarial gains (-) and losses (+) for the revised demographic assumptions	-0.1	-11.7
- Actuarial gains (-) and losses (+) for changes in financial assumptions	15.6	-60.5
- Experience-based gains (-) / losses (+)	1.4	-8.9
Translation differences	12.1	35.9
Obligations for defined-benefit plans, 31 December	**314.9**	**268.8**

Changes in fair value of defined-benefit plan assets, SEKm	2023	2022
Fair value of plan assets, 1 January	229.0	272.5
Payments to plans	4.4	3.7
Fees from participants included in the plan	11.3	3.6
Payment of pension benefits	-	-68.8
Interest income on plan assets	4.6	0.7
Return on plan assets, excluding interest income	19.9	-17.1
Translation differences	14.6	34.4
Fair value of plan assets, 31 December	**283.8**	**229.0**

Income and costs reported in net profit for the year, SEKm	2023	2022
Costs for service in current period	-3.8	-6.5
Net interest	-2.6	-1.2
Total net income/costs in the income statement	**-6.4**	**-7.7**
of which, amounts affecting operating profit	-3.8	-6.5
of which, amounts affecting financial costs	-2.6	-1.2
Total net income/costs in the income statement	**-6.4**	**-7.7**

Income and costs recognised in other comprehensive income, SEKm	2023	2022
Revaluations of pension commitments	-16.9	81.1
Return on plan assets	19.9	-17.1
Effect of changes in asset ceiling	32.0	-28.7
Revaluation of defined-benefit net liabilities in other comprehensive income	**35.0**	**35.3**
Translation differences on foreign plans in other comprehensive income	3.7	-5.6

Assumptions for defined-benefit obligations, %	Switzerland	Sweden	Germany
Discount rate at 31 December	1.6% (2.3)	3.2% (3.6)	4.1% (3.5)
Future pension increases	1.5% (1.5)	1.6% (2.0)	2.0% (2.0)

Aggregation of plan assets	2023	2022
Equity instruments	78.9	65.6
Real estate	82.0	61.8
Cash and cash equivalents	12.2	9.3
Debt instruments	57.3	47.4
Other	53.4	44.9
Total	**283.8**	**229.0**

Sensitivity analysis Goodwill

The following table presents possible changes in actuarial assumptions on the closing date, with the other assumptions unchanged, and how these would impact on the defined-benefit obligation.

SEKm	+0.50%	-0.50%
Discount rate	-16.4	18.2
Future pension increases	16.6	-9.4

Future cash flow

As of 31 December 2023, the weighted average duration of commitments was 13.8 years (13.4). Expected payments in 2024 for defined-benefit pension plans amount to SEK 35.6m.

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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. 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.

Significant estimates and assumptions

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	2023	2022
Reported value, opening balance	7.5	10.6
Provisions during the period	20.7	0.7
Amount used during the period	-13.1	-3.7
Unutilised amount reversed during the period	-5.8	-
Translation differences	-0.2	-0.1
Total	**9.1**	**7.5**

Warranty commitments, SEKm	2023	2022
Reported value, opening balance	47.1	33.8
Provisions during the period	16.9	19.4
Amount used during the period	-7.4	-7.8
Business acquisition	-	5.4
Reclassification	0.1	-1.0
Unutilised amount reversed during the period	-7.3	-5.6
Translation differences	-1.1	2.9
Total	**48.3**	**47.1**

Loss contracts, SEKm	2023	2022
Reported value, opening balance	0.3	2.7
Provisions during the period	15.3	-
Amount used during the period	-	-0.5
Reclassification	-0.2	-
Unutilised amount reversed during the period	-	-1.9
Translation differences	-0.8	0.0
Total	**14.6**	**0.3**

Other, SEKm	2023	2022
Reported value, opening balance	16.5	13.1
Provisions during the period	34.9	12.7
Amount used during the period	-4.2	-5.1
Reclassification	0.2	-
Unutilised amount reversed during the period	-1.3	-4.6
Translation differences	-2.7	0.4
Total	**43.4**	**16.5**

Provisions included in long-term liabilities, SEKm	2023	2022
Restructuring /severance pay	0.2	-
Warranty commitments	23.9	19.8
Other	13.4	8.5
Total	**37.5**	**28.3**

Provisions included in short-term liabilities, SEKm	2023	2022
Restructuring /severance pay	8.9	7.5
Warranty commitments	24.4	27.3
Loss contracts	14.6	0.3
Other	30.0	8.0
Total	**77.9**	**43.1**

Total provisions, SEKm	2023	2022
Reported value, opening balance	71.4	60.2
Provisions during the period	87.8	32.8
Amount used during the period	-24.7	-17.1
Business acquisition	-	5.4
Reclassification	0.1	-1.0
Unutilised amount reversed during the period	-14.4	-12.1
Translation differences	-4.8	3.2
Total	**115.4**	**71.4**

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 and other receivables. The liability side includes borrowings, lease liabilities, accounts payable, contract liabilities and other liabilities.

Financial instruments 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. Liabilities for conditional earn-out payments in acquisitions are measured at fair value with changes in fair value recognised in the income statement.

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.

		2023				2022			
Carrying amounts and fair values for financial instruments, SEKm	Note	Fair value via the income statement	Fair value via other comprehensive income	Amortised cost	Total	Fair value via the income statement	Fair value via other comprehensive income	Amortised cost	Total
Financial assets									
Accounts receivable	17	-	-	788.8	788.8	-	-	814.8	814.8
Contract assets	6	-	-	197.4	197.4	-	-	165.3	165.3
Other current receivables	18	-	-	66.0	66.0	-	-	62.7	62.7
Cash and cash equivalents	31	-	-	815.2	815.2	-	-	721.2	721.2
Total		**-**	**-**	**1,867.4**	**1,867.4**	**-**	**-**	**1,764.0**	**1,764.0**
Financial liabilities									
Bank loans	21	-	-	1,917.0	1,917.0	-	-	1,931.9	1,931.9
Other long-term liabilities	22	8.2	-	3.1	11.3	23.4	-	4.6	28.0
Lease liabilities	21	-	-	199.5	199.5	-	-	195.9	195.9
Accounts payable		-	-	423.2	423.2	-	-	498.2	498.2
Contract liabilities	6	-	-	638.4	638.4	-	-	615.3	615.3
Other short-term liabilities	22, 23	9.3	-	398.9	408.2	5.0	-	355.3	360.3
Total		**17.5**	**-**	**3,580.1**	**3,597.6**	**28.4**	**-**	**3,601.2**	**3,629.6**

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.

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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 2023, no government grants (0.6) were received and were recognised in the income statement.

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 64.8 percent during the year. At the balance sheet date, the SEK-TRY exchange rate was 0.34.

Monetary net profit was recognised in net financial items in the consolidated income statement and amounted to an immaterial amount for the group.

29 Pledged assets and contingent liabilities

Accounting policies

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.

Contingent liabilities, SEKm	2023	2022
FPG/PRI	0.8	0.7
Warranty commitments	161.9	147.6
Total	**162.7**	**148.3**

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.

Cash and cash equivalents, SEKm	2023	2022
Subcomponents in cash and cash equivalents:		
Cash and bank balances	815.2	721.2
Total according to statement of financial position	**815.2**	**721.2**

Adjustments for items not included in cash flow, SEKm	2023	2022
Capital gain/loss on sale of fixed assets	0.4	-0.4
Capital gain/loss on terminated lease contracts before the end date	-0.3	-0.4
Provisions	29.0	1.5
Total	**29.1**	**0.7**

Unused credits, SEKm	2023	2022
Disposable funds	1,535.7	1,391.7

Financial activities

The below table shows changes in liabilities included in financial activities.

