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### The cover photo

In 2023, Roper Rhodes launched bathtubs in its collections. Time to market was short thanks to the collaboration with Svedbergs i Dalstorp.

**We contribute to a prosperous society by acquiring and developing innovative companies that design, manufacture and market sustainable products and services for the bathroom.**

**SVEDBERGS**

 **Macro Design.**

**cassøe®**

**ROPER RHODES®**

 **THEBALUX**

**TAVISTOCK**

**R2**

**primabad**  
badkamermeubelen



## About Svedbergs Group

# Cooperation without confusion

**S**vedbergs Group's ambition is to increase the consolidation of the European market for bathroom products. We invest in companies that design, manufacture and market sustainable products for bathrooms. We grow organically and through acquisitions that complement and strengthen our Group through new products, greater geographical spread and new expertise in marketing, innovation and sustainability.

We create value by nurturing each company's entrepreneurial drive and commitment, but also by selectively finding synergies in areas such as purchasing, digitalisation and sustainability. We call this cooperation without confusion.

### 1920

Svedbergs is founded in Dalstorp by Holger Svedberg.

### 1962

The Nyform bathroom cabinet is introduced, the company's first bathroom furniture product. Over 100,000 Nyform bathroom cabinets were sold during the life of the product.

### 1997

Svedbergs i Dalstorp AB is listed on the Stockholm Stock Exchange (now Nasdaq Stockholm).

### 2016

Acquisition of Macro Design, a leading Swedish designer, supplier and manufacturer of shower enclosures and bathroom furniture.

### 2020

Acquisition of Cassøe, a leading Danish supplier to the bathroom and kitchen industries.

### 2021

A new group structure is created for Svedbergs Group to separate the management of the Group and operational responsibility in the brand company Svedbergs.

Acquisition of Roper Rhodes, a leading British supplier and designer of bathroom furniture and products.

### 2023

Acquisition of Thebalux, a leading Dutch designer, manufacturer and supplier of bathroom furniture and products.



2016

**Our journey of change**

A well-established market leader in bathroom furniture in Sweden.

**1 brand**

**Sales** approximately SEK 450 million

**Stable profitability,** EBITA margin 10%

**Weak growth**

2023

A well-established market leader in bathroom furniture in Northern Europe

**5 brand companies and 8 brands in 7 countries**

**Sales** approximately SEK 1,824 billion

**High profitability,** EBITA margin 13.2%

**Strong growth**

## 2023 in brief

# Offensive investments in challenging times

### Strong sales development in the UK, more challenging in the Nordic region

Rising interest rates, falling disposable income and less construction largely characterised 2023. The development led to a general decline in demand for bathroom fittings and products both from consumers and on the project market. For Svedbergs Group, this meant reduced volumes in the Nordic region, which were partly offset by continued strong sales in the UK. A strong focus on cost savings, efficiency enhancements and price adjustments contributed to continued stable earnings.

### Strengthened offering through the installation of a new wood processing line in Dalstorp

Work continued during the year to modernise, streamline and automate the production facility in Dalstorp. One of the single largest initiatives was the installation and commissioning of a new wood processing line. In addition to higher efficiency, the line brings benefits such as shorter lead times, higher delivery capacity and greater flexibility in terms of product variation and customisation. It also creates opportunities for insourcing from the other brand companies in the Group. Read more on page 21.



### Expansion into the Netherlands with the acquisition of Thebalux

The Dutch company Thebalux was acquired at the end of the year. It has over 25 years of experience in the Dutch bathroom market and a strong market position. Thebalux is a profitable company that shares Svedbergs Group's entrepreneurial focus and passion for innovative bathroom furniture products. The acquisition is an important step in Svedbergs Group's continued growth journey. Read more on page 32.

# 1,824

**Net sales, SEK m**

Sales growth in 2023 was -1 percent.

# 13.2%

**EBITA margin**

The EBITA result for 2023 was SEK 240.0 million.

# 1.00

**Proposed dividend, SEK**

Equivalent to 44.6 percent of the Group's profit after tax.

# 17.2%

**lower CO<sub>2</sub> emissions**

Compared to the base year 2021 and in relation to net sales.

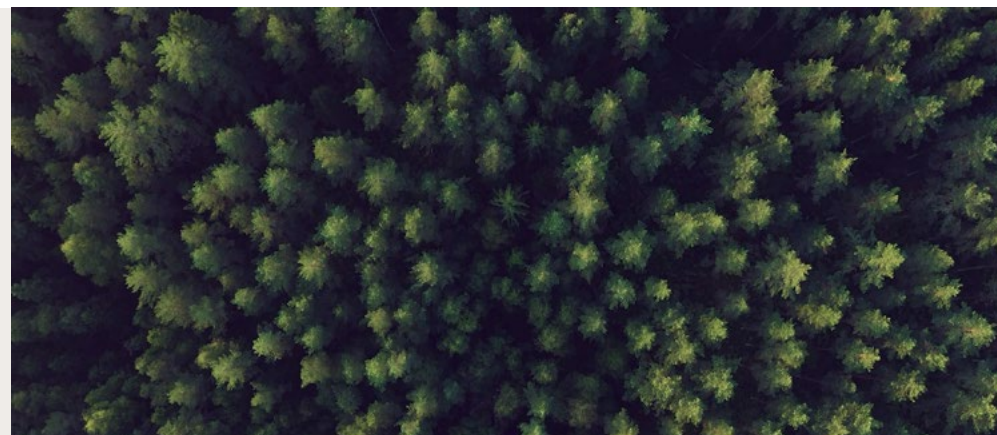
## 2023 in brief

### A new CFO

Ann-Sofie Davidsson took over as the new CFO of the Svedbergs Group at the end of the year. Ann-Sofie has broad experience from several industries. Her most recent role was as CFO of Continental Bakeries North Europe AB.

### Fully subscribed new share issue

To pay off credit facilities and strengthen the capital structure after the acquisition of Thebalux, an extraordinary general meeting at the end of the year resolved to hold a new share issue with preferential rights for existing shareholders. The rights issue was held in the first quarter of 2024. The issue, which was fully subscribed, gave Svedbergs Group an injection of approximately SEK 406 million before deduction of issue costs.

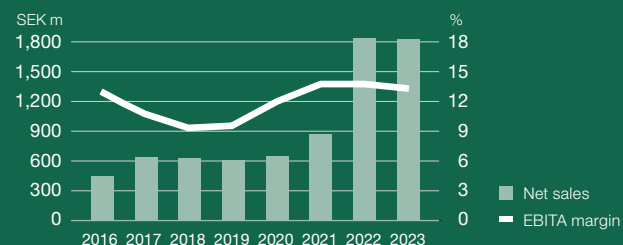


## Continued efforts to reduce our CO<sub>2</sub> footprint

Efforts to reduce the Group's CO<sub>2</sub> emissions continued during the year. Emissions were reduced by a total of 3.3 percent compared to 2022 and in relation to net sales. The reduction is the result of continued investments in energy efficiency, switching to renewable energy and

optimising production processes. Compared to the base year 2021, the emissions have been reduced by 17,2%. Svedbergs Group aims to reduce CO<sub>2</sub> emissions by 50 percent in relation to net sales by 2030. Read more on page 45.

### Stable development in a challenging market



Sales in 2023 were SEK 1,823.7 million (1,832.9). Positive effects from currency and acquisitions essentially offset negative organic growth of -6%. EBITA were SEK 240.0 million (251.1), corresponding to an EBITA margin of 13.2 percent (13.7).

### Key ratios

	2023	2022	2021	2020	2019
Net sales, SEK m	1,823.7	1,832.9	868.7	649.4	609
Operating profit (EBIT), SEK m	210.4	234.4	95.1	66.2	56.2
EBIT margin, %	11.5	12.8	10.9	10.2	9.2
EBITA, SEK m	240.0	251.1	119.3	78.2	58.1
EBITA margin, %	13.2	13.7	13.7	12	9.5
Profit before tax, SEK m	159.7	206	79.4	62.1	53.5
Profit margin, %	8.8	11.2	9.1	9.6	8.8
Profit after tax, SEK m	118.9	165.5	58.6	48.2	41.5
Cash flow from operating activities, SEK m	195.6	240.3	96.2	94.2	60.9

## CEO's comments

# Our growth journey continues

During the year, the challenges in the business environment left their mark on the market for bathrooms and bathroom products. For Svedbergs Group, the focus was on efficiency enhancement and cost control, and also on long-term projects in line with our strategy. One major initiative was the acquisition of Thebalux and our entry into the Dutch bathroom market. With this acquisition, we are now taking another important step on our growth journey.

For the year as a whole, sales amounted to SEK 1,823.7 million (1,832.9). Positive effects of 6 percent from currency and acquisitions essentially offset negative organic growth of the same order of magnitude. Gross profit increased to SEK 795.5 million (757.1), corresponding to a gross margin of 43.6 percent (41.3). The drivers include good cost control, lower freight and material prices and price increases. This was offset to some extent by an increase in operating expenses, partly as a result of investments in sales and product launches in the UK.

EBITA were SEK 240.0 million (251.1), corresponding to an EBITA margin of 13.2 percent (13.7). The slightly lower EBITA were mainly on account of lower volumes in the Nordic region and slightly higher operating expenses in the UK. This is largely offset by good cost control and efficiency enhancement. The latter is also something that will enable good leverage when the market turns.

Looking at the individual brand companies, the picture is slightly varied. Svedbergs faces challenging market conditions, and the tougher economic situation for Swedish households in particular is clearly reflected in lower sales. A clear slowdown in the project market is also contributing to this, with a sharp decline in housing construction. Macro Design also had a more challenging year of declining sales, although this levelled off towards the end of the year. Cassøe, with its operations primarily in Denmark, performed very well, with an EBITA margin of approximately 20 percent. Roper Rhodes also continues to perform well, despite a clear general slowdown in the UK market. Our view is that we are taking market share and strengthening our position. Overall, developments during the year clearly demonstrate the strength of being present in different geographical areas, and the diversification of risk this entails.



CEO's comments

**Forward-looking initiatives**

As always in more challenging times, it is necessary to accelerate and brake at the same time. In parallel with the work on the cost side, we have therefore purposefully continued the important work on innovation, product development and investments in the business, all based on the ambition to strengthen the customer offering to create the conditions for continued good development in the future.

For Svedbergs, the main focus was on developing two new collections, the launch of which has now started in early 2024. At the same time, work continued to modernise, streamline and automate the production facility in Dalstorp. One of the single largest investments during the year was the installation and commissioning of a new wood processing line. The line brings major benefits such as shorter lead times, higher delivery capacity and greater flexibility in terms of product variation and customisation. It also creates opportunities for insourcing from the other brand companies in the Group.

At the end of the year, Macro Design insourced the assembly of bathroom furniture. This results in an increased level of service to customers, not least in the form of shorter lead times and greater opportunities for customisation.

Cassøe continued to develop its range and product offering during the year. The focus was on innovative products with high design and technology content, including mirrors and heated towel rails.

Roper Rhodes added the bath category to its product range during the year. Collaboration with Svedbergs concerning design, suppliers and manufacturing made it possible to make timescales from concept to launch considerably shorter than previously possible. During the year,

Roper Rhodes also launched a range aimed specifically at plumbers and trade installers.

**Acquisition of Thebalux**

One of the key events of the year was of course the acquisition of the Dutch company Thebalux. The acquisition is an important step in our endeavour to grow, organically and through acquisitions, and gradually increase our market share in the European bathroom market.

The acquisition means that we have added two strong brands, Thebalux and Primabad. We are convinced that this will strengthen the Group. Thebalux is a well-established, profitable company with a strong market position and over 25 years of experience of the design, production and distribution of bathroom furniture. The acquisition means that we are now expanding our business into the Netherlands, an interesting market with a need for new construction and renovation of housing. In terms of industry logic, there are also major similarities with the Nordic region.

**Continued strong focus on sustainability**

We also continued our focused work in the area of sustainability during the year. The work is broad, spanning our entire value chain and covering a large number of areas, both environmental and social. As a major player, we have a special responsibility, and also actual opportunities, to exert influence and contribute to positive change.

During the year, all companies continued to work on the reduction plans drawn up on the basis of previous analyses of greenhouse gas emissions. This resulted in the total CO<sub>2</sub> footprint falling by just over 3.3 percent during the year. Compared to the base year 2021, they

have now fallen by 17.2 percent, which is entirely in line with our target to reduce emissions from our operations by 50 percent, relative to net sales, between 2021 and 2030. The reduction has been achieved by means of measures including continued efforts in transport, the transition to renewable energy and optimisation of production processes.

Other key areas include increasing knowledge of the impact of individual products throughout their life cycle, from extraction of raw materials to transport, production processes, use, end use and the potential for recycling. During the year, we carried out a major mapping exercise that resulted in the publication of our first Environmental Product Declarations (EPDs) at the end of the year. This will help us develop our product portfolio and production process, ultimately enhancing our competitiveness. At the same time, it is also an important tool, allowing consumers, architects, property developers and others to make more informed, environmentally responsible choices. Overall, the publication is fully in line with our endeavour to reduce the Group's climate impact and contribute to greater transparency.

**The journey of change continues**

Over the past eight years, we have grown from being one of the market leaders in bathroom furniture in the Nordics to being one of the leaders in northern Europe. We have expanded from one brand to eight brands with a presence in seven countries. Sales have quadrupled and profitability has improved, by both monetary and percentage terms.

Looking ahead, we can see that the business environment and market situation are challenging and likely to remain so in 2024. This is something we have to recognise and manage

to the best of our ability. However, short-term challenges do not affect our long-term strategy. This is fixed. In the short term, we are affected by a weak economy with a tough situation for many households and a decline in construction. In the longer term, we are convinced that the European bathroom market holds exciting opportunities. The underlying drivers are strong, growing interest in the home, a great need for new housing, a continuous need for renovation, continued population growth and more construction.

We will now continue our efforts to combine function, design and innovation with sustainable processes. We will do this by building on our ability to utilise and develop the history, creativity and innovativeness of the brands and combine this with best practise sharing. The work is decentralised and based on a model that nurtures the entrepreneurship and identity of the individual brand companies. At the same time, we take advantage of the good opportunities for economies of scale, collaboration and coordination, not least in sourcing and production, digitalisation and sustainability. We call this cooperation without confusion.

We now look forward to continuing our efforts to become even stronger, both as a Group and as individual brand companies. We have a fundamentally well-functioning business characterised by good profitability and strong cash flows. All in all, this creates favourable conditions for continued efforts to strengthen our position and increase our market share in the European bathroom market.

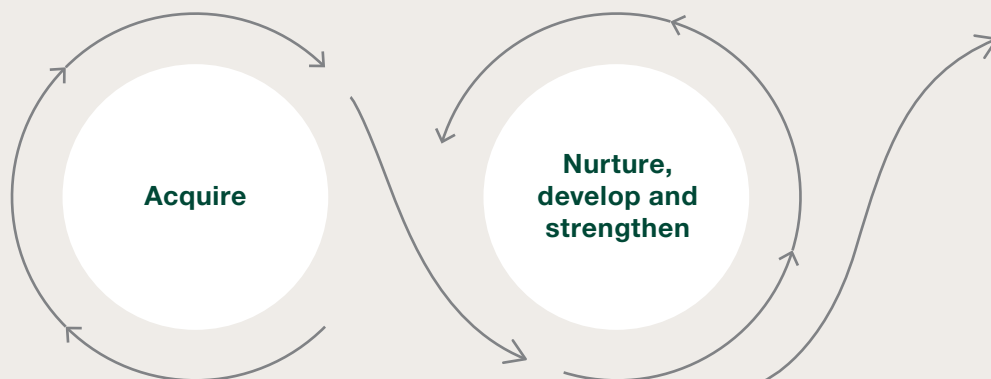
Halmstad, March 2024

Per-Arne Andersson  
*President and CEO*



# A strong business model

Svedbergs Group’s business model is to acquire, own and develop strong, innovative companies and brands that design, manufacture and market sustainable products and services for the bathroom. The focus is on brands with strong positions in their respective niches and geographical markets.



Svedbergs Group aims to grow organically, and by means of complementary acquisitions. The acquisitions are made to strengthen the Group and help achieve the overall ambition to consolidate the fragmented European market for bathroom products. The focus is on brands with strong positions in their respective niches and geographical markets.

The business model relies heavily on the ability to utilise and develop the history, creativity and innovation of the brands and combine this with best practise sharing. The work is decentralised and based on a model that nurtures the entrepreneurship and identity of each brand. The Group works together under the motto cooperation without confusion. The Group takes a collaborative, coordinated approach to the areas sourcing and production, digitalisation and sustainability.

## Value creation for all parties

### Customers

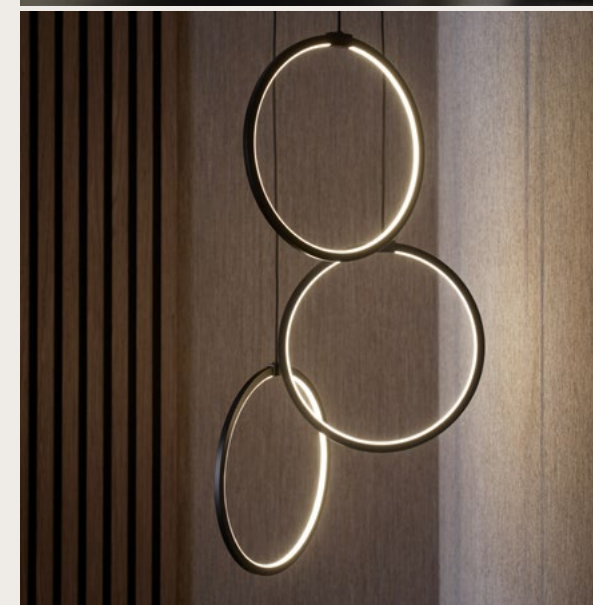
Customers and users are offered a wide range of bathroom products characterised by high quality, design and function – at the right price.

### Brand companies

The business model safeguards the independence, autonomy, identity and entrepreneurial spirit of the individual brands. At the same time, Group collaboration in a number of key areas enables economies of scale and increased cost efficiency.

### Owners

Svedbergs Group has enjoyed good profitability over time. The Group’s strong cash flows and financial position enable continuous investment both in its own operations and in new businesses through strategic acquisitions. Moreover, the fact that the brands operate in different geographical markets reduces the risk of cyclical fluctuations in certain specific geographies or market segments.



# Overall targets

## Financial targets

Target

**10%**  
Growth

Average growth per annum. Growth will take place both organically and through acquisitions.

**>15%**  
EBITA margin

The Group's long-term target is to achieve an EBITA margin in excess of 15 percent.

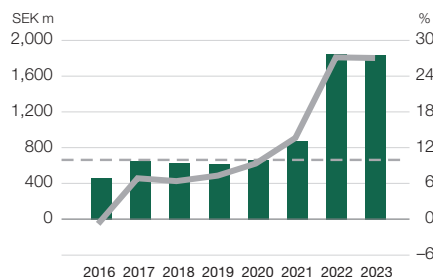
### Dividend policy

Svedbergs Groups' dividend policy for ordinary dividends means that a dividend of up to 50 percent of the profit for the year after tax may be paid to shareholders. The level of the dividend should take into account the company's financial position and its growth and investment strategy, with the aim of creating future shareholder value.

Outcome 2023

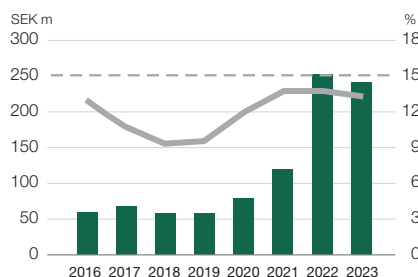
**27%**

Average growth over the last seven years has been 27.0 percent. Growth in 2023 was -0.5 percent.



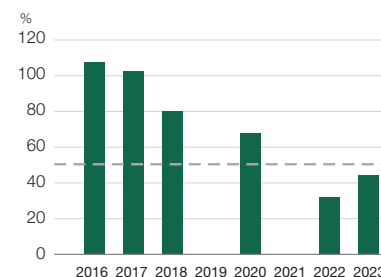
**13.2%**

The EBITA margin for 2023 was 13.2 percent.



**44.6%**

The Board of Directors proposes to the 2024 Annual General Meeting a dividend of SEK 1.00 (1.50) per share. The total dividend thus amounts to SEK 53.0 million (53.0). The proposed dividend represents 44.6 percent of the company's profit after tax.



## Sustainability targets 2030

**Target 2030**

**50%**  
**Reduction of CO<sub>2</sub> emissions**

CO<sub>2</sub> emissions from Svedbergs Group's operations should fall by 50 percent in relation to net sales between 2021 and 2030.

**100%**  
**Share of renewable energy**

100 percent of the energy used by Svedbergs Group should come from renewable sources by 2030.

**100%**  
**Environmentally certified wood raw material**

100 percent of the wood raw material purchased by Svedbergs Group should come from environmentally certified sources.

**96.5%**  
**Healthy presence**

Healthy presence in relation to total scheduled time should exceed 96.5 percent by 2030.

**20%**  
**Physical audits of strategic suppliers**

The proportion of strategic suppliers at which a physical audit has been carried out should be 20 percent per annum.

**35%**  
**Total waste**

The ratio of waste to net sales should be reduced by 35 percent between 2021 and 2030.

**Outcome 2023**

**17.2%**  
Carbon dioxide emissions, in relation to net sales, decreased during the year by 3.3 percent compared to 2022. Compared to the base year 2021, emissions decreased by 17.2 percent.

**92.4%**  
The share of renewable energy in Svedbergs Group increased by 6.4 percentage points in 2023, from 86 percent in 2022 to 92.4 percent in 2023.

**100%**  
In 2023, 100 percent of wood raw materials purchased came from environmentally certified sources.

**97.6%**  
Healthy presence in 2023 increased by 0.6 percentage points compared to the previous year.

**10%**  
During 2023, physical audits focusing on sustainability were carried out at 10 percent of the Group's strategic suppliers. This is an increase of 3 percentage points compared to the previous year.

**17.2%**  
The volume of waste in relation to net sales was reduced in 2023 by 10.1 percent compared to the previous year. Compared to the base year 2021, the volume was reduced by 17.2 percent.

# Our strengths

Svedbergs Group's ambition is to consolidate the European bathroom products market. Our strengths include well-known brands, a clear strategy and a structure that can take on and develop further market-leading businesses. Overall, this creates favourable conditions for continued long-term, sustainable growth in a changing market, and a good return for shareholders.