			Items not affecting cash flow				
2023, SEKm	Opening balance	Changes impacting cash flow	Business acquisition	Interest & fees	Exchange rate gains/ losses	Change in lease liability	Closing balance
Long-term interest-bearing liabilities - bank loans	1,931.9	-52.1	-	0.3	-17.5	-	1,862.6
Current interest-bearing liabilities - bank loans	-	27.0	-	-	-1.6	-	25.4
Current interest-bearing liabilities - overdraft facilities	-	25.7	3.8	-	-0.5	-	29.0
Lease liabilities	195.9	-93.2	-	-	-3.9	100.7	199.5
Total		**-92.6**					

			Items not affecting cash flow				
2022, SEKm	Opening balance	Changes impacting cash flow	Business acquisition	Interest & fees	Exchange rate gains/ losses	Change in lease liability	Closing balance
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**					

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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 144 for definitions.

SEKm	2023	2022
Operating profit	592.8	480.2
Acquisition costs	2.8	8.4
Restructuring costs	14.4	-
Adjusted operating profit	**610.0**	**488.6**
Adjusted operating profit	610.0	488.6
Net sales	6,187.8	5,178.9
Adjusted operating margin	**9.9%**	**9.4%**
Operating profit	592.8	480.2
Amortisation of intangible assets	104.9	78.0
EBITA	**697.7**	**558.2**
EBITA	697.7	558.2
Acquisition costs	2.8	8.4
Restructuring costs	14.4	-
Adjusted EBITA	**714.9**	**566.6**
Adjusted EBITA	714.9	566.6
Net sales	6,187.8	5,178.9
Adjusted EBITA margin	**11.6%**	**10.9%**
Operating profit	592.8	480.2
Amortisation	257.5	201.8
EBITDA	**850.3**	**682.0**
EBITDA	850.3	682.0
Acquisition costs	2.8	8.4
Restructuring costs	14.4	-
Adjusted EBITDA	**867.5**	**690.4**
Adjusted EBITDA	867.5	690.4
Net sales	6,187.8	5,178.9
Adjusted EBITDA margin	**14.0%**	**13.3%**
Equity - closing balance	2,372.0	2,186.5
Balance sheet total	6,422.4	6,220.1
Equity/assets ratio	**36.9%**	**35.2%**
Cash and cash equivalents	815.2	721.2
Long-term interest-bearing liabilities	1,862.6	1,931.9
Long-term lease liabilities	123.1	122.1
Pension liabilities	31.1	70.5
Current interest-bearing liabilities	54.4	-
Current lease liabilities	76.4	73.9
Net debt	**1,332.4**	**1,477.1**
Net debt	1,332.4	1,477.1
Equity - closing balance	2,372.0	2,186.5
Net debt/equity ratio	**56.2%**	**67.6%**
Net debt	1,332.4	1,477.2
Equity - closing balance	2,372.0	2,186.5
Operating capital	**3,704.4**	**3,663.6**

SEKm	2023	2022
Equity - opening balance	2,186.5	1,717.4
Equity - closing balance	2,372.0	2,186.5
Equity - average	2,279.3	1,952.0
Net profit for the period	340.9	328.7
Return on equity	**15.0%**	**16.8%**
Equity - average	2,279.3	1,952.0
Net Debt - opening balance	1,477.1	1,067.8
Net Debt - closing balance	1,332.4	1,477.1
Net debt - average	1,404.8	1,272.5
Operating capital - average	3,684.1	3,224.5
Adjusted operating profit	610.0	488.6
Return on operating capital	**16.6%**	**15.2%**
Net sales	6,187.8	5,178.9
Operating capital - average	3,684.1	3,224.5
Capital turnover rate, multiple	**1.7**	**1.6**
Net debt	1,332.4	1,477.1
Adjusted EBITDA	867.5	690.4
Net debt/Adjusted EBITDA, multiple	**1.5**	**2.1**
Adjusted EBITDA	867.5	690.4
Net financial items	-116.6	-41.4
Adjusted EBITDA/net financial items, multiple	**7.4**	**16.7**
Profit before tax	476.2	438.8
Financial expenses	147.1	64.4
Acquisition costs	2.8	8.4
Restructuring costs	14.4	-
Adjusted profit before tax excluding financial expenses	640.5	511.6
Financial expenses	147.1	64.4
Interest-coverage ratio, multiple	**4.4**	**7.9**
Orders received, same period in previous year	5,424.8	4,622.9
Change in orders received, organic	80.7	218.2
Change in orders received, currency effects	214.0	382.9
Change in orders received, acquisitions	285.1	200.8
Orders received	**6,004.6**	**5,424.8**
Order growth, organic	1.5%	4.8%
Order growth, currency effects	3.9%	8.2%
Order growth, acquisitions	5.3%	4.3%
Order growth	**10.7%**	**17.3%**
Net sales, comparative period previous year	5,178.9	4,041.8
Change in net sales, organic	452.1	555.0
Change in net sales, currency effects	239.4	388.2
Change in net sales, acquisitions	317.4	193.9
Net sales	**6,187.8**	**5,178.9**
Sales growth, organic	8.8%	13.7%
Sales growth, currency effects	4.6%	9.6%
Sales growth, acquisitions	6.1%	4.8%
Sales growth	**19.5%**	**28.1%**

33 Events after the end of the reporting period

No significant events occurred after the balance sheet date.

Sustinability indicators

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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. Since 1 January 2022, companies such as Nederman must start applying this Taxonomy and classify sales (turnover), capital expenditure (CapEx) and operating expenditure (OpEx).

Based on the objectives of the Taxonomy, Nederman must identify the activities in the business that are Taxonomy-eligible and Taxonomy-aligned. Nederman has identified activities that are Taxonomy-eligible for Climate change mitigation and Circular economy.

The activities within Climate change mitigation comprise the manufacture of various measuring systems and development of software within the Monitoring & Control Technology Division; these are reported under 3.6 Manufacture of other low-carbon technologies and 8.2 Data-driven solutions for GHG emissions reductions, respectively. These activities are also considered to be aligned with the target area.

The activities in Circular economy comprise the manufacture of various measurement systems and the development of software in the Monitoring & Control Technology Division and manufacturing renovation equipment in the Process Technology Division; these are reported under 1.2 Manufacture of electrical and electronic equipment, 5.1 Repair, refurbishment and remanufacturing and 4.1 Provision of IT/OT data-driven solutions and software. Activities in Circular economy shall not be reported in 2023 on the basis of their alignment.

SUBSTANTIAL CONTRIBUTION CRITERIA

Activities identified in Climate change mitigation contribute substantially to reducing emissions of greenhouse gases at Nederman's customers by enabling energy savings and/or compliance with emissions requirements.

DNSH CRITERIA (DO NO SIGNIFICANT HARM)

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 risk is 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 scarcity is a growing global problem and it cannot be excluded that Nederman's operations may also be located in areas of water scarcity. 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 contributes 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 as part of the company's work with ISO certifications. At the end of 2022, 16 out of 21 production units were certified according to ISO 9001 and 15 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 applies a fair competition policy, anti-corruption policy and anti-bribery policy, and human rights are addressed in, for example, the company's Code of Conduct. Nederman conducts regular risk assessments and follow-ups, for its own operations and its suppliers. 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.

Reporting policies and Definitions:

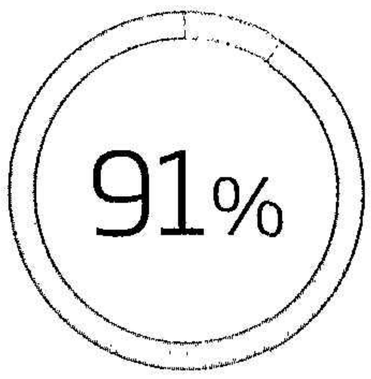
Turnover is defined according to the group's financial report; See Note 6.

Capital expenditure includes investments in assets that is reported according to IAS 16 Tangible assets, IAS 38 Intangible assets and additional rights of use according to IFRS 16, leases. The amount includes assets acquired through business combinations but excludes Goodwill; see Note 13, 14, 15.