## Well-established bathroom furniture suppliers with well-known brands

All brands within the Svedbergs Group are well established with strong positions in their respective geographical markets and in their various niches. Svedbergs i Dalstorp was founded in 1920 and has been manufacturing bathroom products for around 60 years. Macro Design was founded in 1985. In recent years, it has successfully expanded its product range from showers and shower furniture to furniture and equipment for the entire bathroom. Cassøe is a leading supplier of innovative quality products for bathrooms and kitchens, primarily in the Danish market. Roper Rhodes, founded in 1979, is one of the UK's leading suppliers of bathroom furniture and bathroom products. Thebalux was founded in 1996 and has since established a strong position in the Dutch bathroom market.

## A fragmented market with good underlying demand

The European bathroom market is characterised by a large number of strong local or regional companies. Demand is affected by macroeconomic factors, such as employment levels, disposable household income and the rate of new construction. There has been strong growth in the market over time, driven by growing populations, increasing prosperity and a high rate of new construction.

## Risk diversification through sales in different geographical areas and sales channels

The brands in Svedbergs Group operate in different geographical markets and in both the consumer and project markets. Customers are reached through several different sales channels. Overall, this helps reduce sensitivity



to cyclical fluctuations in certain specific geographical areas or market segments.

## Cooperation without confusion

Svedbergs Group's business model is to acquire, own and develop strong, innovative brands that design, manufacture and market sustainable products and services for the bathroom. The work within the Group is characterised by cooperation without confusion. This arrangement nurtures the independence, autonomy, identity and entrepreneurial spirit of the individual brands. At the same time, Group collaboration in a number of key areas enables economies of scale, cost efficiency and a shared journey of growth.

## Capacity to invest in both organic and acquisitive growth

Svedbergs Group has enjoyed good profitability over time. The Group's strong cash flows and

financial position enable investment both in its own operations and in new businesses through strategic acquisitions. The focus is on strong brands that complement the existing businesses in terms of geography, expertise or product categories.

## Leaders in innovation and product development

The Group's brands offer a comprehensive range characterised by high quality, design and function. All companies carry out active product development and innovation, which is reflected in the continuous development of the product range and offering. The ability of companies to manufacture their own products creates good control over the value chain, enables flexible, customised solutions, lower transport costs, shorter lead times and thus better customer service.

# Market & strategy

# A fragmented European market

Svedbergs Group operates in seven countries. Historically, cultural preferences, economic conditions and building traditions have influenced the design of bathrooms and the products demanded. Overall, this has contributed to a fragmented European bathroom market, with a relatively large number of strong local or regional companies.

**A**lthough the European market for bathrooms is divided in terms of preferences and actors, there are also major similarities – not least in terms of overall driving forces and structure. In all countries, demand is mostly driven by renovation, rebuilding and extensions, the so-called ROT (Repairs, Conversion, Extension) deduction market. The market related to new construction of single- and multi-family homes accounts for a smaller part of the total market. Of Svedbergs Group's total sales, sales to new construction amounts to approximately 15 percent.

In all geographic markets, the market can be broadly divided into two parts, sales to consumers through various channels, and sales to professional operators related to new con-

struction, related to ROT (Repairs, Conversion, Extension) deductions or new construction.

Sales channels aimed at consumers vary between different countries. In the Nordic region, for example, a large part of the sales takes place through the bathroom and building stores. In the UK, local, regional and national builders and plumbers' merchants account for a high proportion.

Sales to consumers has historically been relatively stable. Demand is highly influenced by disposable household income, housing price trends and interest rates.

Demand on the professional market related to ROT (Repairs, Conversion, Extension) deductions is, like to sales to consumers, more stable over time.



The new construction market is normally more volatile and is largely determined by construction cycles and pace of new constructions. The number of new construction projects varies from year to year, but is estimated to total around 400,000 per year in Svedbergs Group's markets. Growth here is largely driven by a structural shortage of housing. In Sweden alone, the Swedish National Board of Housing, Building and Planning estimates that an average of just over 67,000 new homes will need to be built per year until 2030 to meet expected future population growth and manage the latent need for housing that has been built up over the past fifteen years in which housing construction has not matched population growth.

# Trends and driving forces



## Global trends – personal choices

Scandinavian minimalism, warm Mediterranean tones or British luxury? The availability of inspiration has increased significantly in recent years, not least through social media. Overall, this has contributed to a globalisation of trends, which have also become more numerous and have moved in different directions. At the same time, customers are increasingly demanding personalised solutions that differ from typical product standards.

## Svedbergs Group's response

Based on a strong knowledge of the local markets, the brands in Svedbergs Group develop strong offerings and concepts, characterised by innovation, design and quality. To meet the specific needs and wishes of individual customers, customisation options are also available. Local production and proximity to the end customer are major advantages here.



## Rapid digitalisation affecting the entire value chain

Digitalisation affects virtually the entire value chain, from purchasing and production to marketing and sales. There is great potential in several areas, the main ones being fact-based decisions, automation in production and completely new opportunities for direct communication with end customers.

## Svedbergs Group's response

Digitalisation is a priority area for Svedbergs Group. Work is in progress at both Group and segment brand levels to harness the opportunities of digitalisation in everything from product development and automation in production to marketing and sales.



## Increased technology content

Technological developments are increasingly making their mark in the bathroom. The opportunities this entails require more innovation and new thinking, whether for induction charging for mobile phones, mirrors with different types of lighting, touchless mixers or sensor-controlled flush buttons.

## Svedbergs Group's response

By working closely and professionally with suppliers and partners, the conditions are created to integrate new technologies and innovation in furniture and products.



## Increasing focus on sustainability

An increased focus on sustainability is a strong trend both in society and in Svedbergs Group's markets. Issues related to environmental impact and social responsibility at all stages of production are becoming increasingly important. This is clear from customers in terms of increased demand for quality, longevity and fair working conditions. And from legislators it is clear in terms of stricter requirements for sustainability reporting at both product and corporate levels.

## Svedbergs Group's response

With a high proportion (one third) of own production, Svedbergs Group has a general control over the value chain. Sustainability is a priority and integrated in all business processes. Collaboration within the Group maximises benefits in terms of both exploiting opportunities and meeting customer requirements.

# Strategy for profitable growth

Svedbergs Group's goal is to continue to grow with good profitability. The ambition is to contribute to the consolidation of the European bathroom market, a market currently characterised by a large number of locally strong, independent brands.



## Five strategic pillars

**1** Profitable growth  
**Acquisition of independent, innovative brands. Support and promote organic growth.**

**2** Operating model  
**Cooperation without confusion**

**3** High level of sales expertise  
**A comprehensive mix of sales channels**

**4** Product development  
**Innovative bathroom solutions and continued investment in sustainability and design**

**5** Organisation and leadership  
**Empowering and developing people through growth-oriented leadership**

## **1** Profitable growth **Acquisition of independent, innovative brands. Support and promote organic growth.**

Svedbergs Group aims to grow organically, and by means of complementary acquisitions. We are always looking for strong, independent brands with the potential to continue to grow in their geographical areas. The focus is on Europe and the acquisition candidates should strengthen the group in one of the following ways:

- Contribute to broader geographical presence by enabling us to enter new markets across Europe.
- Strengthen the existing product range with complementary product categories.
- Enhance expertise in certain geographical areas, product categories or technologies.

Growth by acquisition is a cornerstone of the Group's ambition to consolidate the fragmented European market for bathroom products.



Strategy for profitable growth

**2** Operating model  
**Cooperation without confusion**

The work within the Group is characterised by cooperation without confusion. Group collaboration in a number of key areas ensures economies of scale, cost efficiency and a shared journey of growth. At the same time,

there is a strong focus on nurturing the independence, autonomy, identity and entrepreneurial spirit of individual brands. Collaboration is primarily on purchasing and production, digitalisation and sustainability.

**3** High level of sales expertise  
**A comprehensive mix of sales channels**

Svedbergs Group's brands operate in different geographical markets, in both consumer and project markets, and reach customers via several different sales channels. Overall, this renders the Group less sensitive to cyclical fluctuations in specific geographical areas or market segments.



**4** Product development  
**Innovative bathroom solutions and continued investment in sustainability and design**

There is a strong focus on continuous development of design and product offerings. The ambition is for 30 percent of annual sales for each brand to be derived from products launched in the last three years.

**5** Organisation and leadership  
**Empowering and developing people through growth-oriented leadership**

Our leadership is characterised by motivating, inspiring and lifting people to levels at which they can perform even better. This is about the ability to give employees the opportunity to grow, improve and contribute more than ever before. This is achieved by focusing on self-confidence, trust and courage.





# Our segments

# A portfolio of strong brand companies

## Svedbergs

Svedbergs i Dalstorp AB started in 1920 as a tin factory, and switched to making bathroom cabinets in 1962. During the 1980s, operations expanded to include furniture and equipment for the complete bathroom, marketed under the Svedbergs brand. The company is the Nordic market leader in bathroom furniture. Most of the production takes place in Dalstorp.



## Cassøe

Cassøe was founded in 1997 and is one of Denmark's leading suppliers of quality products for bathrooms and kitchens. The company offers a wide range of bathroom fittings such as shower enclosures, mirrors and mixers for both bathrooms and kitchens, as well as accessories. The products are developed and designed in Herning, Denmark. Cassøe has been part of Svedbergs Group since 2020.



## Macro Design

Founded in 1985, Macro Design has advanced from being a shower manufacturer to offering furniture and equipment for the entire bathroom. Macro Design is one of the leading shower and bathroom companies in the Nordic region, specialising in the bathroom trade. All products are developed and many are produced and finally assembled at Macro Design's production facility in Laholm. Macro Design has been part of Svedbergs Group since 2016.

## Roper Rhodes

Roper Rhodes has over 40 years of experience of designing and developing bathrooms and is one of the UK's leading suppliers of bathroom furniture and products with the Roper Rhodes, Tavistock and R2 brands. The company is located in Bath, UK. Roper Rhodes has been part of Svedbergs Group since 2021.

## Thebalux

Founded in 1996, Thebalux has since established a strong position in the Dutch bathroom market, with some sales also in Germany, Belgium, Austria and Luxembourg. The company's product range consists of furniture, washbasins, mirrors, mirror cabinets, mixers, lighting and various bathroom accessories offered through the Thebalux and Prima-bad brands. Production takes place in Biddinghuizen and Veghel. Thebalux has been part of Svedbergs Group since November 2023.

# Svedbergs

Svedbergs i Dalstorp AB started in 1920 as a tin factory, and switched to making bathroom cabinets in 1962. During the 1980s, operations expanded to include furniture and equipment for the complete bathroom, marketed under the Svedbergs brand. The range includes furniture, showers, baths, heated towel rails, mixers, toilets and accessories.

**S**vedbergs is one of the Nordic market leaders in bathroom interiors. Product and design development are mainly in-house and in close cooperation with selected suppliers. About 75 percent of goods sold are produced at the company's own production facility in Dalstorp.

In-house production has several advantages. In addition to reducing vulnerability to supply chain disruption, it enables flexibility, efficient range development, shorter product series and more customised solutions, which in turn contributes to an efficient and more sustainable production. It also enables shorter deliveries between production and customer, which in turn contributes to high delivery precision and lower environmental impact.

The sales organisation is divided into B2B and B2C. Sales to consumer markets (B2C) are geographically organised and are made through building and specialist retailers, in stores and online. Training of retailers in offers are provided continuously to maintain relevant competence. Svedbergs also has its own showroom at a number of retailers.

In parallel with a strong network of retailers, Svedbergs also strives to build closer direct relationships. An online presence is becoming increasingly important in this endeavour. Over the past year, Svedbergs launched a new website with greater integration with retailers and various social media platforms.

Project sales are made directly to project markets or via wholesalers. The focus of the sales work is on approaching architects, house manufacturers and property developers.



## Vision Creating inspiring spaces

Svedbergs' passion for production, design and sustainability creates the conditions to deliver timeless, outstanding bathroom interiors that provide inspiration, now and in the future.

### Proportion of the Group's total sales



### Sales by country



Svedbergs

**Operational highlights 2023**

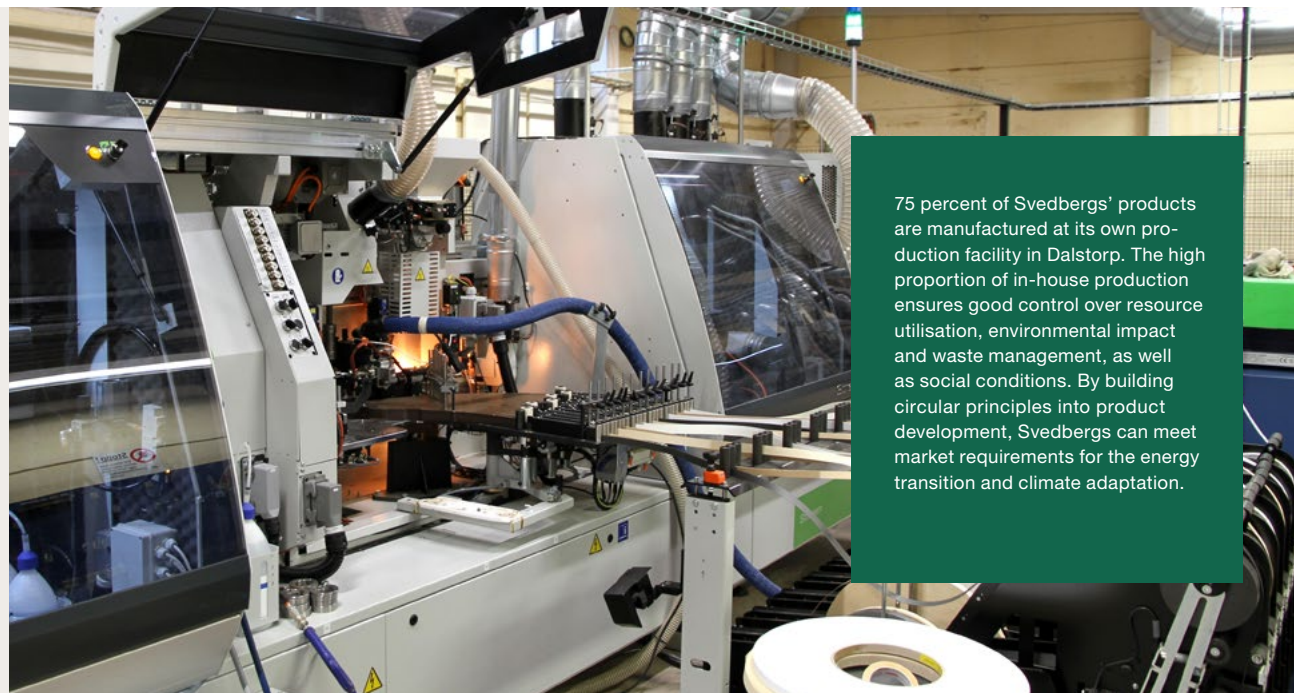
**Continued focus on product development and innovation**

A major focus during the year was on continued development of the offering and products. Major initiatives included the development of two new furniture collections. Both collections, which will start to be launched in the first quarter of 2024, combine design and aesthetics with a high degree of functionality and sustainability.

**Increased capacity and flexibility with a new wood processing line**

Work continued during 2023 to modernise, streamline and automate the production facility in Dalstorp. One of the single largest investments during the year was the installation and commissioning of a new wood processing line. The line offers several major benefits, including shorter lead times, higher capacity and greater flexibility in terms of product variation and customisation. It also creates opportunities for insourcing from the other brand companies in the Group.

Combined with the investments made in 2022, the new line makes it possible to double production capacity. Overall, the investments will future-proof operations and are an important part of the Group's continued growth journey.



75 percent of Svedbergs' products are manufactured at its own production facility in Dalstorp. The high proportion of in-house production ensures good control over resource utilisation, environmental impact and waste management, as well as social conditions. By building circular principles into product development, Svedbergs can meet market requirements for the energy transition and climate adaptation.

**New production line for increased efficiency**

In the new production line that was installed at Svedbergs' factory in Dalstorp during the year, sustainable solutions were applied from the start. The criteria for developing an optimal production line were customisation, capacity, energy efficiency and resource saving. An energy group reviews the results on a quarterly basis and provides input for trimming energy consumption. Reduced waste is achieved with new technologies for processes such as the manufacture of cabinet fronts.

"We are in constant dialogue with customers, which is essential for development. Being able to help them in their journey by offering increased customisation is essential if we are to ensure straightforward collaboration on joint projects. It has become natural for us to discuss sustainable solutions at an early stage of product development," says Hans Svensson, Environment and Quality Manager at Svedbergs i Dalstorp.

**Svedbergs**

**Initiatives to strengthen relationships with end customers**

Svedbergs’ ambition is to strengthen its relationships with end customers. This ambition was expressed during the year in continued investments in the company’s own website, a greater digital presence on social media and also through the launch of the new Svedbergs Magazine for customers.

Svedbergs’ own showrooms, with trained sales staff, play an important role in our efforts to inspire our customers. As part of preparations for launching the new collection, the showroom concept was updated during the year. There are a total of eight showrooms in the Nordic region, four in Sweden, two in Denmark and one each in Finland and Norway.

In parallel with the updating of the showrooms, regular staff training in the Svedberg range also continued.

**Cost savings and higher internal efficiency**

There was a major focus during the year on adapting operations and the organisation to the prevailing market conditions. Key initiatives included launching a cost-cutting programme, including a reduction in full-time positions.

**Focus for the future**

The overall objectives ahead include responding to future demands. The work includes both continued forward-looking initiatives in sales, communications and production as well as a continued increase in internal efficiency.

There will be a continued strong focus on launching new collections. From previously having been on developing individual products, the focus of the development work going forward to a greater extent lie on more cohesive collections in concepts of products with a strong, clear and sustainable self-expression.

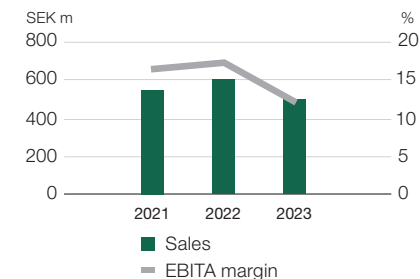
Following a sharp slowdown on the B2C market and in new construction projects, the market is expected to remain weak. The focus will be on projects related to renovation and pipework replacement.

**Financial development**

Svedbergs’ total net sales for the year amounted to SEK 504.3 million (602.2), a decrease of 16.3 percent. Contract and wholesale sales were the stronger customer segment compared to the previous year. Growth was negative in the majority of Svedbergs’ geographical markets during the year.

EBITA were SEK 58.6 million (98.6), corresponding to an EBITA margin of 12.2 percent (17.3). This development was largely due to the decrease in volume.

**Sales and margins**



SEK m	2023	2022	2021
Total net sales	504.3	602.2	549.0
EBITA	58.6	98.6	85.9
EBITA margin, %	12.2	17.3	16.6

**“The focus in 2023 was on efficiency enhancements and cost control. At the same time, we also implemented several forward-looking initiatives that will help strengthen us in the future.”**



Thomas Elvlin,  
CEO of Svedbergs

# Macro Design

Macro Design is one of the leading shower and bathroom companies in the Nordic region. Its offering includes showers, shower walls, shower enclosures, bathroom furniture, mixers and accessories. The products are developed, designed and produced in Laholm. Macro Design was founded in 1985 and has been part of Svedbergs Group since 2016.

**M**acro Design initially specialised solely in showers, but over the last decade it has expanded its range and is now a leading supplier of bathroom fittings and accessories. The range is characterised by innovation, design and high quality.

The main markets are Sweden and Norway. Sales are focused primarily on the consumer market, but also include the project market to a limited extent. Sales are mainly through specialist bathroom stores and e-commerce, large chains and a number of independent specialist retailers and wholesalers. Macro Design has a total of around 300 active retailers. Retailers receive regular training from the Macro Design Academy.

Sales are mainly to the markets in Sweden and Norway. In addition to the main markets, there are also some sales to customers in Finland, Denmark and Iceland. The majority of total sales were to the consumer market.

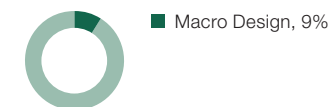
Bringing development, design, production and delivery under one roof enables a higher degree of efficiency. Macro Design's physical proximity to its main markets and partners also creates the best possible conditions for fast deliveries. This applies not only to the standard range but also to fully customised solutions. All this helps maintain a high level of delivery precision and contributes to an even lower environmental impact.



## Vision A bathroom for life

Attractive design, innovation, functionality and quality at a lower price for our planet. A bathroom for life.

### Proportion of the Group's total sales



### Sales by country



**Macro Design**

**Operational highlights 2023**

**Continued development of the customer offering**

In recent years, Macro Design has worked to sharpen their offer, covering everything from the assortment, production and sales to internal processes and company culture. Overall, the work has resulted in a broader, stronger offering. This work also continued in 2023. Some of the major initiatives addressed new products, new customer segments, production and sustainability.

**Increased demand in projects**

Despite a declining project market for the industry in 2023, Macro Design still experienced an increase in demand for products and solutions in the premium segment. Although the increase started from a low level, it sits well with the company's plan to be a sought-after brand that focuses on small to medium-sized projects in the premium segment, in which customers expectations in design, high quality and innovative products are high.

**Greater flexibility and better customer service**

At the end of the year, assembly of bathroom furniture was insourced to the production facility in Laholm. The new production line enables, among other things, fast deliveries and joint deliveries of complete bathroom solutions.



**Basin made of wood chips**

During the year, Macro Design started to cooperate with Woodio, a new supplier of basins and worktops made of waterproof wood composite. Woodio is a Finnish innovation company that has developed and patented a material based on 80 percent wood chips. The material can be used in both basins and worktops.

The new wood composite material can replace porcelain and stone products, significantly reducing environ-

mental and climate impacts. When end of life of the products occurs, they can be handled as combustible waste instead of ending up as landfill.

“Many of our customers have shown an interest in wood composite products and the option of buying basins and worktops in different colours,” says Roger Heikenström, Sales and Marketing Manager at Macro Design.



**Macro Design**

**Initiatives to raise awareness among end customers**

Development and optimisation of the retailer network continued during the year. Key elements of the work included training sales staff at retailers in line with the Macro Design Academy concept. At the same time, showrooms continued to be updated around the country.

In addition to the work with retailers, the company continued to raise awareness of the brand among end consumers. A key element of this work is more direct communication, including by means of digital marketing and greater presence on social media. In addition, the company's own website was updated and filled with inspiration and tips.

**Continued efforts to add environmental product declarations to products**

During the year, Macro Design continued to add environmental product declarations to products in its range. This declaration describes the environmental performance of the product from a life cycle perspective. The background is the new law that entered into force on 1 January 2022. New building permits now require the developer to submit a climate declaration for the building. For Macro Design and other suppliers, this means a requirement to compile environmental product declarations for products sold to construction projects.