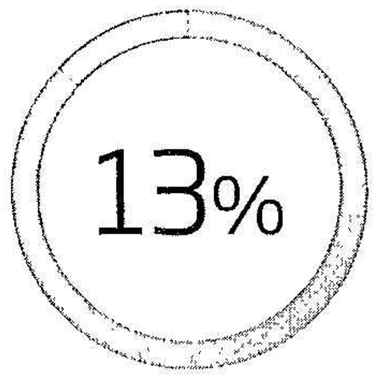
Operating expenses include costs for research and development, renovation of buildings, short-term leases, maintenance and repair and other direct costs required for the efficient day-to-day operation of tangible assets.

NEDERMAN'S CONTRIBUTION TO THE POLLUTION AREA

In 2023, four areas were added to the EU Taxonomy. These are: Water, Circular economy, Pollution and Biodiversity. Since Nederman's business mainly involves air filtration, we want to clarify our contribution to Pollution, although according to the EU Taxonomy's classification system, our operations are non-eligible in this respect.*



Filter air and measure air quality
91 percent of Nederman's sales (turnover) derives from sales of products, solutions and services that filter air and measure air quality in and from industrial processes.*



Eligibility according to EU taxonomy
In accordance with the EU Taxonomy, 13 percent of Nederman's sales (turnover) is eligible.

* 91 percent of Nederman's sales (turnover) pertain to products and services that contribute to filtering air from pollution caused by the customers' activities in production. Although the definition is in line with the technical screening criteria for pollution prevention and control within the EU Taxonomy, Nederman's activities are not Taxonomy-eligible. As the definitions are currently written, the Taxonomy area for pollution only covers activities related to the manufacturing of pharmaceuticals and active pharmaceutical ingredients or active substances as well as water supply, wastewater treatment, waste management and remediation.

KEY PERFORMANCE INDICATORS FOR NON-FINANCIAL UNDERTAKINGS

Turnover

Budget year N		Year		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover, year N (4)	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)	Minimum safeguards (17)	Taxonomy-aligned proportion (A.1) or taxonomy-eligible proportion (A.2) of turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		SEKm	%	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	371	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%	E	
Data-driven solutions for GHG emissions reductions	8.2	6	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Turnover of the environmentally sustainable activities (taxonomy-aligned) (A.1)		377	6%	6%													7%		
Of which enabling activities		377	6%	6%						Y	Y	Y	Y	Y	Y	Y	7%	E	
Of which transitional activities																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Manufacture of electrical and electronic equipment	1.2	360	6%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Repair, refurbishment and remanufacturing	5.1	42	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions and software	4.1	2	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		404	7%				7%												
A. Turnover of taxonomy-eligible economic activities (A.1+A.2)		**781**	**13%**	**6%**			**7%**										**7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities (B)		5,407	87%																
Total (A+B)		**6,188**	**100%**																

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Proportion of turnover / Total turnover

	Taxonomy-aligned by objective	Taxonomy-eligible objectives
CCM	6%	6%
CCA	0%	0%
WTR	0%	0%
CE	0%	7%
PPC	0%	0%
BIO	0%	0%

KEY PERFORMANCE INDICATORS FOR NON-FINANCIAL UNDERTAKINGS, cont.

Capital expenditure (CapEx)

Budget year N		Year		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx, year N (4)	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)	Minimum safeguards (17)	Taxonomy-aligned proportion (A.1) or taxonomy-eligible proportion (A.2) of CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		SEKm	%	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	15	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
Data-driven solutions for GHG emissions reductions	8.2	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	23%	E	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		15	5%	5%													26%		
Of which enabling activities		15	5%	5%						Y	Y	Y	Y	Y	Y	Y	26%	E	
Of which transitional activities																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Manufacture of electrical and electronic equipment	1.2	12	4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Repair, refurbishment and remanufacturing	5.1	1	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions and software	4.1	34	12%				EL												
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		48	16%				16%												
A. CapEx of taxonomy-eligible economic activities (A.1+A.2)		**63**	**21%**	**5%**			**16%**										**26%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities (B)		230	79%																
Total (A+B)		**293**	**100%**																

Proportion of CapEx / Total CapEx

	Taxonomy-aligned by objective	Taxonomy-eligible objectives
CCM	5%	5%
CCA	0%	0%
WTR	0%	0%
CE	0%	16%
PPC	0%	0%
BIO	0%	0%

KEY PERFORMANCE INDICATORS FOR NON-FINANCIAL UNDERTAKINGS, cont.

Operating expenditure (OpEx)

Budget year N	Year			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx, year N (4)	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)	Minimum safeguards (17)	Taxonomy-aligned proportion (A.1) or taxonomy-eligible proportion (A.2) of OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		SEKm	%	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	26	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	25%	E	
Data-driven solutions for GHG emissions reductions	8.2	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%	E	
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		26	19%	19%													31%		
Of which enabling activities		26	19%	19%						Y	Y	Y	Y	Y	Y	Y	31%	E	
Of which transitional activities																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Manufacture of electrical and electronic equipment	1.2	19	14%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Repair, refurbishment and remanufacturing	5.1	0	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions and software	4.1	6	5%				EL												
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		26	19%				19%												
A. OpEx of taxonomy-eligible economic activities (A.1+A.2)		**51**	**39%**	**19%**			**19%**										**31%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities (B)		81	61%																
Total (A+B)		**132**	**100%**																

Proportion of OpEx / total OpEx

	Taxonomy-aligned by objective	Taxonomy-eligible objectives
CCM	19%	19%
CCA	0%	0%
WTR	0%	0%
CE	0%	19%
PPC	0%	0%
BIO	0%	0%

DISCLOSURE ON OPERATIONS IN NUCLEAR POWER OR NATURAL GAS

Nederman does not conduct any activities in nuclear power or natural gas.

Contextual information about activities that are Taxonomy-aligned.

In the report for 2023, a large portion of the activities under Data-driven solutions for GHG emissions reductions 8.2 were reclassified from Climate change mitigation (5) to Circular economy (8). This concerns activities linked to IOT solutions that enable complete supervision of all parts of a filter system. Even if these activities lead to energy efficiency, they have an even greater impact on the service life of the filter system which in turn reduces resource use. These activities are now reported under Provision of IT/OT data-driven solutions and software 4.1.

Turnover as proportion of total turnover	Climate change mitigation (5)	Circular economy (8)
	Data-driven solutions for GHG emissions reductions 8.2	Provision of IT/OT data-driven solutions and software 4.1
2022	0.02%	
2023		0.03%

CapEx as proportion of total CapEx	Climate change mitigation (5)	Circular economy (8)
	Data-driven solutions for GHG emissions reductions 8.2	Provision of IT/OT data-driven solutions and software 4.1
2022	23%	
2023		12%

OpEx as proportion of total OpEx	Climate change mitigation (5)	Circular economy (8)
	Data-driven solutions for GHG emissions reductions 8.2	Provision of IT/OT data-driven solutions and software 4.1
2022	6%	
2023		5%

Other information

The activities within "Manufacture of other low-carbon technology 3.6" are divided between the manufacture of instruments that measure gas emissions and the manufacture of instruments that measure air particles. The turnover in 2023 amounts to SEK 371 m (330) or 6 percent (6) of the group's total turnover. The increase compared to last year is due to increased sales volume within gas emissions.

Furthermore, these products are technologically more advanced and therefore require a higher effort in manufacturing as well as in research and development, which explains the weight difference between turnover and operating expenses of 6 percent and 19 percent respectively. Operating expenses in 2023 amount to SEK 26 m (30) or 19 percent (25) of the group's total operating expenses. The decrease compared to last year is attributable to efficiencies in production within air particles.

Capital expenditure amounts to SEK 15 m (14) or 5 percent (4) of the group's total capital expenditure. This consists of investments in product development and remain stable over the years.

The activities within "Data-driven solutions for GHG emissions reductions 8.2" refer to the development of software that operates in energy saving. The turnover in 2023 amounts to SEK 6 m (8).

The activities are in their initial stages, which explains the low levels in both operating expenses and capital expenditure, but is predicted to increase in the future.