**Focus for the future**

Given the market situation, a major focus in 2024 will be on sales and marketing. By developing and strengthening the cooperation with Macro Design's existing sales channels and potential new partners, the goal is increased market shares. Work is continuing from last year to improve communication directly with end users and target groups to enhance brand recognition. Internal streamlining and good cost control are part and parcel of day-to-day operations, and there will continue to be a major focus on innovative product development and strong market offerings. In the coming year, particular emphasis will also be placed on the communication of Macro Design's products and solutions to regulators in the form of inspirational materials and products with environmental product declarations.

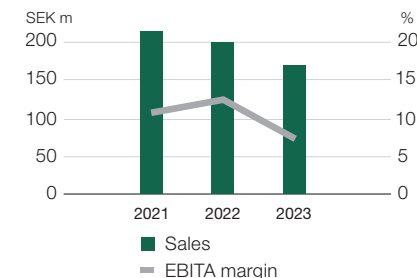
In Sweden, the company will continue to address selected segments in the project market. The focus is on small to medium-sized premium projects, as these are deemed to be less affected by economic and market conditions.

**Financial development**

Macro Design's net sales for 2023 amounted to SEK 169.7 million (199.3), a decrease of 14.9 percent. The trend for the year was negative in both Sweden and Norway.

EBITA were SEK 12.1 million (24.1), corresponding to an EBITA margin of 7.4 percent (12.5). The lower EBITA were mainly a consequence of lower volumes, which were partly offset by price increases and previously implemented cost reductions.

**Sales and margins**



SEK m	2023	2022	2021
Total net sales	169.7	199.3	214.7
EBITA	12.1	24.1	23.5
EBITA margin, %	7.4	12.5	11.3

**“By bringing the final assembly of our bathroom furniture in-house we have enabled joint delivery of showers and furniture and can offer shorter time to delivery.”**



Thomas Gunnarsson, CEO of Macro Design

# Cassøe

Cassøe is a leading supplier of innovative quality products for bathrooms and kitchens. The products are developed and designed in Herning, Denmark. Sales are mainly in Denmark but also in Norway. Cassøe was founded in 1997 and has been part of Svedbergs Group since 2020.



**F**rom an initial focus on mixers for bathrooms and kitchens, Cassøe has extended its offering to include a wide range of bathroom fittings in recent years. The range includes shower walls, mirrors, furniture, mixers and other equipment for both bathrooms and kitchens.

Sales to the consumer and project markets are made through retailers such as kitchen and bathroom stores, tile stores, plumbing wholesalers and in partnership with online stores, architects and housing contractors.

Denmark accounted for 90 percent and Norway for 6 percent of sales in 2023.

The products are developed and designed in Denmark. Manufacturing is in close cooperation with suppliers in Asia and Europe.

## Operational highlights 2023 Continued expansion and development of the product range

The range and offering continued to be developed during the year. The focus was on innovative products with high design and technology content. New product launches included touchless mixers, mirrors with the possibility of different lighting environments and new heated towel rails. Several products were also updated with new colours and finishes.

## Strong focus on efficiency and costs

Given the general trends in the market, there was an active focus on efficiency and cost control during the year. This work covered a wide range of areas, including efficiency

## Vision Quality designer products

To deliver and distribute quality designer products with the focus on the customer.

### Proportion of the Group's total sales



### Sales by country



**Cassøe**

enhancements via a new ERP system and a wide-ranging review of transport and purchasing. For example, some production was moved from China to Europe during the year to increase flexibility.

Key initiatives also included continued work on introducing even more agile ways of working. To enable better conditions for follow-up and analysis, the implementation of a new ERP system was also started during the year.

**Environmental product declarations**

Work on environmental product declarations for products in the range continued during the year. The background is new statutory requirements for greater transparency on the environmental performance of individual products from a life cycle perspective.

**Focus for the future**

Continued development of the offering and range will continue to be a focus area. The aim is to create clear, coherent collections of products characterised by strong design and a high level of innovation. In terms of individual product categories, the goal is to enhance Cassøe's leading position in mixers. Special attention will also be paid to lighting and mirrors with a high technology content.

Great care will be taken to ensure a competitive offering in terms of price. Own brand goods play a key role in this endeavour. The aim is to increase sales of own products sold under the Cassøe brand. A special initiative will also involve developing and enhancing the offering aimed specifically at the project market.

Another focus will be the development of the offering for production on behalf of other bathroom suppliers.

The retailer network will continue to play a central role in sales. In parallel, work on digital marketing will be intensified.

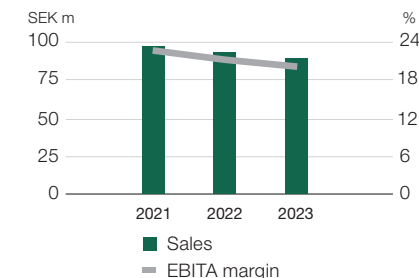
Given the market situation, a major focus in 2024 will be on internal efficiency and continued good cost control. As a central part of this, the implementation of Cassøe's new ERP system will continue and be expanded to include functionality for planning and decision support.

**Financial development**

Cassøe's net sales for 2023 amounted to SEK 89.2 million (93.6), a decrease of 4.7 percent. The decrease was entirely attributable to a negative trend in the main Danish market. In Norway, sales increased relatively strongly, albeit from low levels.

EBITA were SEK 17.8 million (20.0), corresponding to an EBITA margin of 20.2 percent (21.3). The lower EBITA were mainly a consequence of lower volumes, which were partly offset by price increases.

**Sales and margins**



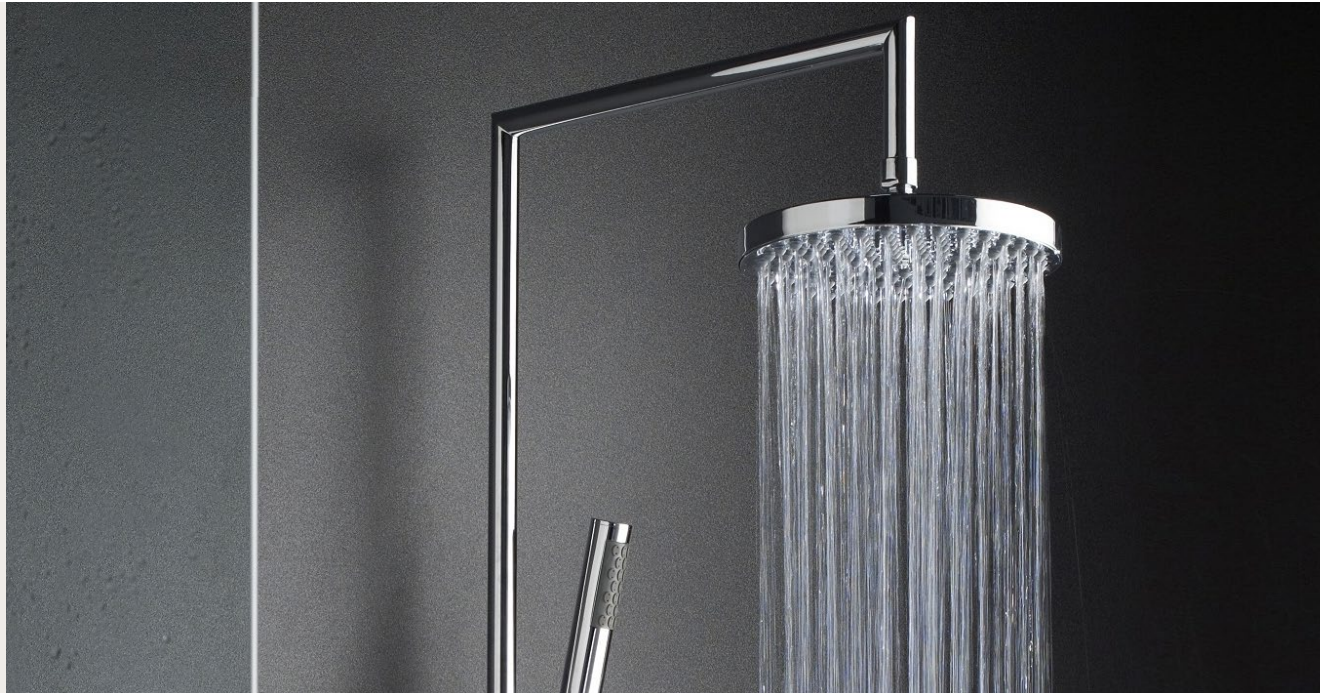
SEK m	2023	2022	2021
Total net sales	89.2	93.6	97.1
EBITA	17.8	20.0	21.8
EBITA margin, %	20.2	21.3	22.4

**“In 2024, we will intensify our efforts to develop the offer. Special attention will be paid to lighting and mirrors with a high technology content.”**



Michael Cassøe,  
CEO of Cassøe

Cassøe



**In 2023, solutions were developed that halve the water consumption of almost the entire range of mixers.**

## Water is a limited resource

In Sweden, half of the domestic water comes from surface water, i.e. lakes and other bodies of water. In Denmark, on the other hand, people are completely dependent on groundwater from wells for their domestic water, which entails a large, and growing, focus on water consumption. In Denmark, it is important to limit water consumption because all drinking water comes from groundwater. To offer mixers that are both water and energy efficient is a clear competitive advantage.

In 2023, solutions were developed that halve the water consumption of almost the entire range of mixers. Low-flow taps provide benefits for the customer and the environment, and boost sales for Cassøe.

“It is important to highlight our unique low-flow mixers in our marketing. We are already seeing greater interest in these products,” says Klaus Horsager, Marketing and Communications Manager at Cassøe.

# Roper Rhodes

Roper Rhodes is a well-established British supplier and designer of bathroom furniture and products. The company’s product range comprises of sanitary fixtures, showers, taps, accessories, cabinets, mirrors, bath panels and WCs. In terms of net sales, its biggest product categories are bathroom furniture and sanitary fixtures. Roper Rhodes has been part of the Svedbergs Group since 2021.



**R**oper Rhodes was founded in 1979 specialising solely in bathroom accessories, but over the last three decades they have expanded their product categories and are today a leading supplier of bathroom furniture, sanitaryware and brassware. Their ranges are characterised by innovation, design and high quality.

The products are designed at the company’s headquarters in Bath. Production is outsourced to external manufacturers in China and Europe.

The company’s primary market is the UK, but sales in Ireland are also growing. Sales take place via a variety of sales channels, including plumbing and builders’ merchants, wholesalers, purchasing consortia, shops, and online retailers. Their products are marketed and sold under three different brands:

**Roper Rhodes** Marketed as a premium brand, but priced in the mid-range segment. The primary product categories include bathroom furniture, sanitary fixtures, showers and accessories.

**Tavistock** was acquired by Roper Rhodes in 1999. These products are primarily sold by major bathroom wholesalers to smaller, independent bathroom shops and plumbers’ merchants. The range consists primarily of bathroom furniture, sanitary fixtures, showers, cabinets and mirrors.

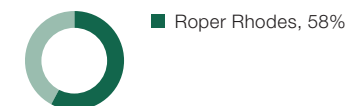
**R2** Established 2011 with the objective of competing in a lower price segment than the Roper Rhodes brand. The range features bathroom furniture, sanitary fixtures, showers and taps.

Of the group’s overall net sales in 2023, Roper Rhodes accounted for 38 percent, followed by R2 at 37 percent, and Tavistock at 25 percent.

## Vision Service and innovation

Increased customer satisfaction through service and innovation.

### Proportion of the group’s total sales



### Sales by country



**Roper Rhodes**

**Operational highlights 2023**

**Strong growth despite a generally weak market**

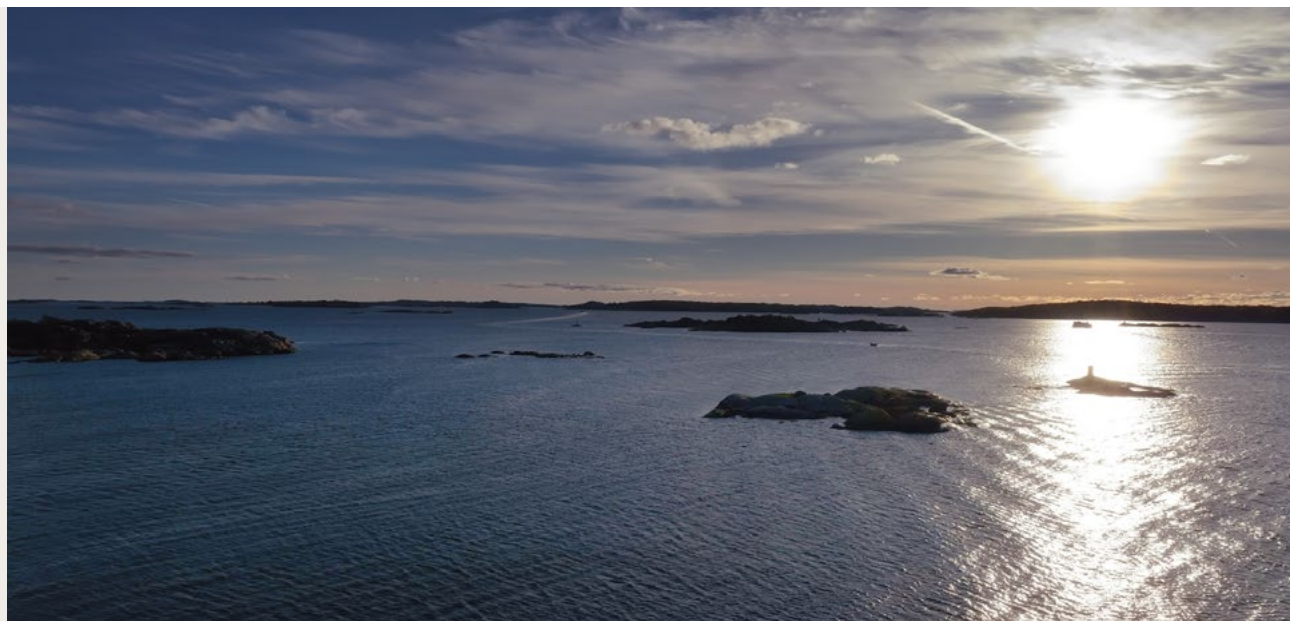
Despite a relatively comprehensive slowdown in the market more generally, Roper Rhodes saw its sales over the year grow substantially. Strongest of all was sales growth in relation to the project market, which increased by roughly 20 percent.

**Proactive investment in a new market segment**

Over the course of the year, there has been significant focus on the launch of a new collection of products aimed specifically at plumbers and installers. The range includes high quality products. With the aim of supporting the company in becoming established within this segment, the sales and market organisation was also bolstered during the year.

**Expansion in Ireland**

Since 2018, Roper Rhodes has been seeing limited but growing sales in Ireland. Overall, in 2023, the Irish market accounted for six percent of total sales. Going forward, continuing to grow and at a faster pace will be a top priority. As part of work to strengthen the company's presence and promote future growth, during 2023 investments were made in areas such as sales and warehousing. These efforts are a key in strengthening and growing the company's local presence, improving the service customers are offered, and facilitating more delivery options.



**Reduced climate impact from transport by sea**

Transports are responsible for a large proportion of the greenhouse gas emissions Roper Rhodes operations produce. At the midpoint of 2023, cooperation with transport supplier KWE (Kintetsu World Express) was launched regarding the Sustainable Marine Fuels (SMF). The collaboration entails an investment from Roper Rhodes matched in full by the supplier, KWE. SMF is produced using residual materials such as fats, waste oils and manure. Production of SMF entails no negative impact on forests, biodiversity or agriculture. The total savings, generated as a result of this initiative, will be

in the region of 138 tCO<sub>2</sub>e from August 2023 to March 2024

“We want this to serve as a demonstration of our commitment to cooperation, investment and testing of new initiatives when it comes to reducing our climate impact. We hope that this partnership will inspire other companies to follow suit, so that together we can reach our common goals and objectives in this field. The more companies to join this initiative, the more affordable SMF will be for all involved,” explains Sustainability Manager Nadia Provenza of Roper Rhodes.

**Roper Rhodes**

**Successful establishment in baths – through cooperation with Svedbergs**

During the course of the year, the product range was complemented with investments in the category bathtubs. Collaboration with Svedbergs concerning design, suppliers and manufacturing made it possible to make timescales from concept to launch considerably shorter than previously possible.

**Major focus on costs**

At the same time as proactive investments were being made in new geographic areas, product segments, and customer segments, work continued to ensure high internal efficiency, with a major focus on costs. The more structural elements of the business saw more comprehensive supplier monitoring, the results of which included renegotiation of several agreements and consolidation of the supplier base.

**Continued investments in sustainability**

During 2023, Roper Rhodes has intensified their efforts to structure the work with sustainability, by means such as appointing a sustainability manager.

The year also saw continued work to reduce the climate and environmental impact of the company's operations. At the end of 2022, a complete solar energy system was installed on the roof of the company's distribution centre in Bristol. During 2023, the system was able to provide enough energy to make the centre self-sufficient, with the excess sold to the National Grid. A total of approx. 100 tonnes CO<sub>2</sub>e was saved as a result. The system has thus proven to be beneficial both environmentally and financially.

After gradually phasing out all company vehicles running on fossil fuels, as of 2023, the fleet consists exclusively of hybrid and electric vehicles.

The sustainability work also extends to earlier stages of the value chain. The bathroom products are manufactured abroad, and so a major focal point is supplier evaluations and climate-smart transport. Roper Rhodes maintains close contact with its suppliers to not only set requirements but also to ensure familiarity with environmental issues, social sustainability, and business ethics.

During the year, cooperation also continued with suppliers regarding the use of single-use packaging made of plastic and other non-recyclable materials. The objective is to limit use of such materials.

**Focus for the future**

Going forward, the company aims to continue to grow and gain market shares, in a market that is likely to remain challenging. Work to extend and deepen the company's range will also continue. Overall, the number of products is expected to grow from approx. 4,500 to approx. 5,500 during the course of the year.

A large number of product launches are planned to be carried out.

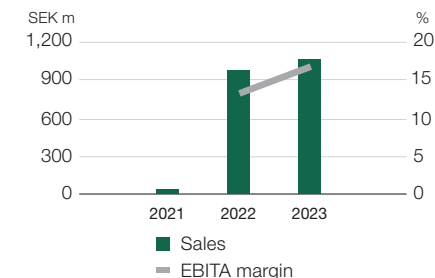
Continued growth in Ireland and the ongoing launch of the new product range aimed specifically at plumbers and installers are also high priorities.

**Financial development**

In 2023, net sales at Roper Rhodes amounted to SEK 1,062.2 million (997.2), an increase of 8.7 percent of which 2.7 was organic.

EBITA were SEK 178.9 million (130.2), corresponding to an EBITA margin of 16.8 percent (13.3).

**Sales and margins**



SEK m	2023	2022	2021
Total net sales	1,062.2	977.2	47.3
EBITA	178.9	130.2	-1.2
EBITA margin, %	16.8	13.3	-2.5

**”We are continuing to capture market share and consolidate our position. A major focus on product development and a new range are also creating the conditions for positive development going forward.”**



Leigh Leather,  
Managing Director  
of Roper Rhodes

# Thebalux

Thebalux is a well-established Dutch designer, producer and supplier of bathroom furniture and products. The company was founded in 1996 as a spin-off from Themans B.V. and operations have since expanded both product-wise and geographically. In parallel, its own production capacity has been gradually built up. The Primabad brand was acquired in 2005 and operations are now conducted under the two brands Thebalux and Primabad. Thebalux has been part of Svedbergs Group since its acquisition at the end of 2023.



**T**he Thebalux and Primabad product offering consists of furniture, washbasins, mirrors, mirror cabinets, mixers, lighting and bathroom accessories. In terms of net sales, the biggest product categories are bathroom furniture, cabinets, ceramic products and mirrors.

Product development and design take place at the head office in Zupthen (Thebalux) and in Veghel (Primabad). Production is partly at the company’s own production facilities in Veghel and Biddinghuizen, and partly at subcontractors mainly in Germany, Italy, Austria and China.

Customers are mainly retailers in the bathroom sector and the building materials industry. Most retailers traditionally operate in physical stores, although some also operate online.

## Two brands

The products are offered under the two brands Thebalux and Primabad, which complement and support each other in terms of product development, product range, production and sales. Primabad accounted for 67 percent and Thebalux for the remaining 33 percent of total sales in 2023.

## Thebalux

Thebalux is marketed as a premium brand with clear product positioning. The focus is on bathroom solutions characterised by design and functionality. In addition to bathroom furniture and cabinets produced in-house, major product categories include washbasins, mirrors and mirror cabinets. The in-house production of bathroom furniture takes place in Biddinghuizen.

## Locally produced premium products

with the focus on design and functionality

### Proportion of the Group's total sales



### Sales by country



<sup>1)</sup> The acquisition of Thebalux was completed on 23 November 2023, and Thebalux was consolidated into Svedbergs Group from this date. The sales by country illustrates the distribution since the acquisition.



**Thebalux**

The focus is on the Dutch market, although some sales are also made in Germany, Belgium, Austria and Luxembourg.

**Primabad**

Primabad was acquired by Thebalux in 2005. Like Thebalux, Primabad has its own production in the Netherlands, in the town of Veghel.

Primabad is marketed as a premium brand with a wide range and good opportunities for customised solutions. The product range consists of bathroom furniture, washbasins, mirrors and mirror cabinets, lighting and vanity units. Sales are mainly through retailers in the Netherlands, but to some extent also in the other Benelux countries and Germany.

**Operational highlights 2023**

**Continued development of the offer, products and production facilities**

The development of the range and offer continued during the year at both Thebalux and Primabad. A particular focus was on developing the range of mirrors.

During the year, the continuous efforts to update and develop the production facilities also continued. For example, investments in Biddinghuizen significantly increased the flexibility concerning colour choices and finishes.

**Greater focus on sustainability**

Both Thebalux and Primabad are actively working to reduce the negative impact of their operations on the climate and environment. Particular priorities include reducing CO<sub>2</sub> emissions. As part of this work, solar panels were installed on the roofs of the buildings in Biddinghuizen

during the year, which now generates electricity corresponding to approximately 70 percent of the need. Thermal energy is used to heat the facility, which makes the facility completely gas-free. During the year, a study was also initiated regarding the possibility of a similar installation at Primabad’s facility in Veghel.

At the end of the year, work also began to enable sustainability reporting in line with Svedbergs Group’s procedures and standards.

**Focus for the future**

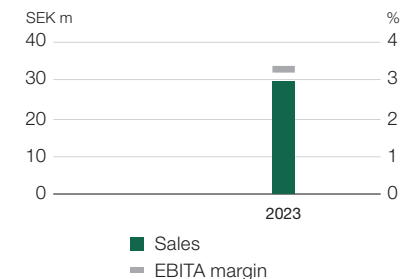
The overall objectives going forward include continued growth and market share gains. The work includes both continued progress in product development and intensified marketing efforts. The primary focus will remain on the Dutch market. In addition, however, cultivation of the surrounding markets will be intensified, with a partially updated offer.

Great effort will also be made to identify relevant areas of collaboration with other brand companies in Svedbergs Group, in particular related to purchasing, sustainability and digitalisation.

**Financial development**

The acquisition of the company was completed on 23 November 2023, and Thebalux is consolidated into Svedbergs Group from this date. Total net sales during the period 23 November–31 December 2023 amounted to SEK 29.7 million. The EBITA result amounted to SEK 1.0 million. The EBITA margin amounted to 3.3 percent, which is affected by December being a month with low demand.

**Sales and margins**



SEK m	2023	2022	2021
Total net sales	29.7	n.a.	n.a.
EBITA	1.0	n.a.	n.a.
EBITA margin, %	3.3	n.a.	n.a.

**“With a strong focus on product development, we will continue to grow and gain market share.”**



Jeroen Hoetink  
CEO of Thebalux



Jan Zwanenberg  
CEO/MD of Primabad

**“Collaboration with other businesses in Svedbergs Group is paving the way for exciting new opportunities.”**

# Sustainability report

# Sustainability Report 2023

The sustainability report covers the parent company, Svedbergs Group (publ), corporate identity no. 556052-4984, and all subsidiaries, which are listed in Note 24 in the consolidated financial statements. However, Thebalux, which was acquired at the end of 2023, has not been integrated in the Group's sustainability report.

**T**he report is prepared in accordance with the provisions of Chapters 6 and 7 of the Swedish Annual Accounts Act. As the Group is a signatory of the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, the sustainability report also constitutes the Group's Communication on Progress.

Adaptation of the report to the forthcoming EU legislation based on the CSRD Directive has

been initiated. As part of this work, an analysis of material impacts, risks and opportunities was carried out in November 2023. Adaptation of objectives and focus areas will be completed in 2024.

The auditor's opinion on the sustainability report can be found on page 51. The report has not been audited by an external party.



## Significant sustainability events in 2023

- All companies have continued to work on activities related to the reduction plans drawn up after the first analysis of greenhouse gas emissions.
- During the year, the companies within Svedbergs Group have produced a number of environmental product declarations, EPDs (Environmental Product Declaration).
- An efficient new production line has been completed at the Svedbergs factory in Dalstorp.
- Svedbergs i Dalstorp switched to bio-fuel for transport by sea from Asia.
- Roper Rhodes signed an agreement to use Sustainable Marine Fuels for transport by sea from Asia.
- During the year, Macro Design signed an agreement with Woodio, a new supplier of basins and worktops made of waterproof wood composite.
- Cassøe helps save water by means of product development of low-flow mixers for the Danish market.
- The Group and its brand companies, has carried out a double materiality analysis of sustainability impacts, risks and opportunities.
- All of the Group's companies are now certified according to Great Place to Work, a global trust index to measure company culture.

## Sustainability in all processes

“We want to make Svedbergs Group a truly sustainable Group,” says Per-Arne Andersson, CEO of Svedbergs Group. “A long-term mindset must be integrated in all the company’s processes. There is no simple solution. This involves continuous work.”

CEO Per-Arne Andersson and Director of Business Development and Sustainability Beate Hennessy are involved in everything from discussions about sustainability risks and opportunities to how long-term thinking should permeate the organisation’s processes.

### How can sustainability be properly integrated in all the Group’s processes?

Per-Arne points out that several things need to be done in parallel.

“We need to understand what sustainability means for Svedbergs Group. We train employees, we provide information and we set requirements for suppliers. We also train the Board of Directors.”

The Group’s subsidiaries face slightly different challenges. Beate emphasises the importance of adopting a shared approach to sustainability. The risk analysis carried out by the Group’s sustainability officers creates consensus.

“The CSRD reporting that we prepare shows how the Group is developing and provides ideas on how we can improve. We work with specific goals and action plans.”

### How far has Svedbergs Group come with this integration?

“We are working proactively towards the goals we have set,” says Beate. “Over the past year, sustainability has been in focus in most processes. Sustainability officers are often involved in various issues. Greater knowledge results in new ideas from within the organisation, from the experts in the various processes.” Per-Arne adds that the issue of sustainable operations is more second nature now than before.

“Sustainability is mainly driven by the organisation and the employees.”

### Can you provide specific examples of integration in the company’s processes?

“One example is the customisation and digitalisation of our sales process. Collaboration with customers is key to knowing what action to take,” says Per-Arne. Beate mentions the purchasing process, where Svedbergs Group makes supplier evaluations. Sustainability is also a criterion in the design and product development phase.



“I would also like to mention the management process,” says Per-Arne. “We have sustainability on the agenda both on the Board and in Group management, in which Beate, as Director of Sustainability, is now also involved. The Board shows great interest in how we manage sustainability issues and generate results.”

Svedbergs Group is careful to ensure that the measures taken in the organisation do not

lead to price rises, only to more efficient use of resources and thus greater competitive advantages.

“We simply have to use fewer resources per unit produced, which requires efforts to be made throughout the organisation,” concludes Per-Arne.

Governance

# How the Group's sustainability work is managed

Svedbergs Group's sustainability work is based on existing Acts, Ordinances and Regulations. Agenda 2030, the UN Global Compact, the Group's Code of Conduct and other policy documents are essential in the work on sustainability. They determine how the Group should conduct its operations in an ethically, socially and environmentally sustainable manner.

The Group's Board of Directors is responsible for Svedbergs Group's sustainability work. The Board adopts overall goals and monitors them on an ongoing basis. At Audit Committee meetings, the Group's Director of Sustainability presents current issues. Responsibility for operational implementation rests with Group management, which includes the CEO of each company. The Director of Sustainability has been part of Group management since 2023.

Svedbergs Group manages and sets targets for its operations in line with the UN Sustainable Development Goals and the Paris Agreement. The Group joined the UN Global Compact in 2019 and follows its 10 principles. The Svedbergs segment is a member of the trade and employer organisation the Swedish Federation of Wood and Furniture Industry (TMF). TMF has set a clear direction for the entire industry's sustainability work.

### Sustainability Council

Sustainability work is carried out within each segment in line with the 'Cooperation without confusion' strategy. The Group's Director of Sustainability coordinates the work of the Sustainability Council, which has a responsible

representative from each segment. The Sustainability Council shares experiences and best practices, as well as information on upcoming statutory requirements.

### Training

The management teams of the Group's companies and salaried employees in the Svedbergs segment have had training in sustainability. All managers in the Svedbergs segment received leadership training in 2023 and more companies are holding leadership training programmes. Training on the circular economy has been organised for product managers at Roper Rhodes. Sustainability training programmes will continue to be rolled out on an ongoing basis in all companies. New employees, newly acquired companies and new partners receive an introduction to Svedbergs Group's Code of Conduct, focus areas and targets as part of the Group's onboarding process.

### System support

All employees in the Group have access to an intranet. The latest versions of the Group's policy documents are available there. The intranet and the Group's website have a link to the



**Governance**

Group’s whistleblower service and information on the processing of personal data to guarantee anonymity.

As part of the preparations for the transition to the new CSRD Directive, a cloud-based application for storing and monitoring sustainability data has been in use since the end of 2022. The application is used for reporting sustainability data and planning improvement measures and provides support in the materiality analysis of material impacts, risks and opportunities. The tool makes it easier to set clear targets for climate, resource use and social issues. The tool already supports the Global Reporting Initiative (GRI) and the EU taxonomy.

**Monitoring**

Quarterly monitoring of sustainability indicators started in 2023.

Greenhouse gas emission reduction plans were developed for all subsidiaries at the end of 2022. The plans were based on the mapping of greenhouse gas emissions according to the GHG Protocol Scopes 1–3 carried out in 2021 and 2022. Based on the GHG protocol, climate audits were implemented to ensure that progress was being made in the right direction. Read more about the mapping of greenhouse gas emissions in the section ‘Reducing greenhouse gas emissions’ on page 45.

**Management tools**

The Code of Conduct is the overall policy document for the Group’s sustainability work and is applied to all employees. The Code of Conduct governs how everyone who works for Svedbergs Group is expected to act in relation to human rights, working conditions, health and safety, the environment and business ethics. The Code of Conduct is adopted annually by the Board of Directors. Compliance is evaluated and discussed in the different management teams. A number of policy documents complement the Code of Conduct in areas such as health and safety, gender equality and diversity. Suppliers and partners are subject to the Code of Conduct for Suppliers.

A whistleblower service for all employees is available on the Group’s intranet and website. Any cases are handled anonymously and go directly to a partner for further processing. The intranet also provides information on how personal data is processed.

Managers in the Group are obliged to ensure that employees are familiar with and work in accordance with policies and know that they can use the whistleblower service. Additional management tools are greenhouse gas reduction plans with targets for each company.

The Svedbergs segment’s operations are certified in compliance with ISO 9001 and ISO 14001 and the sustainability work is integrated in all processes that govern operations.

**Code of Conduct – ethical guidelines for Svedbergs Group**

- The Group’s sustainability work is governed by a Code of Conduct aimed at all employees and suppliers.
- The Code of Conduct is based on the ten principles of the UN Global Compact, covering human rights, labour rights, the environment and anti-corruption.
- The Code of Conduct governs how everyone working for Svedbergs Group is expected to act in these areas. Svedbergs Group is a signatory of the UN Global Compact and the Group makes an annual report on its sustainability work to the UN.

**Whistleblowing**

Svedbergs Group uses a cloud service to receive and manage whistleblowing cases such as suspected corruption, human rights violations or other abuses. The service collects reports and guarantees the anonymity of the whistleblower. The service is linked to the case management system for monitoring in the organisation. No case was received in 2023.

**Management tools**

Policy	E	S	G	Owner
Code of Conduct	●	●	●	Board of Directors
Whistleblowing	●	●	●	Group management
Finance policy			●	Board of Directors
IT policy			●	Board of Directors
GDPR		●		Board of Directors
Health and safety		●		Group management
Victimisation		●		Group management
Gender equality		●		Group management
Discrimination		●		Group management
Fire protection		●		Group management
Rehabilitation		●		Group management
Crisis management		●		Group management
Alcohol and drugs policy		●		Group management
Remuneration policy			●	Board of Directors

Strategy and materiality

# Sustainable business in Svedbergs Group

Svedbergs Group consists of five segments that partly operate in different markets and with partly different business models. The overall business has a clear common focus on long-term sustainability, and environmental, social and financial values are included in all business decisions.

Long-term sustainable value creation for all stakeholders is the foundation of Svedbergs Group's business operations. Sustainability is business-critical.

The Group's sustainability strategy is known as 'Our Choice'. The name reflects active choices that lead to the Group's ambition to be a leader in sustainable bathroom furniture and fittings in the markets in which it operates.

Based on materiality analyses, a number of focus areas with targets have been set that provide a clear direction for the Group's sustainability work. The targets extend to 2030. Each focus area is described in more detail on pages 43–50.

### Value creation

Svedbergs Group creates value by developing innovative, high-quality, timeless products with a long life. Value creation is based on five strategic pillars. See more information in the 'Market and strategy' section.

- Svedbergs Group takes a long-term approach to all aspects of the value chain.
- Design and product development, research and collaboration with customers generate high-quality and customised solutions.
- Roughly two thirds of the Group's products are purchased ready-made and roughly one third are manufactured in-house. Purchasing plays a key role in ensuring environmental and social sustainability in the supply chain.
- Efficient production operations close to end customers helps maintain good control over the environment and working conditions.
- Customers should have products that have a long life, and spare parts are readily available for much of the range. The design phase includes planning to make all materials re-usable or recyclable.

See also the financial notes for information on breakdown of income (Note 4), expenses broken down by type of expense (Note 7), employee benefits (Note 9), research and product development and intangible assets (Note 20).



### Sustainability vision

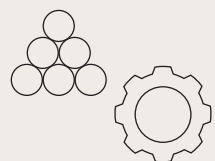
# Svedbergs Group aims to be one of the most sustainable bathroom furniture Groups in the markets in which we operate.

Sustainability work will be fully integrated in the activities of the Group and its companies and be a natural part of their day-to-day work.

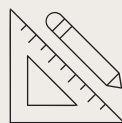
With clear targets and through constant improvement, centred on the UN Sustainable Development Goals, the Group promotes sustainable development.

Strategy and materiality

# Impact in the value chain



**Raw material production, product manufacture and transport**



**Design and product development**



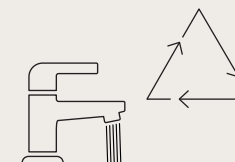
**Purchases of raw materials and finished products**



**Manufacturing and warehousing**



**Sales and distribution**



**Use and recycling**

**Input/upstream**

**Own operations**

**Output/downstream**

**Impact (actual and potential)**

- Energy consumption
- Emissions from transport
- Impact on biodiversity
- Water use in areas of water scarcity
- Waste
- Working conditions for labour in the value chain

**Measures and opportunities (examples)**

- High requirements for good environmental and social control in the supply chain
- Transport providers with an environmental profile are prioritised and transport efficiency is subject to continuous improvement
- Wood raw material purchased must be certified according to sustainable forestry standards

**Impact (actual and potential)**

- Energy consumption in production and offices
- Waste from own production
- Emissions from transport
- Working conditions for own employees

**Measures and opportunities (examples)**

- When new products are developed, sustainability aspects and circular design principles are taken into account right from the idea stage
- Use of recycled materials to achieve greater circularity
- Active work to optimise and extend the life of different products
- Wood raw material purchased must be certified according to sustainable forestry standards
- High requirements for the environment and social conditions in the supply chain
- 100 percent of energy for production comes from renewable energy sources
- Initiatives to optimise the use of materials, recover heat and recycle waste
- Products are assembled as close to the point of sale as possible
- Transition to renewable fuels and continuous efforts to optimise the load factor in transport
- A positive company culture and opportunities for skills development

**Impact (actual and potential)**

- Emissions from transport
- Water use
- Energy use
- Waste

**Measures and opportunities (examples)**

- Availability of spare parts
- Options for reuse and/or recycling
- Products with content declarations and healthy choices of materials



## Strategy and materiality

# Stakeholder dialogue

Several processes and tools are used to identify material issues and focus areas for Svedbergs Group's sustainability work.

The table shows the most important stakeholder groups for the Group, how communication takes place and what the most important sustainability issues are for each group.

Stakeholder groups	Examples of stakeholders	How communication takes place	Most important sustainability issues
<b>Owner</b>	Shareholders, investors, financial market	Annual and interim reports, press releases, investor meetings	Positive returns through sustainable growth
<b>Regulators</b>	Authorities, municipalities, Nasdaq, Finansinspektionen, EU, Swedish law	Annual reporting, insider reporting, tax returns, audits, licence applications	Legal and regulatory compliance, correct tax, anti-corruption
<b>Certification bodies and organisations</b>	ISO, UN Global Compact, SEMKO, NEMKO, M1, type approval	Verification of current certificates, audits, Communication of Progress (COP)	Regulatory compliance, development
<b>Suppliers</b>	Material and product suppliers	Contract negotiations, visits, Code of Conduct, audits	Good partnerships to optimise and plan production
<b>Transport companies</b>	Transport companies, waste transporters	Contract negotiations, visits, Code of Conduct, audits	Good partnerships to optimise and plan transport
<b>Industrial customers</b>	Construction companies	Contract negotiations, visits, customer service	Targets and processes to reduce environmental impact, delivery reliability, quality, strong brand, sustainable products
<b>Dealers</b>	Specialist bathroom and building stores, DIY	Showroom, visits, customer service	Targets and processes to reduce environmental impact, delivery reliability, quality, strong brand, sustainable products
<b>Consumers</b>	Private individuals	Customer surveys, complaints handling, customer service	Correct function, quality and design in relation to price, strong brand, compliance with the Consumer Sales Act
<b>Employees</b>	Employees, potential employees	Employee satisfaction index, development dialogues	Working environment, employment contracts, safe and stable employer, gender equality, equality, health, working conditions, strong brand
<b>Local residents</b>	Local residents around factories	Consultation	Compliance with licence conditions, noise
<b>Media</b>	Press, analysts	Press releases	Legal and regulatory compliance, quality and sustainability

Strategy and materiality

# Impacts, risks and opportunities

The operations of Svedbergs Group affect the environment, climate and society. Impacts, risks and opportunities in the value chain are analysed to focus measures on key areas.

Svedbergs Group has a risk analysis prepared by the various subsidiaries and by the Group functions. See the table.

## New process

In addition to its impact on the environment, climate and society, the Group itself is affected financially by climate change and transitions.

In November 2023, Svedbergs Group conducted a double materiality analysis, i.e. an analysis of negative and positive impacts on the environment and society as well as risks and opportunities for Svedbergs Group.

The work was carried out via preparatory analyses and a workshop with management and key staff in different areas.

Decisions on the issues to be regarded as material based on this analysis will be made by the Group management of Svedbergs Group. This analysis and methodology are a further development of previous materiality analyses and risk assessments.

Risk area and description	Risk minimisation	Measurement of impact
<b>Environment</b>		
<b>Climate change</b>		
The risks are particularly high from the purchase of goods and from the use of products sold	Reduction plans exist for each company in the Group	Measurement of greenhouse gases according to the GHG protocol, Scopes 1–3
Transport may be affected by, for example, droughts or floods Production may be affected by extreme weather conditions	Continuity plans are drawn up Alternative transport routes are identified	Internal processes for risk identification and monitoring
<b>Water and marine resources</b>		
Water restrictions, conflicts with local communities and supply interruptions may lead to higher prices, lower quality and shortages of raw materials	All suppliers must have sustainable water use practices in place	Part of the annual audit of suppliers
<b>Biodiversity and ecosystems</b>		
Reduction of biodiversity through deforestation	Use wood raw material from sustainable forestry	Proportion of wood purchased from certified sources
<b>Circular economy</b>		
Risk of a high proportion of waste not being reused or recycled	Right from the design phase, develop products that provide good opportunities for reuse or recycling and are easy to disassemble	Waste intensity
<b>Social issues</b>		
<b>Own employees</b>		
Risk to own employees and to employees of subcontractors in connection with the production, transport and handling of hazardous chemicals	The handling of hazardous substances in own production is governed by the health and safety policy	Accidents and incidents Healthy presence
Risk of victimisation or discrimination	Policies and guidelines govern the work	Employee surveys
<b>Contractors and employees in the supply chain</b>		
Risk to employees and contractors at subcontractors in connection with the production, transport and handling of hazardous chemicals	Supplier audits, signing of the Code of Conduct	Supplier audits
Human rights may be neglected in production in different parts of the world	Systematic evaluation of suppliers, signing of the Code of Conduct	Supplier audits
<b>Governance</b>		
<b>Business ethics</b>		
A risk of corruption and unethical business practices may arise in different parts of the value chain	Supplier audits, signing of the Code of Conduct Training in the Code of Conduct	Supplier audits

# Sustainability focus areas














Svedbergs Group divides its sustainability work into focus areas. These areas help achieve the UN Sustainable Development Goals, while developing operations within Svedbergs Group. Targets and the direction of the work are set for each focus area. Focus areas and targets are used by all companies in the Group to define specific activities.

## Focus areas and the UN Sustainable Development Goals

The UN Sustainable Development Goals provide an important framework for the sustainability work. Seven of the SDGs are particularly relevant to operations.

Svedbergs Group has the opportunity to help achieve several of the UN Sustainable Development Goals, primarily the following seven goals:

- Goal 3** Good health and well-being
- Goal 5** Gender equality
- Goal 8** Decent work and economic growth
- Goal 9** Industry, innovation and infrastructure
- Goal 12** Responsible consumption and production
- Goal 13** Climate action
- Goal 15** Life on land

Focus area and key issues	UN Sustainable Development Goals	Target
<b>Environment</b>		
<b>Reducing the environmental impact of our products</b>		
Develop circular products Extend the life of products High proportion of in-house production Meet health, environment and safety requirements	<ul style="list-style-type: none"> <li>Responsible consumption and production</li> </ul>	 <ul style="list-style-type: none"> <li>50% reduction in CO<sub>2</sub> emissions</li> <li>-35% total waste in relation to sales</li> </ul>
<b>Reducing greenhouse gas emissions</b>		
Reduce emissions throughout the value chain	<ul style="list-style-type: none"> <li>Responsible consumption and production</li> <li>Climate action</li> </ul>	  <ul style="list-style-type: none"> <li>50% reduction in CO<sub>2</sub> emissions</li> </ul>
<b>Resource efficiency</b>		
Make the best use of raw materials and resources Optimise energy and water consumption, materials and chemicals, waste	<ul style="list-style-type: none"> <li>Industry, innovation and infrastructure</li> <li>Responsible consumption and production</li> </ul>	  <ul style="list-style-type: none"> <li>100% renewable energy</li> <li>-35% total waste in relation to sales</li> </ul>
<b>Wood from sustainable forestry</b>		
Ensure supplies of wood from certified, sustainability-labelled forestry Use environmentally certified wood raw material	<ul style="list-style-type: none"> <li>Responsible consumption and production</li> <li>Life on land</li> </ul>	  <ul style="list-style-type: none"> <li>100% wood certified according to sustainable forestry standards</li> </ul>
<b>Social issues</b>		
<b>Corporate social responsibility</b>		
Promote good health and working conditions throughout the value chain and respect human rights	<ul style="list-style-type: none"> <li>Good health and well-being</li> <li>Gender equality and equality</li> <li>Decent work and economic growth</li> </ul>	   <ul style="list-style-type: none"> <li>&gt;96.5% healthy presence</li> <li>20% physical audits at strategic suppliers</li> </ul>
<b>Governance and business ethics</b>		
<b>Corporate social responsibility</b>		
Maintain good business ethics and combat corruption	<ul style="list-style-type: none"> <li>Good health and well-being</li> <li>Gender equality and equality</li> <li>Decent work and economic growth</li> </ul>	   <ul style="list-style-type: none"> <li>20% physical audits at strategic suppliers</li> </ul>

See the description of key issues and how they are addressed under each focus area, pages 44–50.

Focus area Environment

# Reducing the environmental impact of our products

Reducing the environmental impact of products from Svedbergs Group is in line with goal 12 of the UN Sustainable Development Goals – Responsible consumption and production. The products have an environmental impact in both production and use, for example waste generation and water consumption.

### Sustainability goals

Svedbergs Group aims to find solutions that extend the life of its products and reduce their environmental impact in the design stage and throughout production.

### Product development and circular design principles

Svedbergs Group integrates circular design principles in product development. The Group's mapping of greenhouse gas emissions shows that the single largest emission factor is purchased goods, followed by the use of products by customers. To reduce emissions and negative environmental impact and increase resource efficiency, products are developed according to the principles of design manuals. Examples of important principles are extended life, reduced waste, reduced volume of material used in manufacturing, reduced use of plastics and development of water-efficient products.