GRI KPIs

Economic responsibility

GRI 201-1 Direct economic value generated and distributed

SEKm	Definition	2023	2022
a) Revenue	Turnover	6,188	5,179
	Other income	53	25
Direct economic value generated		**6,240**	**5,204**
b) Operating costs		-3,883	-3,197
c) Direct salaries to employees and other benefits		-1,739	-1,515
d) Payments to providers of capital	Financial costs	-142	-52
	Dividend	-132	-123
e) Payment to tax authorities		-173	-127
Economic value distributed		**-6,069**	**-5,014**
Economic value retained	**Generated - Distributed**	**171**	**189**

205-1 Operations assessed for risks related to corruption

	2023	2022
Number of companies audited for corruption.	66	68
Total number of operating companies.	67	70
Proportion of operating companies audited for corruption.	99%	97%

The audit is conducted by way of self-assessment by the companies.
Note that the acquired company Aagaard A/S is exempt from the audit.
The result indicated heightened risk in the company Nordfab Australia. Nordfab Australia was acquired in 2022 and lacks control processes in a number of areas. Integration work is in progress and includes the introduction of Nederman's standard control procedures

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GRI 205-2 Communication and training about anti-corruption policies and procedures

Communication and training about anti-corruption policies and procedures for all employees in 2023.	EMEA	Americas	APAC	Total
Number of training and communication sessions provided	932	470	358	1760
Number of employees	997	521	377	1895
Percentage of training and communication sessions provided	93%	90%	95%	93%

Communication and training about anti-corruption policies and procedures for employees in governance bodies in 2023.	EMEA	Americas	APAC	Total
Number of training and communication sessions provided	59	21	17	97
Number of employees in governance bodies	60	24	19	103
Percentage of training and communication sessions provided	98%	88%	89%	94%

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 at year-end. 93 percent of all employees and 94 percent of the employees in management positions 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.

Quality failure costs

	2023	2022
Quality failure costs as percentage of sales	0.18%	0.18%

The goal is more efficient use of resources. For quality failure costs in production, in relation to sales, the goal is <0.3 percent up until 2023.
The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.

Social responsibility

Code of Conduct in the supply chain, %

	2023	2022
Percentage of suppliers who have signed the Code of Conduct	87%	94%
Number of supplier audits	73	89

Nederman's goal is to work only with suppliers who comply with Nederman's Code of Conduct for Suppliers. The suppliers' compliance with this requirement is checked by way of audits and other measures. Existing methods are under constant development to assess the suppliers' sustainability efforts in order to promote responsibility throughout the value chain.
The reduction in the proportion of suppliers that have signed the Code of Conduct from 94 percent in 2022 to 87 percent in 2023 is a result of the addition in 2023 of the acquired business RoboVent which was previously free from this requirement.
The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.

Reported whistleblower cases

	2023	2022
Reported whistleblower cases	1	2

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.

GRI 2-7 Employees

Average number of employees by gender in 2023 (in FTE)	Female	Male	Total
Total average number of employees	479	1,750	2,229
Permanent employees	459	1,678	2,137
Temporary employees	20	72	92
Non-guaranteed hours employees	1	8	9
Full-time employees	447	1,714	2,161
Part-time employees	31	28	59

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GRI 2-7 Employees, cont.

Average number of employees by region in 2023 (in FTE)	EMEA	Americas	APAC	Total
Total average number of employees	1,120	609	500	2,229
Permanent employees	1,090	607	440	2,137
Temporary employees	30	2	60	92
Non-guaranteed hours employees	2	0	7	9
Full-time employees	1,074	595	492	2,161
Part-time employees	44	14	1	59

Temporary employees are mainly those leading specific projects of limited duration or are filling vacancies. They are also employed to support the need for temporary capacity increases for a longer period. Non-guaranteed hours employees are mainly used to meet temporary capacity shortages.

GRI 2-8 Workers who are not employees

	2023	2022
Average number of workers who are not employees	148	NA

Workers who are not employees are those who work in temporary agencies to support production during peaks. They are also contractors used to perform service on behalf of Nederman. Finally, they are consultants who support the back office within IT or finance functions. The average number is reported in FTE.

GRI 405-1 Diversity of governance bodies and employees

Distribution of average number of employees in governance bodies by gender	2023	2022
Percentage of women in governance bodies	12%	19%
Percentage of men in governance bodies	88%	81%

Distribution of average number of employees in governance bodies by age group	2023	2022
< 20 years old %	0%	0%
20-30 years old %	2%	1%
31-40 years old %	8%	8%
41-50 years old %	30%	47%
> 51 years old %	60%	43%

Number of employees at 31 December (in FTE)	2023	2022
Number of employees	2342	NA
Number of workers who are not employees	120	NA
Total number of employees	**2462**	**2444**
Number of employees in production	1,036	1,083

Distribution of the number of employees by age group at 31 December (in FTE)	2023	2022
< 20 years old %	1%	1%
20-30 years old %	14%	16%
31-40 years old %	25%	26%
41-50 years old %	26%	27%
> 51 years old %	34%	31%

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

Absence due to illness and personnel turnover

	2023	2022
Percentage of absence due to illness (number of days absent/total number of workdays)	2.6%	2.6%
Percentage of personnel turnover (number of employees who have left/total number of employees)	11.5%	8.8%

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. The increase from 8.8 percent in 2022 to 11.5 percent in 2023 is due to the restructuring programme carried out in the Chinese operations.

GRI 403-9 Work-related injuries

Number of work-related injuries	2023	2022
Work-related injuries	24	40
Accidents with more than six months recovery time	0	0
Fatal accidents	0	0

Number of work-related injuries per million hours worked	2023	2022
Work-related injuries	5.71	9.89
Accidents with more than six months recovery time	0	0
Fatal accidents	0	0
Total hours worked	4,202,536	4,045,184

To prevent accidents and illness, 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 aim of the measures is to reduce or prevent the identified risks. Risk assessments are reviewed and updated regularly or after an incident has occurred. The accident frequency is low from an industrial perspective, and we are 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. 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 by way of self-assessment by the companies. There is an action plan for each risk.

GRI 2-21 Annual total compensation ratio

Compensation ratio, SEKm	2023	2022
a) CEO Sven Kristensson's compensation*	9.0	9.2
b) Change vs previous year	*-3%*	*27%*
c) Other employees' compensation	1,343.4	1,164.9
d) Average number of employees	2,229	2,288
e) Employees' average salary*: c /(d-1)	0.60	0.51
f) Change vs previous year	*18%*	*20%*
Compensation ratio: a/e	14.9	18.1
Change in compensation ratio: b/f	-0.1	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.

Environmental responsibility

GRI 301-2 Recycled input materials used

Percentage of recycled input materials used	2023	2022
Percentage of recycled input materials used	13.7%	14.9%

Nederman measures the percentage of recycled steel, aluminium and plastic used in our products manufactured in our four main production plants. 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.

GRI 302-1 Energy consumption within the organisation

	2023	2022
Fuel consumption from renewable energy		
MWh	85	0
GJ	305	0
Fuel consumption from non-renewable energy		
MWh	4,216	3,981
GJ	15,178	14,333
Fuel consumption from diesel		
MWh	28	42
GJ	99	153
Fuel consumption from oil		
MWh	116	220
GJ	416	792
Fuel consumption from natural gas		
MWh	4,073	3,719
GJ	14,663	13,387

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GRI 302-1 Energy consumption within the organisation, cont.

Total energy consumption from electricity	2023	2022
MWh	9,976	10,123
GJ	35,912	36,444
Total electricity in production		
MWh	8,114	8,270
GJ	29,210	29,772
Of which, renewable electricity in production		
MWh	3,304	3,273
GJ	11,893	11,785
Total electricity for heating		
MWh	1,862	1,853
GJ	6,702	6,672
Of which, renewable electricity for heating		
MWh	1,282	1,287
GJ	4,614	4,632
Electricity use from solar panels*		
MWh	417	150
GJ	1,501	540
Electricity sold to a third party		
MWh	62	68
GJ	224	244

* Note that Nordfab US installed solar panels in 2023, but was unable to report in the electricity consumption from this source. As such, the electricity use from solar panels in Nordfab US is an estimate in the report.
Data was gathered from the companies' actual consumption. The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.
The source of the conversion factors used to restate kilowatt hours to joules and litres to cubic metres was Chemical Principles 6th edition (1 January 2013).

GRI 308-1 New suppliers that were screened using environmental criteria

Percentage of new suppliers that were screened using environmental criteria	2023	2022
Percentage of new suppliers that were screened using environmental criteria	24.8%	16.8%

The increase from 16.8 percent in 2022 to 24.8 percent in 2023 was the result of more stringent checks on our production operations in Poland and Norway
The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.

Water consumption

Water consumption in cubic metres	2023	2022
Water consumption in cubic metres	20,005	18,306

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 with the aim of reducing fresh water use.
The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.

Waste

Waste generated (in tonnes)	2023	2022
Waste generated (in tonnes)	2,480	3,288
Percentage of waste recycling	87%	95%

Nederman's objective is for the amount of waste from production 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. Nederman's production only generates a marginal amount of hazardous waste, such as used spray cans and electrical waste, as well as residual materials from property maintenance work and the group works actively to eliminate hazardous substances from the process.
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. Material recovery from hazardous waste is achieved at approved recycling facilities by hazardous substances being separated and the remainder then being recycled.
The amount of waste generated in 2022 was unusually high due to the expansion of operations in the US. Levels in 2023 returned to normal.
The reduction in the proportion of waste recycling from 94.7 percent in 2022 to 87.3 percent in 2023 is a result of the addition in 2023 of the acquired business RoboVent.
The manufacturing and assembly units in Australia/Melbourne and Denmark/Hadsund (acquired in 2023) are excluded.

Parent company's financial statements

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Income statement for the parent company

SEKm	Note	1 January - 31 December 2023	2022
Net sales	2, 19	21.2	19.4
Administrative expenses	4, 5, 6, 7	-185.3	-162.3
Research and development expenses		-0.1	-0.1
Other operating income and expenses	3	-2.5	3.9
Operating profit/loss		**-166.7**	**-139.1**
Earnings from participations in group companies	8, 19	98.2	129.3
Interest income and similar items	8, 19	2.4	0.5
Interest expenses and similar items	8, 19	-52.1	-11.4
Profit/loss after financial items		**-118.2**	**-20.7**
Appropriations	9, 19	111.9	131.1
Profit/loss before tax		**-6.3**	**110.4**
Taxes	10	9.7	-0.6
Net profit for the year		**3.4**	**109.8**

Statement of other comprehensive income for the parent company

SEKm	1 January - 31 December 2023	2022
Net profit for the year	**3.4**	**109.8**
Other comprehensive income for the year, net after tax	**-**	**-**
Total comprehensive income for the year	**3.4**	**109.8**

Balance sheet for the Parent company

SEKm	Note	31 December 2023	2022
Assets			
Intangible assets	11	181.6	164.1
Tangible assets	12	9.2	4.7
Financial fixed assets			
Participations in group companies	13	2,176.9	2,144.6
Other long-term receivables		3.9	0.8
Deferred tax assets	10	22.0	12.4
Total financial fixed assets		**2,202.8**	**2,157.8**
Total fixed assets		**2,393.6**	**2,326.6**
Current assets			
Receivables from group companies	19	218.8	208.2
Current tax assets	10	2.4	0.4
Other receivables	14	11.4	7.3
Prepaid expenses and accrued income	15	27.8	23.7
Cash and cash equivalents	20	0.1	0.5
Total current assets		**260.5**	**240.1**
Total assets		**2,654.1**	**2,566.7**
Equity			
Restricted equity			
Share capital		1.2	1.2
Reserves		292.5	292.5
Fund for development expenditure		123.8	99.7
Total restricted equity		**417.5**	**393.4**
Unrestricted equity	21		
Share premium reserve		5.9	5.9
Retained earnings		470.2	513.7
Net profit for the year		3.4	109.8
Total unrestricted equity		**479.5**	**629.4**
Total equity		**897.0**	**1,022.8**
Liabilities			
Liabilities to group companies	19	1,079.8	1,079.8
Other long-term liabilities	16	8.2	23.4
Provisions		1.2	1.3
Total long-term liabilities		**1,089.2**	**1,104.5**
Accounts payable		24.2	24.4
Liabilities to group companies	19	605.2	386.5
Other liabilities	16	11.7	2.2
Accrued expenses and prepaid income	17	26.8	26.3
Total short-term liabilities		**667.9**	**439.4**
Total equity and liabilities		**2,654.1**	**2,566.7**

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Statement of changes in parent company shareholders' equity

	Restricted equity			Unrestricted equity		
SEKm	Share capital	Reserves	Fund for development expenses	Share premium reserve	Retained earnings, incl. net profit for the year	Total equity
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 for the year	**-**	**-**	**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**
Opening equity 2023-01-01	1.2	292.5	99.7	5.9	623.5	1,022.8
Net profit for the year	-	-	-	-	3.4	3.4
Transfer to development fund (net)	-	-	24.1	-	-24.1	-
Other comprehensive income						
Total comprehensive income for the year	**-**	**-**	**24.1**	**-**	**-20.7**	**3.4**
Transactions with group's owners						
Dividend	-	-	-	-	-131.6	-131.6
Share-based payments	-	-	-	-	2.4	2.4
Closing equity 2023-12-31	**1.2**	**292.5**	**123.8**	**5.9**	**473.6**	**897.0**

Cash flow statement for the Parent company

		1 January - 31 December	
SEKm	Note	2023	2022
Operating activities			
Operating profit/loss		-166.7	-139.1
Adjustments for items not included in cash flow	20	51.7	22.9
Dividends received	19	98.2	141.2
Interest received and other financial items		0.1	0.5
Interest paid and other financial items		-28.0	-6.1
Income tax paid		-2.0	0.3
Cash flow from operating activities before changes in working capital		**-46.7**	**19.7**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-5.8	-10.2
Increase (-)/Decrease (+) in operating liabilities		-5.8	24.2
		-11.6	**14.0**
Cash flow from operating activities		**-58.3**	**33.7**
Investing activities			
Capital expenditure for tangible assets		-6.3	-2.5
Capital expenditure for intangible assets		-65.6	-61.4
Capital expenditure for financial fixed assets		-3.0	-
Acquisition/capital contribution subsidiaries		-36.9	-1.4
Write-down of participations in group companies		-	11.9
Divestment of subsidiaries, intra-group		0.3	-
Cash flow from investing activities		**-111.5**	**-53.4**
Financial activities			
Group contributions received/paid		124.4	127.6
Change in interest-bearing receivables/liabilities in group companies		176.6	14.9
Dividend paid		-131.6	-122.8
Cash flow from financing activities		**169.4**	**19.7**
Cash flow for the year		**-0.4**	**0.0**
Cash and cash equivalents at the beginning of the year		0.5	0.5
Cash and cash equivalents at the end of the year	20	**0.1**	**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	
Revenue	2	Revenue
Leasing	6	Leasing
Revenue from dividends	8	Net financial items
Untaxed reserves	9	Appropriations
Group contribution	9	Appropriations
Capitalised development expenditure	11	Intangible assets
Financial fixed assets	13	Shares and participations
Financial guarantees	18	*Pledged assets and contingent liabilities*

2 Revenue

Accounting policies

Revenue

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	2023	2022
Management charges	21.2	19.4
Total	**21.2**	**19.4**

3 Other operating income and expenses

SEKm	2023	2022
Exchange gains and losses on operating receivables/ liabilities	-2.5	3.9
Total	**-2.5**	**3.9**

4 Employees

Average number of employees	2023 Women	Men	Total	2022 Women	Men	Total
Sweden	18	34	52	12	20	32
Total	**18**	**34**	**52**	**12**	**20**	**32**

Distribution according to gender in senior management, percentage of women	2023	2022
Board of Directors	33%	50%
Other senior executives	20%	20%

Salaries, other remuneration and social security expenses, SEKm	2023	2022
Salaries and other remuneration	48.5	40.4
Social security expenses	15.4	15.6
Pension expenses*	9.1	7.8

*Of the company's pension costs, SEK 1.9m (1.8) concerns the CEO of 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	2023	2022
Board of Directors, CEO and senior executives	28.3	21.3
(of which variable remuneration)	(6.1)	(6.1)
Other employees	20.2	19.1
Total	**48.5**	**40.4**

5 Pensions

SEKm	2023	2022
Costs for defined-contribution pension plans	9.1	9.6
Total	**9.1**	**9.6**

The amount includes costs for the special employer's contribution of SEK 1.8m (1.8).