### Good control in in-house production

A high proportion of in-house production has several advantages. In-house production affords better control over working conditions,

the production environment and transport, and consequently also better control over environmental impact. Svedbergs Group's in-house production accounted for approximately one third of sales in 2023.

### Eco-labelling and certification

Svedbergs Group regularly reviews existing eco-labels of its products and adapts processes to meet the relevant certification requirements for the Group's markets. Products must meet the EU's basic health, environmental and safety requirements. Parts of the range are eco-labelled and the ambition is to increase this proportion and ensure that eco-labelling is carried out according to EU and other regional rules.

The EU legislation for the Ecodesign for Sustainable Products (ESPR) product passport

is expected to be expanded in the future. This means that products included must meet certain minimum energy efficiency requirements and are labelled with a code that provides information about the products. Svedbergs Group is monitoring the development of this legislation.

### Operations that require authorisation and notification

Svedbergs Group carries out certain operations that are subject to authorisation and notification under Swedish law. This authorisation relates to finishing wood and coating metal. The obligation to notify authorities concerns the plant for recycling solvents used in the company's own operations, machining metals with cutting fluids, process oils and hydraulic oils and machine tools, and the plant for initial cleaning of materials with alkaline degreasing agents.



### Main control methods

- Code of Conduct
- Checklists for circular design principles
- Eco-labelling – Sunda Hus, Byggvarubedömningen, Svanens Husproduktion and other country-specific labels
- Operations subject to authorisation
- ISO 14001 (Svedbergs)

### Metrics

#### Emissions of CO<sub>2</sub> from

tonnes of CO <sub>2</sub> e	2023	2022
Emissions from goods purchased	35,836.7	36,423.9
Emissions from goods sold	9,335.6	9,451.3
Waste	22.3	28.9

Focus area Environment

# Reducing greenhouse gas emissions

Svedbergs Group is working to reduce greenhouse gas emissions from its operations. The work helps achieve UN Sustainable Development Goals 12 – Responsible consumption and production, and 13 – Climate action. The highest emissions in the value chain come from goods purchased, the use of products by customers and from transport.

## Sustainability goals

Svedbergs Group will reduce carbon dioxide emissions according to GHG Scopes 1–3 by 50 percent in relation to sales by 2030 compared to 2021.

## Mapping greenhouse gas emissions in the value chain

The Group’s direct and indirect impact on greenhouse gas emissions was mapped for the first time in 2022 for 2021 according to the global Greenhouse Gas Protocol (GHG) standard. Further mapping took place in 2023.

The mapping showed that around 98 percent of Svedbergs Group’s climate impact in both 2022 and 2023 came from Scope 3, i.e. the impact that arises in the supply and customer stages of the value chain, outside direct own operations. Goods purchased are the area with by far the greatest impact. The use of products sold and the transport of goods and products also have a significant climate impact.

The results of the mapping are used as a basis for decision-making to prioritise measures

to reduce greenhouse gas emissions. All companies work according to targets and reduction plans.

In the years 2021 to 2023, the total volume of greenhouse gas emissions decreased by 17.2 percent measured in relation to sales. The decrease was mainly in Scope 3, goods purchased and transport.

The Group promotes greater collaboration between subsidiaries on suppliers of products, materials and transport.

## Emissions from goods purchased and use of products sold

Principles for reducing greenhouse gas emissions are now being incorporated in the design phase of products. More long-term development is needed to offer circular products that have a longer life and are easier to reuse or recycle, and of which the materials and raw materials are produced in a sustainable manner.

To create clarity about what is required to reduce climate impact, Svedbergs Group has set itself the goal of preparing a number of EPDs (Environmental Product Declarations) for different products and product groups. A number of EPDs were prepared and also published in 2023. More are expected to be published in early 2024 and work continues on EPDs for more products.

Continued measures to have an impact in the shorter term are important, for example to reduce emissions from transport and energy efficiency in production.

## Reducing emissions from transport

Svedbergs Group prioritises suppliers with sustainable transport solutions and makes clear requirements for an environmental profile and reporting of outcomes. Other measures to reduce emissions include increased capacity utilisation in transport, reduced packaging and coordinated shipping to the Group’s companies from suppliers. As much as possible is transported by ship because it is currently more environmentally friendly than road transport.

The subsidiary Svedbergs has chosen 100 percent biofuel for its container transport by ship from Asia and Turkey to Sweden. This led to a reduction in emissions of 143 tonnes of CO<sub>2</sub> equivalents in 2023.

In the UK, Roper Rhodes and a transport provider have invested in Sustainable Marine Fuel (SMF) for all shipments from Asia. SMF is a sustainable fuel made from residual oils from food waste, waste oils and fertiliser.

## Impact of business travel

The Group’s travel policy includes guidelines that must be followed by all employees when travelling on business. Environmentally friendly travel options are prioritised and digital meeting solutions are encouraged. The company car policy makes it more favourable for employees to choose an electric car or a plug-in hybrid, and charging points are available outside the Group’s premises. An increasing share of the vehicle fleet is now electric.



### Main control methods

- Code of Conduct
- Climate Audit as per the GHG Protocol
- Reduction plans for each company
- Supplier evaluations and audits
- Rules on business travel and company cars

### Climate impact by category, tonnes of CO<sub>2</sub>e

The largest share of greenhouse gas emissions comes from the category ‘Goods purchased’, mainly metal, porcelain and plastic, and the category ‘Use of products sold’, in which heated towel rails and lighting in mirrors and cabinets have the greatest impact.

### Metrics

#### Total emissions of CO<sub>2</sub> per Scope

tonnes of CO <sub>2</sub> e	2023	2022
Scope 1	487.0	651.0
Scope 2	201.9	265.0
Scope 3	53,660.6	55,337.7
<b>Total</b>	<b>54,349.5</b>	<b>56,253.7</b>

Focus area Environment

# Greenhouse gas emissions in the value chain

Svedbergs Group conducted a Climate Audit for the first time in 2022. With the support of experts, greenhouse gas emissions were mapped throughout the value chain according to the global Greenhouse Gas Protocol (GHG) standard. The mapping was done for GHG Scopes 1–3, the direct and indirect impact of operations. 2021 was chosen as the baseline year for the calculations. The analysis showed that 98 percent of Svedbergs Group’s climate impact during 2021 was from Scope 3, i.e. the impact that arises in the supply and customer stages of the value chain, outside direct own operations. Goods purchased are the area with by far the greatest impact. The use of products sold and the transport of goods and products also have a significant impact.

The analysis provided new insights into where best to take action to reduce climate impact. Reduction plans and targets were developed for all Group companies and

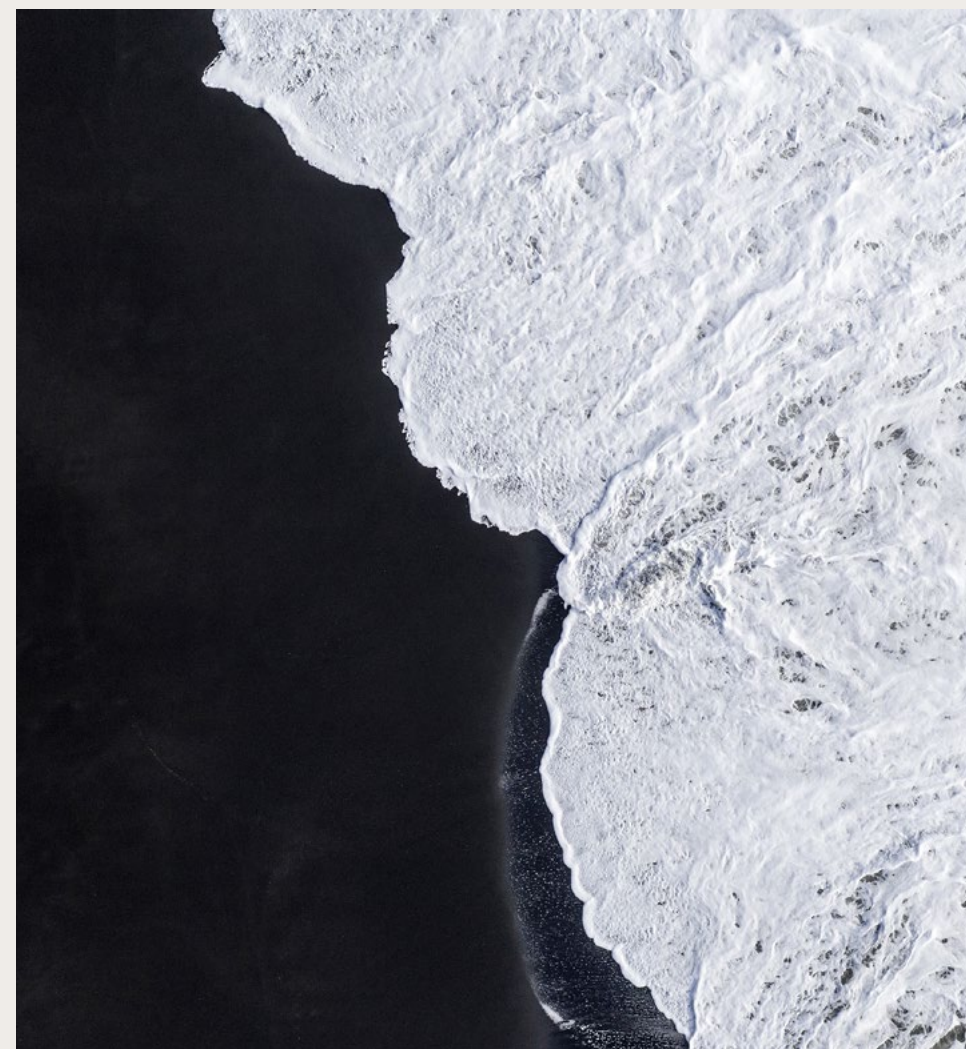
activities have been initiated to prioritise GHG reduction measures tailored to each company.

Mapping also took place for 2022 and 2023 and will be updated annually in the future.

Climate impact is reported by category and subsidiary. Climate impact is also broken down by, for example, products and types of input material.

During 2023 Svedbergs Group started to develop EPDs (Environmental Product Declarations) for different products and product groups. These are used to provide further clarity on what is required to reduce climate impact.

The Group endeavours to collaborate with stakeholders who share the same ambitions, such as suppliers and carriers. Collaboration between group companies is also an important method for reducing climate impact, for example through the exchange of experience and joint purchasing.



**Climate impact per company per annum**

Climate impact, tonnes of CO <sub>2</sub> e	2023	2022	2021	2023–2021 % change in tCO <sub>2</sub> e	2023–2021 % change in tCO <sub>2</sub> e/net sales
Svedbergs	18,827.9	22,173.8	23,496.0	–19.9%	–13.8%
Macro Design	6,001.8	6,406.9	6,155.1	–2.5%	25.6%
Cassøe	980.7	1,387.6	2,874.9	–65.9%	–65.3%
Roper Rhodes	28,537.3	26,283.6	27,318.8	4.5%	–18.8%
Svedbergs Group	1.8	1.8	1.6	10.2%	—
<b>Total</b>	<b>54,349.5</b>	<b>56,253.7</b>	<b>59,846.4</b>	<b>–9.2%</b>	<b>–17.2%</b>

Focus area Environment

# Resource efficiency

By using resources efficiently, Svedbergs Group helps achieve UN Sustainable Development Goals 9 – Industry, innovation and infrastructure, and 12 – Responsible consumption and production. The efficient use of resources such as energy, water, raw materials and chemicals is a high priority. In addition to environmental benefits, there are also economic benefits from a resource-efficient approach.

## Sustainability goals

One of Svedbergs Group's goals is for all energy consumption in the Group to come from renewable sources by 2030. The Group has the target of reducing the volume of waste by 35 percent by 2030 compared to 2021 in relation to sales.

## Energy consumption

The Swedish operations have been using only renewable energy since 2019. The production facility in Dalstorp is heated with district heating generated from residual bark and dry chippings from a local sawmill. The production facility in Laholm is heated with biogas. Several energy efficiency measures have been implemented in the factories, such as the replacement of windows. In Dalstorp, a completely new production line with high capacity and customisation options has been installed, enhancing production efficiency and reducing energy consumption.

The distribution centre outside Bristol, UK, was completely self-sufficient in electricity and energy in 2023, thanks to a recently installed solar energy system on the roof of the premises. The energy produced is enough to power the premises and charge electric cars, and surplus energy can be sold to the National Grid.

## Waste

The Group's waste consists mainly of wood waste from production and packaging material from the transport of products from suppliers and to customers.

Several measures were taken in 2023 to reduce the amount of combustible waste and waste in the organisation. Some of these measures include a new design of cabinet doors that greatly reduces wood waste in production and the complete phase-out of plastic as a packaging material in the UK.



## Materials and chemicals

Svedbergs Group evaluates the raw materials to be included in products right from the design phase. The choices made are central to quality, safety and sustainability.

Internal documentation is available on substances that must be avoided. New chemicals and products are inspected before they are used in production. Checks are also carried out regularly in production to ensure constant quality and that no harmful, unauthorised or unnecessary substances are used. The Group complies with the EU's Chemicals Regulation REACH. The health and safety policy governs the handling of hazardous substances and chemicals in in-house production.

Two examples of the shift towards more sustainable materials are a newly developed furniture range, Poem, which does not contain plastic, and the new collaboration with the Finnish company Woodio on basins made from wood chip material.



### Main control methods

- Code of Conduct
- EU Chemicals Regulation – REACH

### Metrics

	2023	2022
Energy consumption (GWh)	6,817	7,242
Share of renewable energy (%)	92.4	86.4
Waste (tonnes)	1,207	1,372

Focus area Environment

# Wood from sustainable forestry

Svedbergs Group strives only to use wood raw material certified according to sustainable forestry standards. This promotes UN Sustainable Development Goals 12 – Responsible consumption and production, and 15 – Life on land. Wood raw material is used in in-house production and in the production of purchased products.

### Sustainability goals

Svedbergs Group aims for all the wood raw materials used to certified according to sustain-

able forestry standards. When forests are managed sustainably they can provide more raw material, important ecosystems are protected and carbon sinks are preserved to a greater extent.

### Sustainable forestry

Deforestation affects the climate by reducing carbon sequestration and increasing the risk of biodiversity loss.

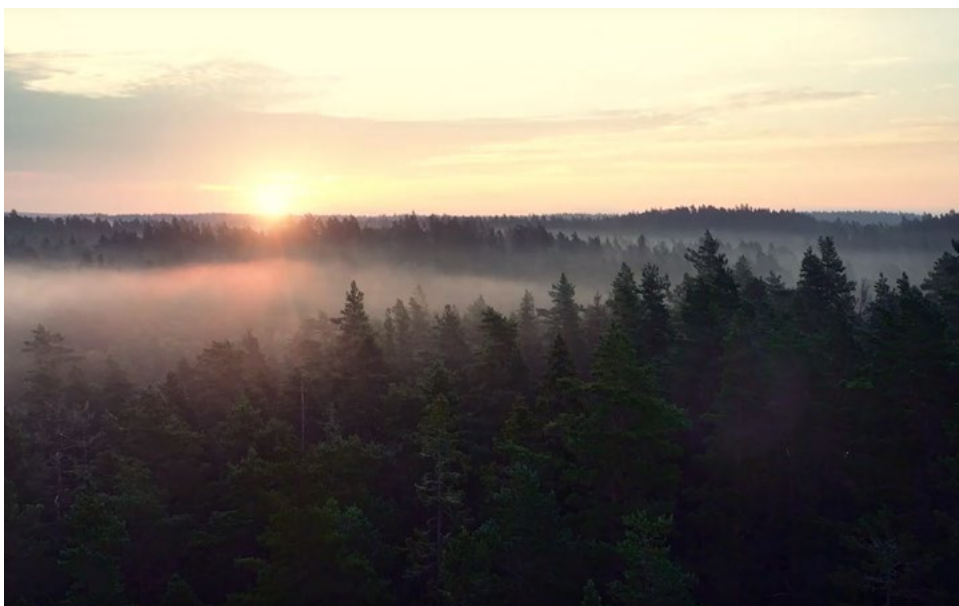
Voluntary forest certification is one of several important tools that promotes sustainable

forestry around the world and protects forest animals and plants. By using wood raw material from sustainable forestry operations, natural habitats and biodiversity are promoted. This also helps to reduce global warming by reducing greenhouse gas emissions.

### Environmentally certified wood raw material

The certification of forestry and labelling of forest products proves that the products the Group produces come from forests that are managed sustainably.

Svedbergs Group has suppliers of wood and wood products operating in Europe and also imports finished bathroom furniture manufactured in Asia and elsewhere. All European suppliers are evaluated, and are required to meet the Group's requirements for sustainable forestry and to use only wood from certified sources. To be approved, these suppliers must be environmentally certified and the wood content must be traceable throughout the production chain. The subsidiary in the UK has recently started analysing the wood it uses and has therefore not made as much progress in mapping and setting requirements for suppliers.



### Main control methods

- Code of Conduct
- Verification of environmentally certified producers

### Metrics

%	2023	2022
Procurement of wood raw material certified according to sustainable forestry standards	100	100



Focus area Social issues

# Corporate social responsibility

Svedbergs Group attaches great importance to corporate social responsibility, helping achieve UN Sustainable Development Goals 3 – Good health and well-being, 5 – Gender equality, and 8 – Decent work and economic growth. Health and safety risks exist both within our own organisation and in the supply chain.

## Sustainability goals

Svedbergs Group’s goal is to run a business that promotes good health and good working conditions throughout the value chain. The Group sets high standards of responsibility for its own operations and for suppliers and other partners. Respecting human rights and ensuring that workplaces are safe and contribute to well-being is a high priority. The focus area has measurable targets: healthy presence in relation to total scheduled time must exceed 96.5 percent by 2030, and physical audits must be carried out at 20 percent of all Svedbergs Group’s strategic suppliers every year.

## Good working conditions, skills and development

Employees are essential for the profitability and development of the business. Clear goals, visions and values build a culture of inclusion. One of Svedbergs Group’s strategic pillars is ‘organisation and leadership’. The organisation is based on a decentralised structure in which employees’ skills are continuously developed. Leadership should be about leading by example. This builds a culture of trust and the courage to develop and grow. The working environ-

ment must develop both employees and the organisation.

In 2023, several subsidiaries provided training in sustainability and sustainability-related issues, which is continuing in 2024. Examples of training programmes include self-leadership and leadership for managers. Skills development has led to new sustainability initiatives emerging from the organisation and makes it easier to implement effective measures more quickly.

Civic engagement can create both new insights and pride in your organisation. At Roper Rhodes, each employee has been asked to set aside one day of their annual working hours to volunteer at a local charity or similar organisation.

Diversity, equality and gender equality strengthen the corporate culture. Svedbergs Group is committed to promoting equality for everyone, regardless of gender, age, ethnicity or sexual orientation. This is reflected in the Group’s day-to-day operations and in recruitment. All employees must have equal conditions of employment, promotion and pay.

Performance reviews and employee surveys are held annually with all employees.

All Group companies are Great Place to Work certified. This is measured in five areas: Credibility, Respect, Fairness, Pride and Camaraderie.

The Swedish companies in the Group have collective agreements for all employees. In other companies, standard practice in each country is followed.

## Health and safety

The health and safety of employees are top priority. The Group’s companies carry out systematic health and safety work, based on the health and safety policy, to offer a safe, attractive workplace. Any workplace accidents and incidents are reported and analysed so that measures can be taken to prevent similar events from happening again. Employees receive regular health and safety training and strong emphasis is placed on maintaining a high level of safety in production.

The subsidiaries offer wellness allowances and occupational health care based on local rules.

## Respect for human rights

Svedbergs Group places great emphasis on ensuring that human rights are respected throughout its own operations and the operations of the Group’s suppliers.

The Group rejects all forms of forced labour, child labour and unsafe or unfair working conditions. To identify and manage risks regarding human rights, the environment and corruption, the companies in Svedbergs Group conduct annual risk analyses and evaluations in the supply chain, see page 50. Governance is through the Supplier Code of Conduct.



### Main control methods

- Code of Conduct
- Personal data policy
- Whistleblower service
- Follow-up and development meetings
- Employee surveys

### Metrics

#### Healthy presence

%	2023	2022
Healthy presence in relation to total scheduled time	97.6	97.0

#### Supplier audits

%	2023	2022
% of strategic suppliers audited	10.0	7.0

#### Absence due to accidents

	2023	2022
Accidents that resulted in more than eight hours of absence per 200,000 hours worked	1.60	1.72

Focus area Corporate governance and business ethics

# Corporate social responsibility

Svedbergs Group attaches great importance to corporate social responsibility, helping achieve UN Sustainable Development Goals 3 – Good health and well-being, 5 – Gender equality, and 8 – Decent work and economic growth. Inadequate business ethics may occur in business relationships throughout the value chain.

## Sustainability goals

Svedbergs Group sets high standards for business ethics, respect for human rights and the environment for its own operations and for suppliers and other partners. To monitor compliance with the Group’s Supplier Code of Conduct in the supply chain, physical audits should be carried out at 20 percent of all Svedbergs Group’s suppliers every year.

## Good business ethics and anti-corruption

Svedbergs Group does not accept any form of corruption, bribery, extortion or money laundering and rejects any illegal restriction of competition. This statement includes employees, customers, suppliers or individuals working for or on behalf of the Group. An important tool in this work is the Group’s Code of Conduct, which must be accepted by both employees and suppliers.

If there is any suspicion of irregularities such as bribery, conflicts of interest, insider trading, environmental crimes or shortcomings in security, employees, customers and suppliers are all encouraged to report this. The Group’s whistle-

blowing service, which guarantees anonymity, is available for reporting. Incoming cases are handled by an external party. Guidelines and information on the processing of personal data are published on the website.

Board members and those in senior positions in the Group receive training in stock exchange rules, including insider trading and conflicts of interest. People with temporary insider information are documented and registered in an event-driven insider register.

## Responsible supply chain

Svedbergs Group establishes good relationships with suppliers, in part to ensure control and responsibility throughout the supply chain in the areas of the environment, social conditions and corruption. Purchasing managers in the Group work together to improve control of the supply chain.

Before an agreement is signed with a new supplier, a risk assessment and evaluation are carried out to check the supplier’s ability to ensure reliable deliveries of high-quality, affordable products as well as their ability to meet requirements for social and environmental responsibility. The Swedish Group companies conduct risk assessments with the support of amfori BSCI, a global business initiative that promotes responsible supply chains. Roper Rhodes uses the SEDEx platform for supplier audits.