For more information about handling of pensions, see group note 24, Provisions for pensions 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	2023	2022
Within one year	0.7	0.5
Between one and five years	1.1	0.8
Total	**1.8**	**1.3**

Expensed leasing costs, SEKm	2023	2022
Leasing expenses	0.7	0.6
Total	**0.7**	**0.6**

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7 Fees and expenses to auditors

SEKm	2023	2022
EY		
Audit assignment	1.8	0.9
Audit-related fee	0.9	0.9
Other assignments	0.1	-
Total	**2.8**	**1.8**

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	2023	2022
Earnings from participations in group companies		
Dividend	98.2	141.2
Impairment of carrying amount of shares in subsidiaries	-	-11.9
Total	**98.2**	**129.3**
Interest income and similar items		
Other financial income, group companies	0.0	0.5
Exchange rate changes	2.4	-
Total	**2.4**	**0.5**
Interest expenses and similar items		
Interest expenses, credit institutions	-0.0	-0.0
Other financial expenses, group companies	-52.1	-11.0
Exchange rate changes	-	-0.4
Total	**-52.1**	**-11.4**

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	2023	2022
Group contribution	111.9	131.1
Total	**111.9**	**131.1**

10 Income tax

Reported in income statement **Deferred tax income (+) / tax expense (-)**	2023	2022
Deferred tax income concerning tax loss carryforwards	9.7	-0.6
Total reported tax income/expense	**9.7**	**-0.6**

Reconciliation of effective tax, SEKm	2023	2022
Profit/loss before tax	-6.3	110.4
Tax according to the applicable tax rate	1.3	-22.7
Non-tax deductible expenses	-11.2	-2.9
Non-taxable income	20.2	29.1
Revaluation of loss carryforwards	-	-4.1
Tax relating to previous years	-0.6	-
Reported effective tax	**9.7**	**-0.6**

Posted in the statement of financial position **Deferred tax assets, SEKm**	2023	2022
Tangible assets	0.1	0.1
Provisions	0.2	0.3
Loss carryforwards	21.7	12.0
Deferred tax assets according to statement of financial position	**22.0**	**12.4**

11 Intangible assets

Accounting policies

Capitalised development expenditure

Capitalised development expenditure during the year, for development work performed within the Nederman group on intangible assets, the amount is transferred from unrestricted equity to a fund for development expenditure pertaining to restricted equity.

SEKm	Capitalised development expenditure	Computer programs	Current investments and advances	2023 Total
Accumulated cost				
Opening balance	203.7	139.3	10.6	353.6
Internally developed assets	38.6	-	-	38.6
Capital expenditure	-	4.3	7.6	11.9
Inter-company takeovers	15.0	-	-	15.0
Reclassifications	-	9.3	-9.3	-
Closing balance	**257.3**	**152.9**	**8.9**	**419.1**
Accumulated amortisation and impairment				
Opening balance	-103.7	-85.8	-	-189.5
Amortisation	-29.5	-18.5	-	-48.0
Closing balance	**-133.2**	**-104.3**	**-**	**-237.5**
Carrying amount				
Opening balance	100.0	53.5	10.6	164.1
Closing balance	**124.1**	**48.6**	**8.9**	**181.6**

SEKm	Capitalised development expenditure	Computer programs	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**

Amortisation and impairments, SEK m	2023	2022
Amortisation is included in the following rows in the income statement:		
Administrative expenses	-48.0	-38.6
Total	**-48.0**	**-38.6**

12 Tangible assets

SEKm	Equipment, tools and fixtures	Current investments and advances	2023 Total	Equipment, tools and fixtures	Current investments and advances	2022 Total
Accumulated cost						
Opening balance	16.1	0.8	16.9	12.7	1.7	14.4
Capital expenditure	0.8	5.5	6.3	1.8	0.7	2.5
Reclassifications	-	-	-	1.6	-1.6	-
Closing balance	**16.9**	**6.3**	**23.2**	**16.1**	**0.8**	**16.9**
Accumulated depreciation and impairment						
Opening balance	-12.2	-	-12.2	-10.1	-	-10.1
Depreciation	-1.8	-	-1.8	-2.1	-	-2.1
Closing balance	**-14.0**	**-**	**-14.0**	**-12.2**	**-**	**-12.2**
Carrying amount						
Opening balance	3.9	0.8	4.7	2.6	1.7	4.3
Closing balance	**2.9**	**6.3**	**9.2**	**3.9**	**0.8**	**4.7**

Depreciation and impairments, SEKm	2023	2022
Depreciation is included in the following rows in the income statement:		
Administrative expenses	-1.8	-2.1
Total	**-1.8**	**-2.1**

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.

					2023	2022
The parent company's holdings of shares and participations in group companies	**Corporate identity number**	**Domicile/Country**	**Number of shares**	**Ownership share**	**Carrying amount, SEKm**	**Carrying amount, SEKm**
AB Ph. Nederman & Co	556089-2951	Helsingborg, Sweden	550,000	100%	329.2	329.2
Aagaard A/S	21281875	Hadsund, Denmark	10,000	100%	50.2	-
Auburn FilterSense LLC	6543811	Wilmington, DE USA	-	-*	-	-
Energy Save System Ltd	09308305	Kettering, UK	100	100%	15.8	33.4
Environmental Filtration Technologies France Holding	429043276	Pontcharra, France	-	-*	-	-
Filtac AB (merged into a group company during 2023)	556652-2750	Kinna, Sweden	-	-*	-	0.3
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%	514.3	514.3
LCI Corporation International	56-0732889	Charlotte, NC USA	-	-*	-	-
Lebon & Gimbrair Beheer N.V.	31 033 906	Amersfoort, the Netherlands	-	100%	26.7	26.7
Luwa Air Engineering (Pte.) Ltd.	197400205 K	Singapore, Singapore	-	-*	-	-
Luwa Air Engineering (Shanghai) Co., Ltd.	913100006073822526	Shanghai, China	-	-*	-	-
Luwa Air Engineering AG	CHE-112.154.099	Zurich, Switzerland	950,000	100%	204.6	204.6
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	85 090 925 072	Bayswater, Victoria, Australia	-	-*	-	-
Mikropul Australia Pty Ltd	75 000 932 374	Bayswater, Victoria, Australia	-	-*	-	-
MikroPul France SAS	303573307	Pontcharra, France	-	-*	-	-
Mikropul Holding BV	17 119 906	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	105,836,613	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 (merged into a group company during 2023)	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	-	-*	-	-
Nederman Holding USA Inc	80-0699546	Wilmington, DE USA	-	100%	106.5	106.5

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13 Shares and participations, continued

The parent company's holdings of shares and participations in group companies	Corporate identity number	Domicile/Country	Number of shares	Owner-ship share	2023 Carrying amount, SEKm	2022 Carrying amount, SEKm
Nederman Ibérica S.A.	A79441762	Madrid, Spain	-	-*	-	-
Nederman India Private Limited	U74900PN2008FTC144278	Pune, India	204,932	100%	10.6	10.6
Nederman Insight AB	559175-9468	Helsingborg, Sweden	1,000	100%	0.3	0.3
Nederman Insight NUF (liquidated during 2023)	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	75 002 459 672	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	58 655 360	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	1 082 468 018 511	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	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					**2,176.9**	**2,144.6**

* 100% owned by the group

** The company applies the exemption in section 264 (3) HGB for the financial year 2023. This means that the company is exempt from issuing a local annual report in its home country.

Accumulated cost, SEK m	2023	2022
Opening balance	2,144.6	2,155.1
Acquisition of group companies	32.6	1.3
Capital contribution	-	0.1
Impairment of carrying amount	-	-11.9
Reported value at December 31	**2,176.9**	**2,144.6**

The amount on the Acquisition of group companies row includes an earn-out of SEK -17.6m pertaining to Energy Save System Ltd that was not realised.

14 Other receivables

Other receivables which are current assets, SEKm	2023	2022
VAT receivable	9.7	7.3
Other receivables	1.7	-
Total	**11.4**	**7.3**

15 Prepaid expenses and accrued income

SEKm	2023	2022
Computer/license costs	15.8	14.3
Insurance	0.9	1.9
Other	11.1	7.5
Total	**27.8**	**23.7**

16 Other liabilities

Other long-term liabilities, SEKm	2023	2022
Deferred payment of acquisition price (see more in Group note 4).	8.2	23.4
Total	**8.2**	**23.4**

Other short-term liabilities, SEKm	2023	2022
Deferred payment of acquisition price (see more in group note 4).	9.3	-
Personnel-related liabilities	2.4	2.2
Total	**11.7**	**2.2**

17 Accrued expenses and prepaid income

SEKm	2023	2022
Personnel-related expenses	25.1	22.7
Audit expenses	0.2	0.1
Other	1.5	3.5
Total	**26.8**	**26.3**

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	2023	2022
FPG/PRI	0.8	0.7
Warranty commitments	161.9	147.6
Total	**162.7**	**148.3**

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	2023	2022
Net sales - Management charges	21.2	19.4
Dividends received	98.2	141.2
Group contribution received	111.9	131.1
Financial income	2.4	0.5
Financial expenses	-52.1	-11.0
Receivables, 31 December	218.8	208.2
Liabilities, 31 December	1,685.0	1,466.3

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 note 8 Personnel and note 24 Provision for pensions and similar obligations in the consolidated group accounts.

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20 Cash flow

Cash and cash equivalents, SEKm	2023	2022
Subcomponents in cash and cash equivalents:		
Cash and bank balances	0.1	0.5
Total	**0.1**	**0.5**

Adjustments for items not included in cash flow, SEKm	2023	2022
Amortisation	49.8	40.7
Unrealised translation differences	1.9	-6.2
Impairment of shares in subsidiaries	-	-11.9
Provisions	-0.1	0.3
Total	**51.7**	**22.9**

Unused credits, SEKm	2023	2022
Disposable funds	0.1	0.5

Financial activities

The following table shows the changes in receivables and liabilities included in financial activities.

2023, SEKm	Opening balance	Changes impacting cash flow	Items not affecting cash flow		Closing balance
			Interest & fees	Exchange rate gains/losses	
Long-term interest-bearing liabilities group companies	1,079.8	-	-	-	1,079.8
Short-term interest-bearing assets (-) & liabilites (+) group companies	325.3	172.2	-	-0.8	496.7
Total		**172.2**			

2022, SEKm	Opening balance	Changes affecting cash flow	Items not affecting cash flow		Closing balance
			Interest & 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 (-) & liabilites (+) group companies	282.9	37.5	5.3	-0.4	325.3
Total		**14.9**			

21 Appropriation of profit or loss

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

SEK	2023	2022
Share premium reserve	5,866,700	5,866,700
Retained earnings	470,181,728	513,733,621
Net profit for the year	3,414,319	109,808,839
Total	**479,462,747**	**629,409,160**
The Board of Directors proposes		
a dividend to shareholders of SEK 3.95 (3.75) per share*	138,666,413	131,599,110
to be transferred to the share premium reserve	5,866,700	5,866,700
to be transferred to retained earnings	334,929,634	491,943,350
Total	**479,462,747**	**629,409,160**

*Based on the number of shares outstanding at 31 December 2023. The dividend amount could be changed as treasury shares could be converted by the record date of 18 April 2024.

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 26 April 2024.

Helsingborg, 14 march 2024

Johan Menckel
Chairman

Anders Borg
Board member

Gunilla Fransson
Board member

Ylva op den Velde Hammargren
Board member

Sven Kristensson
Board member and CEO

Sam Strömerstén
Board member

Our audit report was issued on 14 March 2024
Ernst & Young AB

Andreas Mast
Authorised Public Accountant

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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 68-73 and 76-77 and the sustainability report on pages 34-49 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 60-135 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 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS® Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 68-73 and 76-77 and the sustainability report on pages 34-49. The statutory administration report is consistent with the other.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the 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.

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.

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

Description

The carrying value of goodwill at 31 December 2023 was SEK 2 017,8 million which corresponds to 31,4 % 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 2023 amounts to total SEK 6 187,8 million and of this SEK 2 228,3 million relates to solutions (project sales) SEK 2 912,5 million, representing 47,1 % of total net sales. The accounting policies that the company applies for revenue recognition attributable to solutions is described on page 90 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

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 1-33 and 136-148. The renumeration report for the year 2023 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.

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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 scepticism 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 R

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 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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 2023.

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

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responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of 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 ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 68-73 and 76-77 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 24th of April 2023 and has been the company's auditor since the 22nd of April 2015.

Helsingborg 14th March, 2024
Ernst & Young AB

Andreas Mast
Authorized Public Accountant

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 in the table 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 4,569 (4,239). Each share in Nederman entitles the holder to one vote. The share of Swedish ownership was 93.17 percent (91.7). The ten largest shareholders accounted for 80.3 percent (78.3) 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 2023.

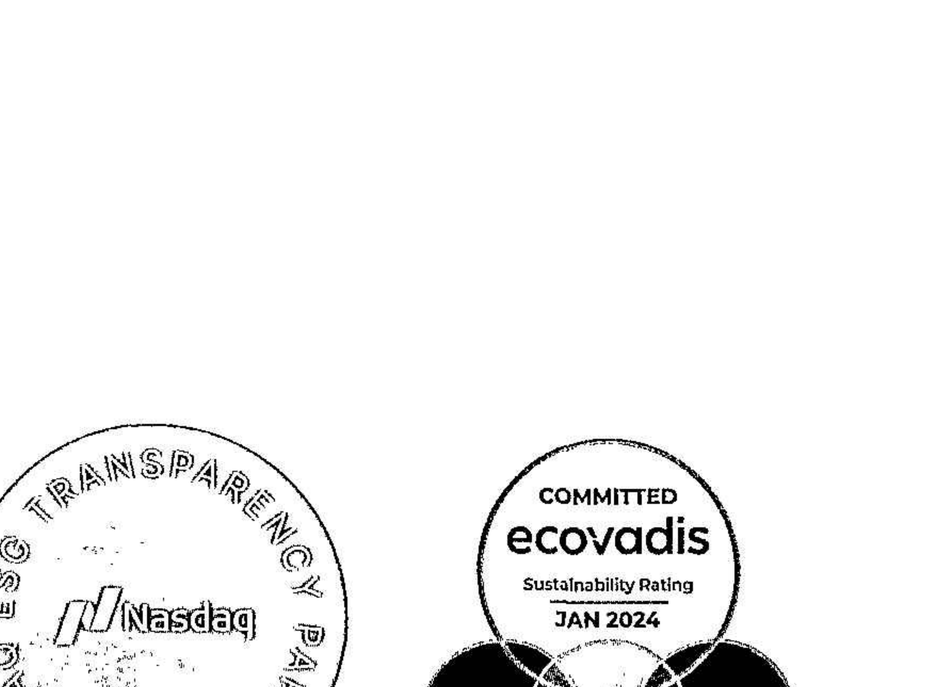
DIVIDEND AND DIVIDEND POLICY

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 3.95 (3.75) per share for the 2023 financial year.