To ensure that high standards are maintained and that the Supplier Code of Conduct is com-

plied with, the Group conducts regular risk assessments and dialogues with strategic suppliers. Based on the assessments, either in-house audits or external third-party audits of selected suppliers are carried out. In addition, a strategic supplier assessment is carried out once a year. In the event of any deviations and deficiencies, a list of measures is drawn up and the Group works with the supplier to remedy the deficiencies. In case of repeated deficiencies, partnerships and agreements are terminated.

## Supplier Code of Conduct

The Supplier Code of Conduct provides the framework to ensure compliance with internationally recognised minimum standards for human rights, health and safety, social conditions and the environment, and is in line with Svedbergs Group’s principles, policies and standards. The Supplier Code of Conduct is based on the Ethical Base Code (ETI) and the ten principles of the UN Global Compact.

Before an agreement is signed with a new supplier, a risk assessment and evaluation are carried out to check the supplier’s ability to ensure reliable deliveries of high-quality, affordable products as well as their ability to meet requirements for social and environmental responsibility.

The Supplier Code of Conduct has been signed by all strategic suppliers. In 2023, the Supplier Code of Conduct was updated to adapt it to the growing Group.



### Main control methods

- Code of Conduct
- Personal data policy
- Whistleblower service

### Metrics

#### Supplier audits

%	2023	2022
% of strategic suppliers audited	10.0	7.0

# Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Svedbergs Group AB (publ), corporate identity number 556052-4984.

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023-01-01–2023-12-31 on pages 34–50 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12. The auditor's opinion regarding the statutory sustainability report. This means that our

examination of the statutory sustainability report is substantially different and 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 opinion.

## Opinion

A statutory sustainability report has been prepared.

Malmö 3 April 2024  
Deloitte AB

Maria Ekelund  
*Authorized Public Accountant*

# The share

# Shares and shareholders

Svedbergs Group’s shares were listed in 1997 and are traded on Nasdaq OMX Stockholm in the Small Cap segment. The shares’ ISIN code is SE0000407991 and they are traded under the ticker SVED B. The market capitalisation at the year-end was SEK 1,102.1 million, and there were 6,357 shareholders.

## Share price growth

Svedbergs Group’s shares were listed on the Stockholm Stock Exchange on 3 October 1997 at the issue price of SEK 16.50 per share. The market capitalisation at the time of listing was SEK 350 million. During the year, share price growth was positive, rising by 25 percent. The closing price on the last trading day of the year was SEK 31.20 (25.0), corresponding to a market capitalisation of SEK 1,102.1 million (890.2). The highest closing price of the year, SEK 31.20, was recorded on 29 December. The lowest closing price was recorded on 6 February and was SEK 19.50.

## Trading and turnover

Svedbergs Group’s shares are traded on Nasdaq Stockholm’s Small Cap list under the ticker SVED B. During the year, 9.9 million shares were traded at a value of SEK 243.4 million (720.9). On average, 39,322 shares (64,921) were traded at a value of SEK 1.0 million (2.8) per trading day.

## Number of shares and share capital

At the end of the year, the share capital amounted to SEK 44.2 million, divided into 35,323,758 Class B shares with a quotient value of SEK 1.25.

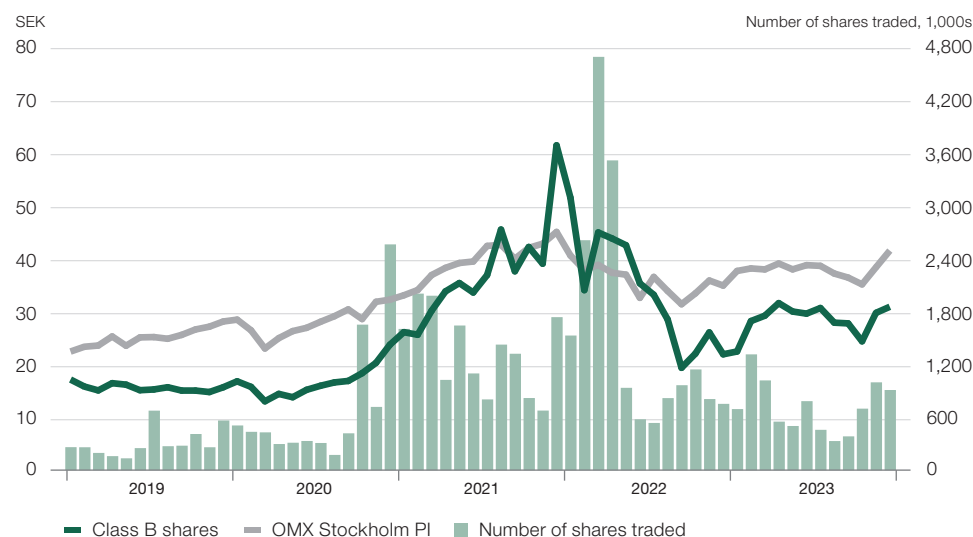
Following the rights issue held in early 2024, the share capital increased by SEK 22.0 million to a total of SEK 66.2 million. After the rights issue, there are 52,978,456 shares in Svedbergs Group, of which 0 Class A shares and 52,978,456 Class B shares. All shares have equal voting rights and equal rights to the company’s profit and capital.

The parent company’s holding of treasury shares at the year-end amounted to 14,361 shares, corresponding to 0.04 percent of the total number of shares. No treasury shares were bought back during the year.

## Dividend

The Board of Director’s objective is to distribute up to 50 percent of the profit for the year after tax to shareholders. The level of the dividend should take into account the company’s capital requirements, growth and investment strategy, with the aim of creating future shareholder value with a stable financial position.

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 1.00 (1.50) per share for 2023. The total dividend thus amounts to SEK 53.0 million (53.0). The proposed dividend represents 44.6 percent of the company’s profit after tax.



## Shareholders and shareholder structure

There were 6,357 (5,197) shareholders as at 31 December 2023. The ten largest shareholders accounted for 77.3 percent (77.8) of the votes and capital.

### Ownership structure as at 31 December 2023

Shareholding	Number of shareholders	Shareholders, %	Number of shares	Share of votes and capital
1–500	4,266	67.11%	610,010	1.73%
501–1,000	857	13.48%	663,712	1.88%
1,001–5,000	987	15.53%	2,201,178	6.23%
5,001–10,000	135	2.12%	961,148	2.72%
10,001–20,000	53	0.83%	751,823	2.13%
20,001 ≤	59	0.93%	29,833,826	84.46%
Holding unknown	0	0.86%	302,061	0.86%
<b>Total</b>	<b>6,357</b>	<b>100.00%</b>	<b>35,323,758</b>	<b>100.00%</b>

### Change in share capital

Transaction	Increase in shares	Total number of shares	Quotient value	Total share capital
1994		100,000	100	10,000,000
1997 20:1 split	1,900,000	2,000,000	5	10,000,000
1997 Bonus issue	3,300,000	5,300,000	5	26,500,000
2006 4:1 split	15,900,000	21,200,000	1.25	26,500,000
2022 Rights issue	14,323,758	35,323,758	1.25	44,154,698
2024 Rights issue	17,654,698	52,978,456	1.25	66,223,070

### Ten largest shareholders, as at 31 December 2023

	Number of shares	Share of capital and votes
Stena Adactum	14,351,900	40.63%
Nordea Fonder	4,982,622	14.11%
If Skadeförsäkring AB	4,046,316	11.45%
Avanza Pension	1,009,588	2.86%
Nordnet Pensionsförsäkring	802,170	2.27%
Sune Svedberg	727,066	2.06%
Ida Svedberg Sandström	468,066	1.33%
Nordea Funds (Lux)	380,856	1.08%
Michael Cassøe	289,000	0.82%
Anna Svedberg	252,000	0.71%
Others	8,014,174	22.68%
<b>Total</b>	<b>35,323,758</b>	<b>100.00%</b>

### Share key figures

	2023	2022	2021	2020	2019
Share price (last trading day)	31.20	25.20	70.12	27.97	18.59
Volume-weighted average price	24.66	43.89	40.85	21.73	18.37
Average turnover per day, SEK m	1.0	2.8	2.3	0.6	0.2
Average number of shares traded per day	39,322	64,921	55,290	27,307	11,909
Number of shares (thousands)	35,324	35,324	21,200	21,200	21,200
Earnings per share, SEK	3.37	4.90	2.25	1.85	1.60
Market capitalisation, SEK m	1,102	890	1,487	593	394
Enterprise value, EV (market capitalisation + net debt), SEK m	2,204	1,498	2,615	781	592
P/E ratio	9.3	5.1	31.2	15.1	11.6
Net debt/EBITDA	3.8	2.0	7.7	1.8	2.4
EV/EBITDA	7.5	5.0	18.0	7.7	7.2
EV/Net sales	1.2	0.8	3.0	1.2	1.0

### Ownership structure



- Swedish shareholders, 78%
- Foreign shareholders, 22%



# Corporate governance

# Corporate Governance Report

Svedbergs Group’s Board of Directors and management endeavour to ensure that the Group meets the requirements that Nasdaq OMX, shareholders and other stakeholders make of the company. The Group complies with the rules of the Swedish Code of Corporate Governance. Corporate governance at Svedbergs Group is primarily exercised through the Annual General Meeting and the Board of Directors. In a broader perspective, the issues also include management, its tasks and the control and reporting functions in the Group.

## Bodies and regulations

The regulations that Svedbergs Group applies for governance and control of the Group are mainly the Swedish Companies Act, NASDAQ Stockholm’s regulations for issuers, the Swedish Code of Corporate Governance (the Code), the Articles of Association, the Board of Directors’ rules of procedure and other internal guidelines and policies.

One of the main purposes of the Code is to strengthen confidence in Swedish listed companies by promoting positive development of corporate governance. The Code is based on the ‘comply or explain’ principle, which means that companies covered by the Code must, where appropriate, explain why various rules in the Code have not been followed.

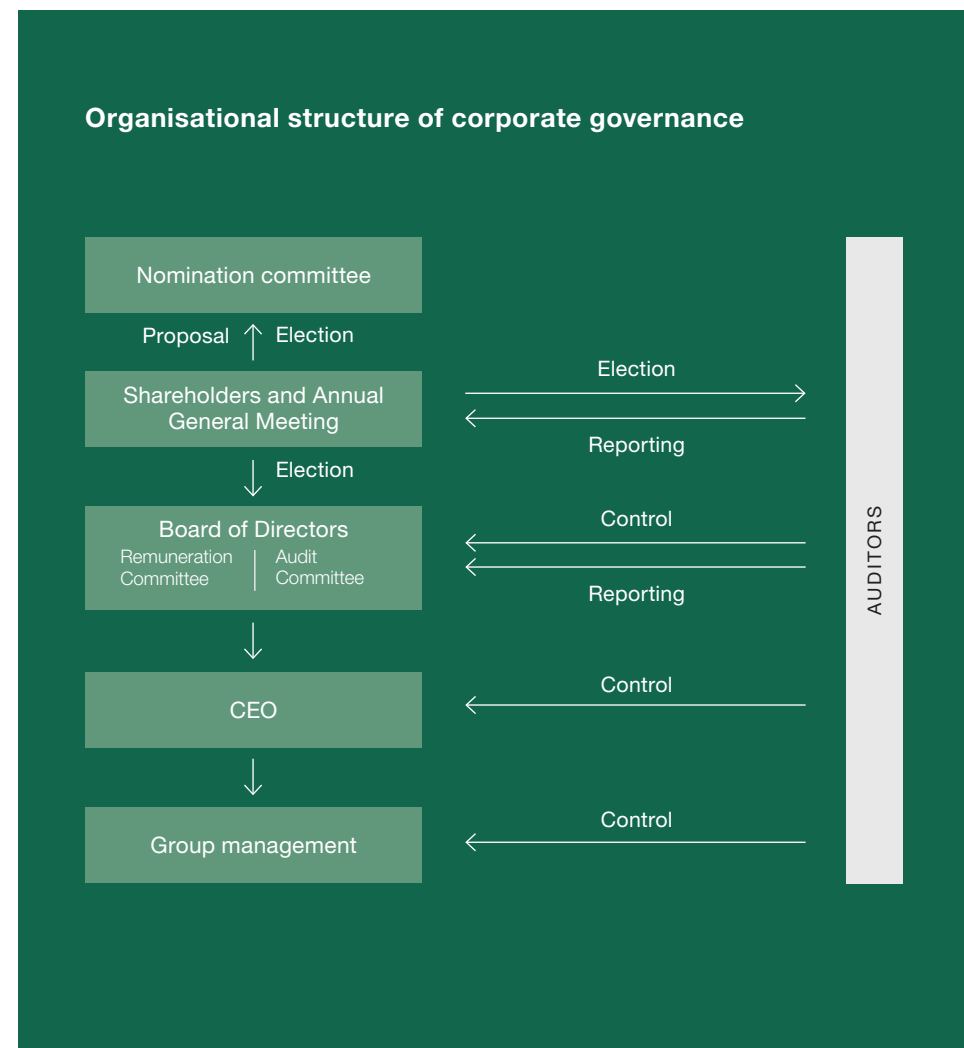
## Corporate governance structure

Svedbergs Group’s shareholders are those who ultimately make decisions about the Group’s

governance. At the AGM, the shareholders appoint the Board of Directors, the Chair of the Board of Directors and the auditors, and decide how the nomination committee is to be appointed. The Board of Directors is responsible to the shareholders for the organisation and management of the Group’s affairs. The auditors report on their audit at the AGM.

## Shareholders and Annual General Meeting

Shareholders’ rights to decide on the company’s affairs are exercised at the Annual General Meeting, which is the company’s highest decision-making body. The Annual General Meeting decides, among other things, on adoption of the income statement and balance sheet, appropriation of profits, discharge of the CEO and the Board of Directors from liability, election of the Board of Directors and auditors and remuneration of the Chair of the Board of





Directors, other Board members and auditors. The Annual General Meeting also decides on guidelines for remuneration of senior executives.

In addition, the shareholders at the Annual General Meeting decide on any amendments to the company's Articles of Association, new share issues and the introduction of share-based incentive plans. The Articles of Association are the company's basic governing document, which sets out, among other things, the company's activities, the size of the share capital, the right of shareholders to attend general meetings and the agenda for the Annual General Meeting. For a shareholder to have a matter considered at the Annual General Meeting, the shareholder must submit a written request to the Board of Directors in sufficient time for the matter to be included in the notice of the meeting. Information on when such requests must be received by the Board of Directors is available on the company's website. Information before the company's Annual General Meeting and minutes of the meeting can be found on the company's website at [www.svedbergsgroup.com](http://www.svedbergsgroup.com).

The Annual General Meeting must be held within six months after the end of the financial year. All shareholders who are registered in the share register as at the record date (six banking days before the date of the Annual General Meeting) and who have registered are entitled to attend. Each share entitles the shareholder to one vote. Notice must be given no earlier than six weeks and no later than four weeks in advance by placing advertisements in Svenska Dagbladet and Post- och Inrikes Tidningar.

### Annual General Meeting 2023

The Annual General Meeting in Dalstorp on 27 April 2023 was attended by 27 (26) shareholders, representing 63.6 percent of the capital and votes. The meeting decided on the following:

- re-election of Anders Wassberg as Chair of the Board of Directors and re-election of Jan Svensson, Ingrid Osmundsen, Susanne Lithander, Kristoffer Välliharju and Joachim Frykberg as ordinary members of the Board of Directors
- Board fees of SEK 1,815,000 for the following term of office, of which SEK 470,000 to be paid to the Chair of the Board of Directors and SEK 235,000 each to the remaining Board members who are not employed by the company
- committee fees totalling SEK 120,000 for the Audit Committee and SEK 50,000 for the Remuneration Committee
- adoption of the Board's proposal to pay a dividend of SEK 1.50 per share
- a policy on remuneration and terms of employment for senior executives, and principles for the establishment of the Nomination Committee
- authorisation for the Board of Directors to carry out private placements for acquisition purposes, amounting to a maximum of 10 percent of the share capital, i.e. 3,532,368 shares
- authorisation for the Board of Directors to decide on a new share issue with provisions on non-cash, set-off or other conditions, as referred to in Chapter 13, Section 5, first paragraph, point 6, of the Swedish Companies Act, and on departure from the shareholders' preferential rights. The Board of Directors is entitled to determine other terms and condi-

tions of the issue, including the issue price, which must however be based on market conditions. The authorisation is valid until the next Annual General Meeting.

### Nomination committee

The Annual General Meeting decides how the Nomination Committee is to be appointed. The task of the Nomination Committee is to prepare and submit proposals to the next Annual General Meeting for the Chair and other members of the Board of Directors and on the remuneration of the Chair and other members. The Nomination Committee's duties include evaluating the work of the Board of Directors, primarily on the basis of the report submitted by the Chair of the Board to the Nomination Committee. The Nomination Committee also proposes the election of auditors and their remuneration.

At the meeting, the Nomination Committee must justify its proposals for the composition of the Board, i.e. in terms of skills, experience and gender balance. In good time before the Annual General Meeting, the Chair of the Board of Directors must ensure that the composition of the Nomination Committee is published and that shareholders can submit proposals to the Nomination Committee in good time before the meeting. Information on the composition of the Nomination Committee and the time at which proposals to the Nomination Committee must have been received by the company has been available on the company's website since October 2023. The Nomination Committee for Svedbergs Group consists of the Chair of the Board of Directors and representatives of the three largest shareholders as at 31 August.

The 2023 Nomination Committee consisted of Johan Wester of Stena Adactum (Chair), Anders Wassberg, Chair of the Board of

Directors, Fredrik Ahlin of If Skadeförsäkring AB, and Bengt Belfrage of Nordea Fonder. In total, the Nomination Committee represents over 50 percent of the votes in the company. Members of the Nomination Committee must consider any potential conflicts of interest before accepting the post. Furthermore, the Nomination Committee will receive the full results of the Board evaluation.

### Guidelines for the Nomination Committee

Svedbergs Group's Board of Directors must have members with the skills required to actively and effectively support the CEO in the development of the company, while also monitoring, verifying and ensuring the flow of information. In a company like Svedbergs Group, it is very important for the Board of Directors to have skills in the following areas:

- knowledge of the industrial sector
- experience of company management
- experience of working in listed companies
- knowledge of financing
- production, distribution and logistics

The majority of the members elected by the Annual General Meeting must be independent of the Company and the company management, and at least two of the members must be independent of the company's major shareholders.

Svedbergs Group's Board of Directors has ample experience and expertise in these areas. In addition to this formal expertise, it is important for the Board members to have a high level of integrity.

The Nomination Committee has applied Svedbergs Group's diversity policy and taken into account the company's operations, stage

of development and other circumstances. The composition of the Board of Directors must be appropriate, characterised by diversity and the breadth of the skills, experience and background of its members. The aim is for the Board of Directors to be composed of members of different genders, of varying ages and with different educational and professional backgrounds. Svedbergs Group endeavours to achieve an even gender balance on the Board of Directors. This contributes to independent and critical questioning.

The proportion of women on the company's Board of Directors during the year was 33 percent (38). Of the Board members elected at the Annual General Meeting, 33 percent (33) were women.

### Other

There are no provisions in the Articles of Association concerning the appointment and dismissal of Board members or the amendment of the Articles of Association.

### Role and composition of the Board of Directors

The Board of Directors is responsible for the company's organisation and manages the company's affairs on behalf of the shareholders. The Board of Directors must continually assess the company's financial situation and ensure that the company is organised so that the accounting, the asset management and the company's financial situation in general are subject to adequate control.

The Board of Directors must consist of a minimum of three and a maximum of eight members with a maximum of five deputy members

and, if possible, two employee representatives. Employee representatives are appointed by the employees' trade unions. In 2023, the employee representatives decided to leave the Board. The CEO is not a member of the Board of Directors. The Board members are elected annually at the Annual General Meeting for the period until the next Annual General Meeting. The Board of Directors must carry out its duties in accordance with Swedish legislation, the Articles of Association, the Swedish Code of Corporate Governance and NASDAQ Stockholm's regulations for issuers.

### Responsibilities of the Chair

The Board of Directors' rules of procedure state, among other things, that the Chair must

ensure that the Board's duties are carried out effectively and that the Board fulfils its obligations. This includes organising and managing the work of the Board of Directors and creating the best possible conditions for its work. In addition, the Chair must ensure that the members of the Board of Directors regularly update and deepen their knowledge of the company and that new members receive appropriate introduction and training. The Chair must be available as an adviser and discussion partner to the CEO, and also evaluate their performance and present their assessment to the Board of Directors. In addition, it is the responsibility of the Chair to ensure that the work of the Board of Directors is evaluated annually and to inform the Nomination Committee of the evaluation.

### Division of duties between the Board of Directors and the CEO

The Board of Directors must issue instructions to the CEO. The Board of Directors is required to continually monitor and supervise the company's activities. It is therefore the responsibility of the Board of Directors to ensure that there are functioning reporting systems and that the Board receives the necessary information about the company's position, earnings, financing and liquidity through periodic reporting. In general, the Board of Directors deals with matters of material importance to the Group, such as:

- adoption of rules of procedure, division of responsibilities between the Board of Directors, its Chair and the CEO
- adoption of strategic plans

### Composition of the Board of Directors and attendance at meetings

Elected by the AGM	Elected	Board meetings	Remuneration Committee	Audit Committee	Company and management	Major shareholders of the company	Total remuneration, SEK thousand
Anders Wassberg	2016	17(C)	2(C)	4(M)	Yes	No	525
Kristoffer Väilharju	2020	14(M)	–	–	Yes	Yes	235
Jan Svensson	2013	17(M)	2(M)	–	Yes	Yes	260
Susanne Lithander	2020	14(M)	–	4(C)	Yes	Yes	295
Ingrid Osmundsen	2017	17(M)	–	4(M)	Yes	Yes	265
Joachim Frykberg	2021	15(M)	–	–	Yes	No	235
<b>Employee representation</b>	<b>Elected</b>	<b>Board meetings</b>	<b>Remuneration Committee</b>	<b>Audit Committee</b>	<b>Company and management</b>	<b>Major shareholders of the company</b>	<b>Total remuneration, SEK thousand</b>
Leif Dahl	2010	4(M)	–	–			–
Anna Westin	2021	4(M)	–	–			–
<b>Number of meetings</b>		<b>17</b>	<b>2</b>	<b>4</b>			<b>1,815</b>

C = Chair, M = Member

- adoption of group-wide policies
- decisions on acquisitions and divestments
- decisions on major investments
- decisions on borrowing
- adoption of business and profitability targets
- adoption of the necessary guidelines for the company's conduct in society.

The Board of Directors must also supervise the work of the CEO, appoint and dismiss the CEO and decide on significant changes to the company's organisation.