ANALYSTS WHO FOLLOW NEDERMAN

Lina Blume from Handelsbanken,
lina.blume@handelsbanken.se

PRICE AND VOLUME TREND 2023



PRICE AND VOLUME TREND 2019-2023

Data per share	2023	2022	2021	2020	2019
Earnings per share after tax, SEK	9.71	9.37	8.70	3.15	6.43
Share price as at 31 December, SEK	179.5	172.4	218.0	141.0	134.4
Market capitalisation, SEKm	6,308.7	6,059.2	7,661.8	4,954.1	4,721.9
Cash flow, SEKm	115.4	133.1	42.1	67.0	-20.2
Proposed dividend per share, SEK	3.95	3.75	3.50	-	-
Dividend resolved at an Extraordinary General Meeting of Shareholders, SEK	-	-	-	1.00	-
Dividend growth, %	5.3	7.1	250.0	-	-
Yield, %	2.20	2.18	1.61	-	-
P/E ratio	18.5	18.4	25.1	44.8	20.9
Profit distributed as dividend, %	41	40	40	32	-
Equity, $EKm	2,372.0	2,186.5	1,717.4	1,300.8	1,382.0
Number of shares issued, 31 Dec	35,146,020	35,146,020	35,146,020	35,146,020	35,146,020
Proposed dividend as a percentage of equity, %	5.8	6.0	7.2	-	-

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	3,126,536	8.90
Cliens Kapitalförvaltning AB	2,469,335	7.03
Fjärde AP-fonden	2,014,527	5.73
Lannebo fonder	1,421,454	4.04
Handelsbanken Fonder AB	699,927	1.99
RBC Asset management (Royal Bank of Canada)	566,853	1.61
SIX SIS AG, WBIMY	380,384	1.08
Other shareholders	6,922,317	19.71
Total	**35,146,020**	**100.00**

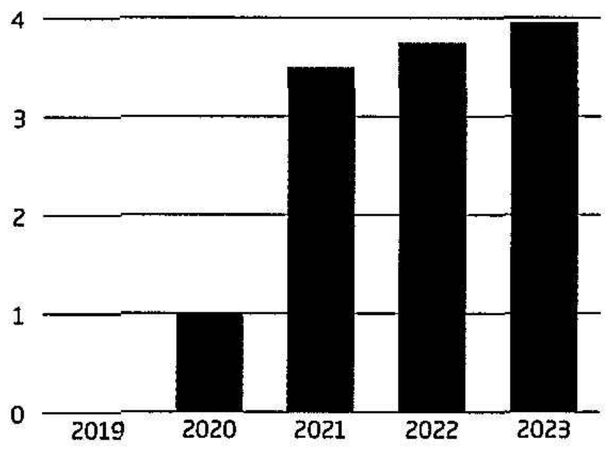
History	
1944	Company founded by Phillip Nederman.
1983	Listing on the Stockholm Stock Exchange.
1985	Active becomes the new majority shareholder. The company is delisted.
1991	Nederman sold to Esab.
1994	Charter acquires Esab and becomes the new majority shareholder.
1999	Venture capital company EQT 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 FilterSense LLC and Luwa Air Engineering AG.
2019	Acquisition of Gasmet Technologies Oy
2021	Acquisition of Energy Save System Ltd
2022	Acquisitions of RoboVent, MBE AG and Ezi-Duct
2023	Acquisitions of Aagaard A/S

Shareholders by category, %	
Financial companies	56.60
Foreign domiciled owners	16.45
Other Swedish legal entities	11.65
Private Swedish individuals	8.14
Social security funds	6.92
Non profit organisations	0.18
Government	0.06
Total	**100.00**

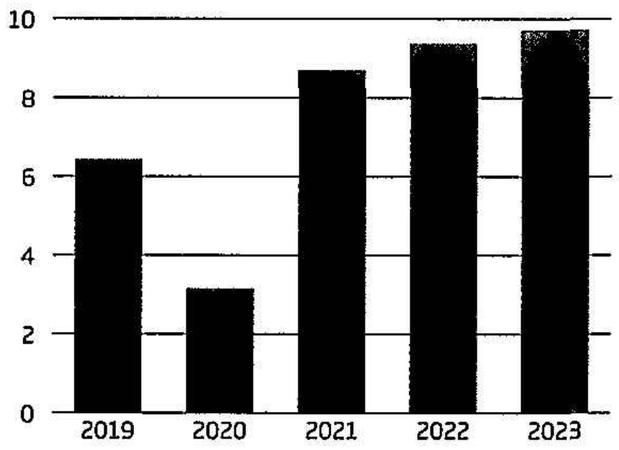
Shareholders per country, %	
Sweden	93.17
Luxembourg	2.15
USA	1.54
Switzerland	1.11
Finland	0.73
England	0.45
France	0.34
Malta	0.28
Other	0.23
Total	**100.00**

DIVIDEND PER SHARE, SEK

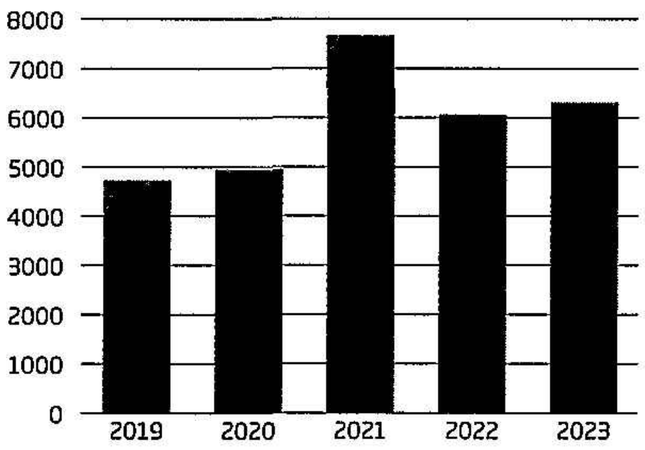
The 2023 dividend refers to the Board's proposed dividend



EARNINGS PER SHARE, SEK



MARKET CAPITALISATION, SEKM



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.	

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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 authorised 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 shareholders' 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 Friday, 26 April 2024 at 1:30 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 shareholders' register no later than Thursday, 18 April 2024.
- and notify their participation in the Meeting on Monday, 22 April 2024.

Registration must be made in one of the following ways:
- by email: stamma@nedermangroup.com
- by phone: +46 (0)42 18 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 (max two). 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 shareholders' register as of Thursday, 18 April 2024. 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 Monday, 22 April 2024 will be taken into account in the presentation of the shareholders' register.

Dividend

The Board of Directors proposes a dividend of SEK 3.95 (3.75) per share for the 2023 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, 25 April 2024
- Quarter 2 report, 12 July 2024
- Quarter 3 report, 22 October 2024

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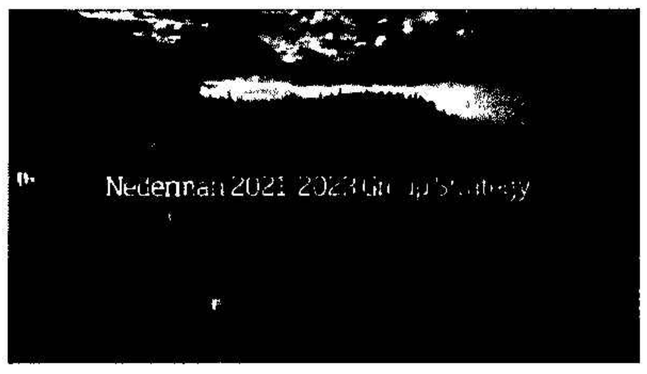
Nederman in motion

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 2023

Strong end to 2023 provides good starting position.

We turn 80 in 2024

Nederman has made an impressive journey since its foundation in May 1944. We look back, but our eyes are firmly fixed on the future.

NEDERMAN'S YOUTUBE CHANNEL

YouTube

www.youtube.com/users/nedermanvideos

▷ To see the films, scan the QR-code using your mobile or visit our YouTube channel.

FSC
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Nederman

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