### Board procedures

As a rule, the Board of Directors holds seven ordinary meetings per annum. Normally, the first meeting of the year is a year-end meeting and decisions are made on the year-end report. At the second meeting, the Board of Directors decides on the first quarterly report. The third meeting takes place immediately after the Annual General Meeting and is a statutory meeting at which committee members are appointed and decisions are made on signing for the company, the rules of procedure of the Board of Directors and the CEO and the adoption of policies. The fourth meeting is a strategy meeting and the fifth meeting involves decisions on the second quarterly report. The sixth meeting involves a review of the guidelines for the upcoming annual budget and the audit report, and decisions are made on the third quarterly report. The seventh meeting takes place a few weeks before Christmas and the budget is adopted, among other things. Board meetings are prepared by the Chair and the CEO, who together propose the agendas for the Board meetings during the year. The CEO provides the Board members with written reports and supporting

documents before each meeting. At each meeting, the CEO reports on matters including the business situation, market developments, the company's financial position and any investment issues.

### The work of the Board of Directors in 2023

A total of 17 (13) Board meetings were held during the year. The CEO and CFO of Svedbergs attend Board meetings in the capacity of reporter and secretary, respectively. Important decisions during the year included monitoring acquisitions, strategy work and financial reporting. In accordance with the requirements of the Swedish Companies Act, the rules of procedure, i.e. the division of responsibilities between the Board of Directors, its Chair and the CEO, were adopted, as well as instructions for reporting in 2023.

### Evaluation of the work of the Board of Directors

The work of the Board of Directors is evaluated annually. The evaluation serves as a basis for continuous improvement of the work of the Board in the company. The Chair of the Board of Directors is responsible for the evaluation, which includes questions about the composition of the Board, Board meetings, Board materials, the committees and how well the Chair of the Board and the Board in general perform their principal duties under the Code. The results of the evaluation were presented and discussed by the Board, and were reported by the Chair of the Board to the Nomination Committee. The evaluation forms the basis for the Nomination Committee's various proposals related to the Board of Directors.

### Remuneration Committee

From its members, the Board of Directors appoints a Remuneration Committee that regularly evaluates the terms of employment of senior executives. The Board of Directors decides on the principles for remuneration of senior executives and remuneration of the CEO.

The Remuneration Committee proposes a remuneration policy for senior executives, which the Board of Directors then proposes to the Annual General Meeting. Following a recommendation by the Remuneration Committee, the CEO decides on the salary and remuneration of senior executives. The Remuneration Committee follows rules of procedure adopted by the Board of Directors. After the 2023 Annual General Meeting, the Committee consisted of Anders Wassberg (Chair) and Jan Svensson. All members of the Remuneration Committee are independent of the company and the company management and one member is also independent of the company's major shareholders. The Committee held two meetings during the year, at which issues such as the bonus model and guidelines for remuneration of senior executives were discussed. The Board of Directors essentially followed the remuneration policy adopted by the Annual General Meeting in 2023.

### Audit Committee

From its members, the Board of Directors appoints an Audit Committee that supervises the financial reporting by reviewing all critical accounting issues and other matters that may affect the quality of financial reporting. The committee also supervises the effectiveness of the company's and the Group's internal control and risk management systems and the impartiality and independence of the external auditors.

The committee evaluates the audit work and assists the Nomination Committee in the selection of the auditor. The committee also decides on all procurement of consultancy services from the company's auditor that do not come under audit-related advice.

The committee must regularly report to the Board of Directors and is entitled to make decisions only on matters specified in the rules of procedure adopted by the Board of Directors and on matters specifically delegated to the committee by the Board. After the 2023 Annual General Meeting, the committee consisted of Susanne Lithander (Chair), Anders Wassberg and Ingrid Osmundsen. All members of the Audit Committee are independent of the company and the company management and, apart from Anders Wassberg, independent of the company's major shareholders. During the year, the committee held four meetings, three of which were attended by the auditors. The company's auditor attends at least one Audit Committee meeting every year, reporting on observations from their audit and giving their assessment of the company's internal control.

### External auditors

The auditors are appointed by the Annual General Meeting. The auditors are responsible to the shareholders at the general meeting and provide an audit report on, among other things, the annual report and the management by the Board of Directors. The auditors regularly report verbally and in writing to the Audit Committee on how the audit has been conducted and with their opinion of order and control in the company. The auditors also report in person to the full Board of Directors at least once a year on their audit and express an opinion on internal control.

The Annual General Meeting on 27 April 2023 elected Deloitte AB as the audit firm until the date of the next Annual General Meeting. Deloitte AB appointed authorised public accountant Maria Ekelund as auditor in charge.

The audit was carried out by means of an interim audit, a review of the year-end report and a review of the annual report. The interim report for January–September (Q3) was reviewed by the auditor in accordance with the Swedish Code of Corporate Governance. The auditor attended one Board meeting in 2023 to report on the scope and outcome of the audit, and three meetings with the Audit Committee. During the year, the auditors also held reconciliation meetings with the CEO and CFO. In addition, the Board of Directors meets the auditor every year without the presence of any of the company management. Information on the remuneration of the auditors is contained in Note 11.

### CEO and Group management

The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations in accordance with the instructions and directions adopted by the Board of Directors. This includes responsibility for financial reporting, preparation of information and decision-making documents, and ensuring that obligations, contracts or other legal documents do not conflict with Swedish or foreign laws and statutes. The CEO must also supervise compliance with objectives, policies and strategic plans and ensure they are updated where necessary. The CEO appoints the other members of the Group management.

In addition, the CEO is responsible for ensuring that the Board of Directors receives infor-

mation and the necessary decision-making documents, which are sent to all members seven days before Board meetings, and for presenting reports at these meetings. The CEO keeps the Board of Directors and the Chair continually informed about the financial position and development of the company and the Group.

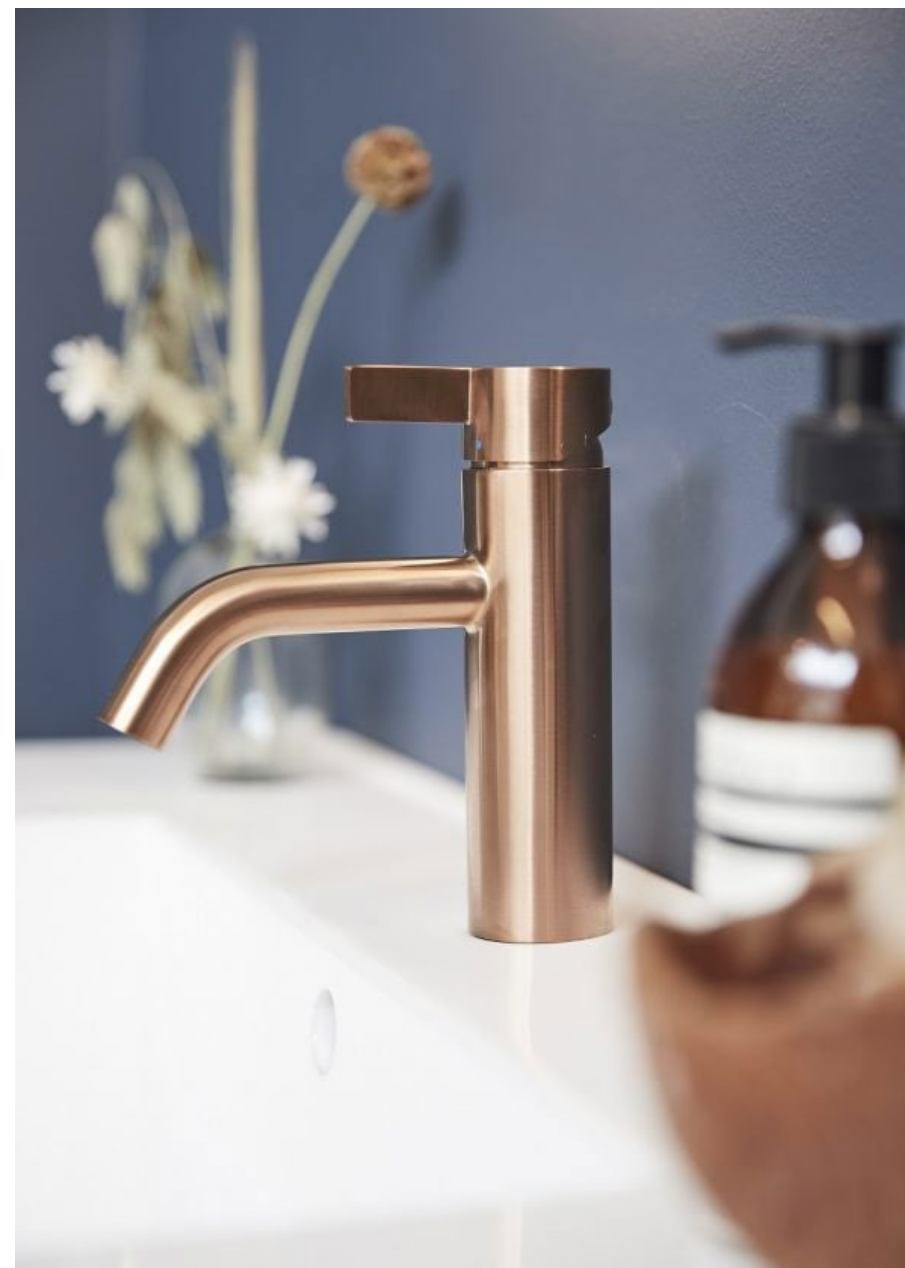
The Group management is led by the CEO and consists of eight additional members:

- Ann-Sofie Davidsson, CFO
- Beate Hennessy, Director of Business Development & Sustainability
- Thomas Elvlin, CEO of Svedbergs i Dalstorp AB
- Thomas Gunnarsson, CEO of Macro Design AB
- Michael Cassøe, CEO of Cassøe A/S
- Leigh Leather, Managing Director of Roper Rhodes Ltd
- Jeroen Hoetink, CEO of Thebalux
- Jan Zwanenberg, CEO of Primabad

For further information about the Group management, please see page 64–65.

The Group management has overall responsibility for the operations of the Group in accordance with the strategy and long-term objectives adopted by the Board of Directors of Svedbergs Group. The Group management meet monthly and meetings are chaired by the CEO. These meetings address issues of a strategic nature and of importance to the whole Group. There are also a large number of informal meetings, including monthly business reviews in all Group companies. The powers and responsibilities of the CEO and Group management are defined in policies and instructions.

The total remuneration of the CEO and Group management is presented in Note 10.



# Internal control of financial reporting

This report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code and describes Svedbergs Group's internal governance and control of financial reporting. The purpose is to provide shareholders and other stakeholders with an understanding of how the internal governance and control of financial reporting is organised at Svedbergs Group.

Svedbergs Group's work on internal control has been designed to ensure correct, reliable financial reporting and accounting in accordance with applicable laws and regulations, accounting standards and other requirements for listed companies. The work on internal control adds value by clarifying roles and responsibilities, improving process efficiency, increasing risk awareness, improving the basis for decision-making and increasing the reliability of financial reporting and monitoring.

## Description

Internal control of financial reporting is an integral part of corporate governance at Svedbergs Group. It contains processes and methods for safeguarding the Group's assets and the accuracy of its financial reporting and aims to protect the shareholders' investment in the company. To organise and further improve this work, Svedbergs Group uses the COSO framework, which provides a structured basis for evaluating and monitoring internal control of financial reporting.

## Control environment

The basis for internal control is the overall control environment established by the Board of Directors and management. It is based on an organisation with clear decision-making paths in which powers and responsibility are defined with clear instructions, and a corporate culture with shared values in which each individual is aware of their role in maintaining good internal control.

The Group's ambition is for its values to be present throughout the organisation. Svedbergs Group has also established a Code of Conduct that describes the desired behaviour in different situations. A global programme to raise awareness of information security among employees is already in progress. The aim of the programme is to better understand risks related to information security in terms of operational, reputational and financial consequences.

The Board of Directors has overall responsibility for internal control of financial reporting. The Board of Directors has adopted written rules of procedure that clarify its responsibilities and regulate the division of duties between its committees. The Board of Directors has also appointed an Audit Committee, the main task of which is to ensure financial reporting and internal control and that appropriate relations with the company's auditor are maintained. The Board of Directors has also prepared instructions for the CEO and instructions for financial reporting to the Board of Directors

of Svedbergs Group. The responsibility for maintaining an effective control environment and the ongoing work on internal control is delegated to the CEO, who in turn has delegated function-specific responsibilities to managers at different levels in the Group. The CFO has overall responsibility for accounting and reporting within the Group and is responsible for ensuring that this is done in accordance with applicable standards. The CFO is also responsible for complying with standards and legislation and implementing new standards and interpretations.

Svedbergs Group's internal control work aims to ensure that the Group achieves its objectives for financial reporting. As a minimum requirement, the control activities carried out must cover the key risks identified in the Group.

Responsibilities and powers are defined in authorisation instructions, manuals, policies and procedures. Examples of these include Svedbergs Group's finance policy, finance manual, IT policy, communication policy and HR policy. These guidelines, combined with laws and other external regulations, form the control environment. All employees must follow these guidelines.

To ensure that finance staff have up-to-date skills, they receive regular training in areas such as accounting and tax legislation. Training needs are identified in part by means of regular performance reviews and monitoring changes in the accounting field. Where necessary, exter-

nal expertise is used to address issues such as accounting, tax and internal control. In matters of a legal nature, the company engages external lawyers.

Responsibilities and procedures with regard to IT-related risks are defined in the Group's IT policy and are incorporated in each company's disaster management planning.

## Risk assessment

Risk assessment is based on the Group's financial targets. The overall financial risks are identified as liquidity and financing risk, currency risk, interest rate risk and customer credit risk. They are mainly managed by the accounting and finance function in accordance with the Group's finance policy. For a detailed account, see Note 25. Using quantitative and qualitative risk analyses based on the Group's balance sheet and income statement, Svedbergs Group identifies the key risks that may pose a threat to achieving business and financial goals and targets.

The focus is on financial reporting risks related to material income statement and balance sheet items that are relatively high owing to the complexity of the process or where the impact of any errors is likely to be significant, as the values of the transactions are substantial. The results of the reviews performed lead to actions such as improved control procedures to further ensure accurate financial reporting. The risks assessed at the year-end are presented in the Directors' Report on pages 70–72.

## Control activities

Control activities take place at various levels in the Group and mitigate identified risks and ensure accurate, reliable financial reporting and process efficiency. Control activities include both general and detailed controls and aim to prevent, detect and correct errors and discrepancies.

The central Group function is responsible for the consolidated accounts and consolidated financial statements. The function's responsibility also includes ensuring that instructions of significance for financial reporting are made known and available to the staff concerned. The Group function performs ongoing reconciliation and control of recognised amounts, and analysis of income statements, balance sheets, cash flows and working capital, among other things. The function has monthly business reviews with all Group companies, analyses and follows up on budget deviations, prepares forecasts, follows up on significant fluctuations over periods and reports to others in the company, which minimises the risk of errors in the financial reporting.

A high level of IT security is essential for good internal control of financial reporting. Consequently, rules and guidelines are in place to ensure the availability, accuracy, confidentiality and traceability of the information in business systems. User authority for business systems is restricted according to powers, responsibilities and roles based on Segregation of Duties, in order to prevent accidental/intentional incorrect registration. There are also automatic controls built into IT systems and controls in the underlying IT environment.

## Information and communication

Information and communication about risks, controls and control results at Svedbergs Group help ensure that correct business decisions are made. The Group's ambition is for information and communication channels relating to internal control of financial reporting to be appropriate and known in the Group.

Financial reporting guidelines are communicated to everyone concerned in the Group through policies, manuals and working instructions. The Group's overall internal governance documents in terms of policies, guidelines and manuals are kept up to date and are available on the company's intranet. Internal meetings with all finance functions are held at least once a quarter and matters including current accounting and internal control issues are discussed at them.

Svedbergs Group's published external reports are based on reporting from all legal entities in accordance with a standardised reporting procedure.

External communication, including financial reporting, is governed by Svedbergs Group's communication policy, which sets out guidelines for what is to be communicated, by whom, and how. Good information security practices are also essential for correct dissemination of information. The CEO is responsible for ensuring that the Board of Directors' guidelines are disseminated throughout the organisation. Internal communication takes place largely through management and departmental meetings at which important information is discussed, and via the intranet or mailings. The CEO is also responsible for reporting to the Board of Directors in accordance with the Board's rules of procedure and the CEO instructions.

Svedbergs Group's procedures and systems for disclosing information are designed to provide the market with relevant, reliable, accurate, up-to-date information about the Group's development and financial position.

## Financial information is disclosed in the form of:

- Interim and year-end reports, which are published as press releases
- Annual report
- Press releases on important news and events that may have a significant effect on the share price
- Presentations and telephone conferences for financial analysts, investors and the media on the day of publication of year-end and interim reports and in connection with the publication of other important information
- Meetings with financial analysts and investors

All reports, presentations and press releases are published simultaneously on the Group's website at [www.svedbergsgroup.com](http://www.svedbergsgroup.com).

## Monitoring

Svedbergs Group carries out ongoing evaluations to ensure that internal governance and control are effective. Failed controls are remedied, meaning that measures are taken to correct the deficiencies.

The Board of Directors discusses all the Group's interim reports, year-end report and annual report before they are published. The Board of Directors receives monthly financial reports on the Group's position and performance, and the Group's financial situation is discussed at each Board meeting.

The central Group function and management analyse the financial reporting in detail on a monthly basis. Other significant group-wide elements of internal control are the budget and forecast processes. In addition, sales and orders are monitored on a daily basis, allowing for rapid follow-up. Monitoring is against the budget, the previous year and the latest forecast. Forecasts are prepared in connection with the quarterly financial statements or as required. In addition to the budget and forecast, Group management work on general strategic plans.

The Audit Committee monitors the financial accounts and receives reports from the company's auditor with observations and recommendations. The Board of Directors also monitors the existence of control activities for priority risk areas and communicates on significant issues with Group management and the auditor.

## Internal audit

The Board of Directors has made the assessment that the Group does not need a formalised internal audit in addition to existing processes and functions for internal governance and control. Monitoring is carried out by the Board of Directors and Group management, and the level of control is currently deemed to meet the company's needs. An annual assessment is made of whether an internal audit function is necessary to maintain good control.

Halmstad, 27 March 2024  
Board of Directors

For the auditor's opinion on the corporate governance report, see page 112.

# Board of Directors



**Anders Wassberg**

**Born:** 1965

**Elected:** 2016.  
Chair since 2017. Chair of the Remuneration Committee and member of the Audit Committee.

**Education:** MSc in Engineering, CTH.

**Current position:** President and CEO of Stena Adactum and member of the Stena Sphere Coordination Group.

**Current directorships:** Chair of Ballingslöv International, Envac and Kährs Holding. Member of Inwido and Gunnebo Holding.

**Previous positions:** President and CEO of Ballingslöv International, Gustaf Kähr and Beijer Byggmaterial.

**Shareholding<sup>1)</sup>:** 83,332

Independent of the company and company management but not of the company's major shareholders.



**Jan Svensson**

**Born:** 1945

**Elected:** 2013.  
Member of the Remuneration Committee.

**Education:** School-leaving examination certificate, in-service training at Skandia.

**Current position:** Board work in small and medium-sized enterprises.

**Current directorships:** Chair of the Board of Directors of Håkan Hardenberger.

**Previous positions:** Executive positions at Skandia. Head of Nordic Commercial and Chief of Staff to the Group Chief Executive at If.

**Shareholding<sup>1)</sup>:** 8,333

Independent of the company, company management and the company's major shareholders.



**Ingrid Osmundsen**

**Born:** 1961

**Elected:** 2017.  
Member of the Audit Committee.

**Education:** BA, University of Washington.

**Current position:** Management consultant and CEO of Osmundsen Consulting.

**Current directorships:** Chair of Vargporten and Osmundsen Consulting. Member of Trelleborgs GK.

**Previous positions:** Head of Lindex Sweden, President and CEO of Wedins, CEO of Day Birger et Mikkelsen, GMM Director of Nike Europe, Purchasing Manager of Macy's USA and COO of Claires Europe.

**Shareholding<sup>1)</sup>:** 2,550

Independent of the company, company management and the company's major shareholders.



**Susanne Lithander**

**Born:** 1961

**Elected:** 2020.  
Chair of the Audit Committee.

**Education:** MBA, School of Business, Economics and Law at the University of Gothenburg.

**Current position:** CFO of NCC Group.

**Previous positions:** CFO of BillerudKorsnäs, senior roles at Ericsson.

**Shareholding<sup>1)</sup>:** 2,000  
Independent of the company, company management and the company's major shareholders.



**Kristoffer Väliharju**

**Born:** 1975.

**Elected:** 2020.

**Education:** School-leaving examination certificate.

**Current position:** CEO of GoldPen Computing.

**Current directorships:** Member of Skånes Stadsmissions Affärsråd, Godsintlösen Nordic AB and Sweden Buyersclub AB.

**Previous positions:** CEO of CDON, executive positions at Dustin Group and Dell.

**Shareholding<sup>1)</sup>:** 3,832

Independent of the company, company management and the company's major shareholders.



**Joachim Frykberg**

**Born:** 1970.

**Elected:** 2021.

**Education:** Msc. in Economics, Karlstad University, IHM Stockholm.

**Current position:** Owner of Joachim Frykberg AB.

**Current directorships:** Chair of the Board of Directors of S-Invest Trading AB and LifeClean International AB. Board member of Alpegro.

**Previous positions:** Several executive positions in the JULA Group.

**Shareholding<sup>1)</sup>:** 5,000

Independent of the company and company management but not of the company's major shareholders.

1) Refers to shareholdings, own and of related parties, as at 31 December 2023.

# Group management



## Per-Arne Andersson

President and CEO

**Born:** 1970

**Employed since:** 2019

**Education:** MBA, Jönköping University.

**Previous positions:** President and CEO of Kinnarps Group, CEO of CC Höganäs Byggkeramik.

**Current directorships:** Navinova, Scandinavian and Finnish Interiors.

**Shareholding<sup>1)</sup>:** 60,055

**Warrants:** 60,000

**Call options:** 100,000



## Ann-Sofie Davidsson

CFO

**Born:** 1972

**Employed since:** 2023

**Education:** Master of Social Science, Major: Business Administration, Lund University, Degree of Bachelor of Science in Business Administration, Blekinge Institute of Technology.

**Previous positions:** CFO of Continental Bakeries North Europe AB, Finance Manager of Elopak AB, Controller Manager of Höganäs AB.

**Shareholding<sup>1)</sup>:** 3,000

**Warrants:** 0



## Beate Hennessy

Director of Business Development & Sustainability

**Born:** 1970

**Employed since:** 2022

**Education:** International Communication, IIU, Stockholm, Brighton and Munich, Stockholm University.

**Previous positions:** Digital Business Developer, Svedbergs i Dalstorp AB, Sales Support Manager, Eton Fashion AB.

**Shareholding<sup>1)</sup>:** 2,357

**Warrants:** 0



## Thomas Elvin

CEO of Svedbergs i Dalstorp AB

**Born:** 1968

**Employed since:** 2021

**Education:** Market economist, IHM Business School.

**Previous positions:** CEO of Itab Shop Concept Nässjö, CEO of Stiga, CEO of Macro Design.

**Current directorships:** Deputy member of Easyform.

**Shareholding<sup>1)</sup>:** 8,975

**Warrants:** 25,000



## Thomas Gunnarsson

CEO of Macro Design AB

**Born:** 1964

**Employed since:** 2021

**Education:** MBA, Jönköping University.

**Previous positions:** Supply Chain Director at Kinnarps, CEO of Rosenqvist Maskin.

**Current directorships:** Member of Dependa.

**Shareholding<sup>1)</sup>:** 7,136

**Warrants:** 0

<sup>1)</sup> Refers to shareholdings, own and of related parties, as at 31 December 2023.



Group management



**Michael Cassøe**

CEO of Cassøe A/S

**Born:** 1974

**Employed since:** 2008 (acquired by Svedbergs Group in 2020).

**Education:** HHX (business college).

**Previous positions:** CEO of DFI, Deputy CEO of DFI Geisler.

**Current directorships:** Member of Finance Facility IV and Bolig Rådhusgården Skanderborg.

**Shareholding<sup>1)</sup>:** 289,000

**Warrants:** 37,000



**Leigh Leather**

MD of Roper Rhodes

**Born:** 1969

**Employed since:** 2013, MD since 2020 (acquired by Svedbergs Group in 2021).

**Education:** Master of Business Administration, Warwick Business School, studies at the Chartered Institute of Marketing.

**Previous positions:** Business Manager at Kohler Company, Head of National Accounts at Kohler Mira, Deputy CEO of Grohe.

**Shareholding<sup>1)</sup>:** 21,371

**Warrants:** 0



**Jeroen Hoetink**

CEO of Thebalux

**Born:** 1967

**Employed since:** 1990 (acquired by Svedbergs Group in 2023).

**Education:** Marketing NIMA A and B H.A.V.O (High general secondary education).

**Previous positions:** —

**Shareholding<sup>1)</sup>:** 0

**Warrants:** 0



**Jan Zwanenberg**

CEO of Primabad

**Born:** 1961

**Employed since:** 1986 (acquired by Svedbergs Group in 2023).

**Education:** Mavo Pius X.

**Previous positions:** Established Meubelfabriek Prima. Kempen-plafonds interior.

**Shareholding<sup>1)</sup>:** 0

**Warrants:** 0

1) Refers to shareholdings, own and of related parties, as at 31 December 2023.

# Financial statements

# Directors' report

The Board of Directors and the CEO of Svedbergs Group AB (publ), corporate identity no. 556052-4984, hereby present the annual report and consolidated financial statements for the period 1 January–31 December 2023.

Svedbergs started in 1920 as a tin factory, and switched to making bathroom cabinets in 1962. In the 1970s, more bathroom furniture was developed and, in the 1980s, the current focus on developing, manufacturing and marketing bathroom products began.

Svedbergs Group is one of the leading bathroom furniture suppliers in the Nordic region, the UK and the Netherlands, with a comprehensive range of bathroom products including furniture, showers, baths, heated towel rails, mixers, toilets and accessories.

The range is constantly evolving to meet consumer bathroom needs. Svedbergs Group's more than 3,000 customers include JM, NCC, Bauhaus, Onninen, Ahlsell VVS in the Nordic market, Comfort, XL-Bygg, Beijer Bygg, Interpares and Dahl in Sweden, Bademiljø and Byggmakker in Norway, AO Johansen in Denmark, the PHG, UKPS and IPG chains in the UK, Rautakesko RTV and Stark in Finland, and Middelkoop Culemborg, Bouwcenter Esselink, De Bademan and Arnold Lemmering Sanitair in the Netherlands.

Svedbergs Group has six wholly owned subsidiaries:

- Svedbergs i Dalstorp AB, one of Scandinavia's leading manufacturers of bathroom furniture. Svedbergs i Dalstorp AB operates in Dalstorp, Sweden, where a large part of the production takes place
- Macro Design AB, one of Scandinavia's leading manufacturers of shower enclosures and shower walls
- Svedbergs Oy, sales company for Finland and the Baltic States
- Cassøe A/S, a rapidly growing company in the Danish bathroom market
- Svedbergs UK Ltd, with Roper Rhodes Ltd as a wholly owned subsidiary, a leading supplier in the UK market
- Svedbergs Group NL B.V., with Thebalux Holding B.V. as a wholly owned subsidiary, a leading supplier in the Dutch market

Svedbergs Group employs around 520 people and had sales of SEK 1,824 million in 2023. Svedbergs Group is listed on Nasdaq OMX in Stockholm, Small Cap segment.

## Significant events

- The Group strengthened its position by acquiring the Dutch bathroom supplier Thebalux Holding B.V. The acquisition was completed on 23 November 2023.
- Bridge financing of approximately SEK 550 million was raised in connection with the acquisition of Thebalux Holding B.V.
- On 7 December 2023, Svedbergs Group held an extraordinary general meeting at which it was resolved to amend the articles of association to adjust the limits for the minimum and maximum share capital so that the share capital must be a minimum of SEK 37.5 million and a maximum of SEK 150 million and the limits for the minimum and maximum number of shares must be a minimum of 30,000,000 and a maximum of 120,000,000.
- Svedbergs Group decided on 20 December 2023 on a rights issue for approximately SEK 406 million. The rights issue was held in the first quarter of 2024.
- Svedbergs invested SEK 35 million in a new wood processing machine at the Dalstorp plant. Final acceptance was in December 2023 and the machine entered into service in January 2024.

- The conflict in the Red Sea is hitting world trade hard. The company keeps itself regularly informed about what is happening. Shipping costs will rise and the time to transport purchases from Asia will increase.
- The Board of Directors implemented a new legal organisational structure. The parent company Svedbergs Group AB has its registered office in Halmstad.
- A new CFO joined the Group on 13 November 2023.

## Events after the balance sheet date

During January–February 2024, a rights issue was carried out. It was subscribed for a total of 176.3 percent. The rights issue was thus oversubscribed. The outcome was approximately SEK 406 million before issue costs.

## Seasonal variations

Sales have historically been subject to some seasonal variation, and this still applies in the Nordic market, where sales in the third quarter are lower on account of the month of holiday. There is no corresponding seasonal variation in the UK. In 2023, the distribution was 52 percent in the first half of the year and 48 percent in the

second half. It is difficult to assess the distribution specially for 2023 as we saw declining demand in some markets during the year.

**Net sales**

Net sales for the period amounted to SEK 1,824 million (1,833), a decrease of just under 1 percent versus previous year. Currency had a positive impact of 4 percent on sales during the year. Organic growth was -6 percent and acquired growth was 2 percent. The acquisition of Thebalux increased the geographical distribution of sales. Thebalux was consolidated into Svedbergs Group as of 23 November 2023.

The Swedish market, which accounted for 26 percent of sales in 2023, had negative growth during the year. Sales amounted to SEK 480 million, corresponding to a decrease in sales of 16 percent. The Finnish market decreased by 21 percent, with sales of SEK 65 million. Norway decreased by 11 percent to SEK 93 million. Denmark decreased by

6 percent to SEK 87 million, which had a negative impact on the Cassøe segment.

Sales to the UK accounted for 55 percent of the company's total sales in 2023 and amounted to SEK 1,010 million. Despite a general slowdown in the British market, we saw an increase in sales of around 9 percent. Some of the increase is currency related, but around 3 percent is organic.

In 2023, Svedbergs Group's sales outside Sweden accounted for 74 percent (69) of total net sales. The Group's main markets in 2023 were Sweden, Norway, Denmark, the UK and Finland.

**Earnings**

Gross profit was SEK 796 million (757), with a gross margin of 43.6 percent (41.3). The gross margin increased by 2.3 percentage points compared with the previous year, in line with expectations owing to price increases and good cost control.

Operating expenses totalled SEK -593 million (-530), of which SEK -18 million (-7.3) relates to items affecting comparability.

EBITA were SEK 240.0 million (251.1), corresponding to an EBITA margin of 13.2 percent (13.7).

Operating profit (EBIT) was SEK 210.4 million (234.4), corresponding to a margin of 11.5 percent (12.8).

Net financial items in 2023 were SEK -50.7 million (-28.4). Financial expenses consisted mainly of interest expenses on loans, including bridge loan, and negative valuation effects related to currency.

Profit before tax totalled SEK 159.7 million (206.0) and profit after tax totalled SEK 118.9 million (165.5). The effective tax rate in the period increased to 25.6 percent (19.7) assigned to significantly higher tax rate for Roper Rhodes (UK) from April 2023.

**Liquidity and financial position**

The Group's financial position and balance sheet total were significantly affected by the acquisition of Thebalux.

The Group's cash and cash equivalents amounted to SEK 217 million (200) and unutilised credit facilities to SEK 177 million. Net debt, including the additional purchase price for Roper Rhodes and Thebalux, amounted to SEK 1,102 million (608) as at 31 December 2023. Lease liabilities of SEK 83 million (29) are included in the net debt.

During the fourth quarter, a payment of SEK 9 million was made, attributable to the additional purchase price that was agreed on the acquisition of Cassøe.

As at 31 December 2023, Group equity totalled SEK 979 million (935), and the equity/assets ratio was 33.5 percent (40.8). Dividend amounted to SEK 53 million in 2023. See definitions of key ratios on page 115.

Cash flow from operating activities was SEK 196 million (240). Excluding the impact of transactions in connection with the acquisition of Thebalux of SEK -467 million, investments for the year totalled SEK -26 million (-38). The investments are mainly in production equipment, product development, hardware and digitalisation of operations, as well as the installation of solar panels at our distribution centre in the UK.

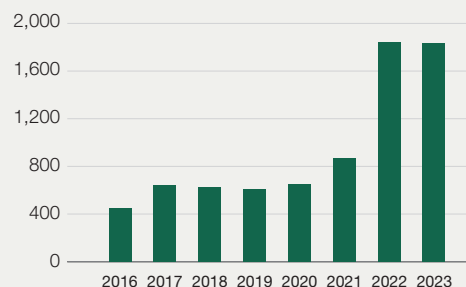
In total, SEK -109 million (-675) was paid off on the Group's external loans and new loans of SEK 556 million (53) were raised. In addition, SEK -23 million (-17) was paid off on lease liabilities. Utilisation of the Group's overdraft facility decreased by SEK -40 million (-33). During the year, dividends of SEK -53 million (-) were paid. Cash flow for the year thus amounted to SEK 24 million (-131).

**Research and development**

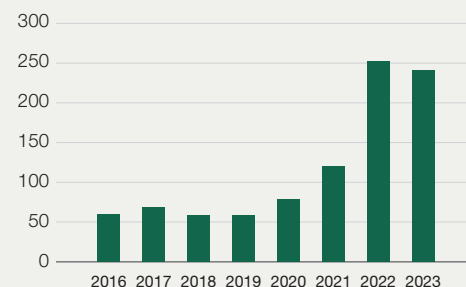
All brand companies have their own product development to develop the profile and features of each brand. In addition to in-house staff, external designers are hired. External designers develop products together with in-house staff based on specific job descriptions. The external designers hired are paid for time spent, by royalties on net sales or by a combination of the two.

During the year, the Group expensed SEK 23 million (20) for research and development. In addition, SEK 11 million (9) in development

**Net sales, SEK m**



**EBITA, SEK m**



expenditure was capitalised. The Group's policy is to capitalise only new products and product ranges. Development of improvements to these is not capitalised. Notes 2.13.4 and 20 contain more information about product development expenditure.

### Inventory

The inventory value at year-end amounted to SEK 499 million (444). The year-on-year increase is attributable to the acquisition of Thebalux. Excluding the acquisition, the Group reduced the inventory value by around 6 percent compared to the same period in the previous year.

During the year, the various segments worked to reduce the amount of capital tied up, which was crucial for improving liquidity and efficiency. As far as possible, ABC analysis was applied to prioritise products based on sales volume and value. Continuous efforts were made to improve the purchasing process to use favourable payment terms and negotiate discounts. Accurate forecasts from sales and marketing were essential for planning purchases and production. Communication with customers to understand needs and demand were fundamental to the forecasting process. Staff training was also fundamental, to raise awareness of the importance of reducing inventory and capital tied-up.

### Employees

The average number of employees in the Group during the year was 442 (447).

### Sustainability report

In accordance with Chapter 6, Section 11, of the Swedish Annual Accounts Act, the Group has chosen to prepare the sustainability report as a separate report from the directors' report. Svedbergs' sustainability report describes the

Group's work based on economic, environmental and social aspects. The financial statements have been prepared in accordance with the requirements of the Swedish Annual Accounts Act.

The sustainability report covers the parent company Svedbergs Group AB (publ), corporate identity no. 556052-4984 and all entities consolidated in the consolidated financial statements for Svedbergs Group AB in 2023, which are stated in Note 24 to the consolidated financial statements.

Sustainability is an integrated part of the Group's business model and strategy. To reflect this, the sustainability report is presented separately from the directors' report, on pages 35–50 of the annual report. The sustainability risk analysis is included in the overall risk description on pages 70–72. The auditor's opinion on the sustainability report can be found on page 51. The report has not been audited by an external party.

As the Group is a signatory of the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, the sustainability report also constitutes the Group's Communication on Progress.

### Parent company

The operating activities of the parent company Svedbergs i Dalstorp AB (now Svedbergs Group AB) were transferred to the subsidiary Svedbergs Bad AB (now Svedbergs i Dalstorp AB) on 1 June 2023. This means that, for the first five months of the year, the operating activities are included in the parent company's earnings. The parent company's activities now mainly concern group-wide management and financing. Apart from the Group's CEO, the company has three employees.

Parent company net sales amounted to SEK 257 million (604). The profit after financial items amounted to SEK 113 million (81). The parent company equity/assets ratio was 36.8 percent (46.7) as at 31 December 2023.

The Annual General Meeting on 27 April 2023 re-elected Anders Wassberg as Chair of the Board of Directors and re-elected Jan Svensson, Ingrid Osmundsen, Susanne Lithander, Kristoffer Väliharju and Joachim Frykberg as Board members.

### Guidelines for remuneration of senior executives

#### Persons covered by the guidelines and the applicability of the guidelines

These guidelines cover the persons who are members of Svedbergs' Group management. The guidelines apply to remuneration agreed, and changes made to remuneration already agreed, after the adoption of the guidelines by the Annual General Meeting on 27 April 2023. The guidelines do not cover remuneration decided by the Annual General Meeting.

#### Contribution of the guidelines to business strategy, long-term interests and sustainability

The business strategy for the company is to be the leading bathroom furniture supplier in selected markets. The overall targets are for the company to have profitable growth of 10 percent with a long-term profitability target of a 15 percent EBITA margin. Through effective corporate governance, the Group will operate independent, strong subsidiaries and continually evaluate acquisitions of complementary businesses. The Group aims to be the most sustainable bathroom furniture and fittings Group in the markets in which it operates.

The Board of Directors' proposal for guidelines for remuneration of senior executives is in the best interest of the company and the shareholders from a profitability perspective as it contributes to motivating and retaining talented, committed senior executives.

The remuneration package should motivate senior executives to do their utmost to ensure sound financial and sustainable development.

Assessment must be based on the nature, scope and responsibility of the assignment, as well as on skills and performance. Performance means both the performance of the individuals concerned and the overall performance and prospects of the company.

#### Different forms of remuneration

The remuneration offered must be at the market rate and consist of fixed salary, variable cash remuneration, severance pay, pension benefits and other benefits.

#### Fixed basic salary

Senior executives must have a fixed cash basic salary that is at the market rate based on the importance of each position for the company as a whole.

#### Variable remuneration

Payment of variable remuneration is subject to the achievement of targets for EBITA, EBITA margin, sales, CO<sub>2</sub> emissions, working capital in relation to sales, cash flow, gross profit or earnings per share, and should be measurable over a period of one year. The variable cash remuneration for the CEO is capped at 50 percent of the total fixed annual cash salary. The variable cash remuneration for senior executives other than the CEO is also capped at 50 percent of

the fixed annual cash salary. The variable remuneration includes holiday allowance and pension benefits.

#### *Pension benefits*

Pension must be premium-based and follow the ITP plan or amount to a maximum of 30 percent of the fixed annual cash salary. The company follows current practice in each country.

#### *Other benefits*

Senior executives also have other benefits such as preventive health care and car benefits.

#### *Termination of employment*

The notice period may not exceed 12 months in the event of termination by the company. In the event of termination of the employment of the CEO, the severance pay may not exceed 12 months' salary. A maximum of 12 months' salary is payable in the event of termination of employment of senior executives. Notice given by the CEO to terminate their employment is six months.

#### **Salary and terms of employment for employees**

Salary and terms of employment for the company's employees were taken into account in the preparation of these remuneration guidelines in that information about employees' total remuneration, the components of the remuneration and the increase and rate of increase of remuneration over time was included in the Remuneration Committee's and the Board of Directors' basis for decision-making when evaluating the reasonableness of the guidelines and the limitations resulting from them. The development of the gap between the remuneration of the company management and the remuneration of other employees will be reported in the remuneration report prepared for

paid and outstanding remuneration covered by the guidelines.

#### **Decision-making process for establishing, reviewing and implementing guidelines**

The Board of Directors must establish a Remuneration Committee with the main task of preparing the Board of Directors' decisions on remuneration principles, remuneration and other terms of employment for senior executives. The Remuneration Committee must also monitor and evaluate programmes for variable remuneration of the company management that are ongoing and concluded during the year. The committee must also monitor and evaluate the application of the guidelines for remuneration of senior executives that the Annual General Meeting is required by law to adopt, as well as the current remuneration structures and remuneration levels in the company.

The Board of Directors must draw up a proposal for new guidelines at least every four years and submit it to the Annual General Meeting for adoption. The CEO and other members of the company management are not present when the Board of Directors discusses and makes decisions on remuneration-related matters, where they are affected by such matters.

#### **Departure from the guidelines for remuneration**

The Board of Directors may depart from the guidelines for remuneration of senior executives if there are special reasons for doing so in individual cases.

#### **Shares and shareholders**

At the end of the year, the share capital amounted to SEK 44 million, divided into 35,323,758 shares. Three shareholders

have more than 10 percent of the votes in Svedbergs: Stena Adactum AB 40.6 percent, Nordea Fonder 14.1 percent and If Skadeförsäkring 11.5 percent. For more information about the shares and the shareholders, see pages 53–54.

#### **Corporate Governance Report**

Svedbergs Group has chosen to prepare the corporate governance report as a separate document from the annual report. The corporate governance report can be found on pages 56–62 and the auditor's opinion on the corporate governance report on page 112.

#### **Risks and uncertainties**

Like all companies, the Svedbergs Group is exposed to a number of risks and uncertainties.

Management have defined the following risks:

- Market-related risks
- Business-related risks
- Legal risks
- Sustainability-related risks
- Finance-related risks

Management identify and assess risks in the organisation on an ongoing basis. Where risks are high and can be mitigated, measures are taken. The various risks are described below, and the table on page 71 shows the probability 1–5, and the impact 1–5, where 1 is low and 5 is high. The table also shows what Svedbergs Group does to reduce the risk.

#### **Market-related risks**

The key market risks are:

- The economy and the business environment, including the Covid-19 pandemic, war and conflict

- Range out of step with the market
- Distribution channels
- Competitors

#### **Business-related risks**

These are some of the business-related risks:

- Sales and operating margin
- Employee skills
- Product launches and costing
- Functioning, efficient IT systems
- Competition from low-pay countries
- Suppliers and raw material prices
- Integration of acquisitions

#### **Legal risks**

These are some of the legal risks:

- Legislation and regulation
- Intellectual property rights
- Disputes

#### **Sustainability-related risks**

These are some of the sustainability risks:

- Product and producer liability
- Environment/Environmental accidents
- Human rights/Human rights are ignored by suppliers
- Labour law
- Anti-corruption

#### **Finance-related risks**

The Group's international operations involve a number of financial risks, which are managed by policies adopted by the Board of Directors. The overall objective is for the Group's finance function to provide financing to the Group companies and manage financial risks so that the effects on the Group's earnings are minimised.

For further information, please see Note 25 to the accounts. The Group is mainly exposed to:

- Currency risks
- Interest rate risks
- Credit risks
- Liquidity risks

Some risks and uncertainties are discussed below:

**Credit risk (finance-related risk) (Note 28)**

Credit risk is the risk that the counterparty will not meet its financial obligations and that any collateral does not cover the company's claim. The majority of the credit risk in Svedbergs Group relates to receivables from customers. Sales are distributed between a large number of customers. Outstanding receivables are monitored on an ongoing basis and reminders and interest invoices are sent out when necessary. The normal credit period is 30–60 days. For exhibition products, mainly on the Swedish market, which are displayed to consumers in shops and invoiced to retailers, the credit period is up to 12 months. Corresponding credit terms do not exist in Denmark or the UK.

**Liquidity risk (finance-related risk) (Note 33)**

Bridge financing was raised in connection with the acquisition of Thebalux in 2023. Svedbergs Group's liquidity risk thus increased at the end of the year. The Group's financing from credit institutions requires certain key ratios to be achieved. These are known as covenants. All covenants were achieved at the balance sheet date.

**Risk and sensitivity analysis**

Type of risk	Risk	Probability (1–5)	Impact (1–5)	Risk minimisation
<b>Market-related</b>	Economy and business environment	5	4	Distribution of operations in different countries and sales channels
	Range out of step with the market	2	4	Invest in product development
	Distribution channels	2	3	Available in many different distribution channels in several markets
<b>Business-related</b>	Sales and operating margin	3	4	Income and cost control, productivity improvement
	Employee skills	3	4	Training
	Product costing	3	3	Training, continuous reconciliation
	Functioning, efficient IT systems	5	5	Upgrades, evaluations, IT security systems
	Competition from low-pay countries	4	3	Investment plan for increased automation
<b>Legal</b>	Legislation and regulation	3	4	Continuous monitoring of discussions, preparatory work and amendments to legislation
	Intellectual property rights	3	2	Patent and design protection of products and technologies
<b>Sustainability-related</b>	Climate change	2	3	Reduction plans exist for each company in the Group. Continuity plans have been drawn up, alternative transport routes have been identified.
	Water and marine resources	2	3	All suppliers must have sustainable water use practices in place
	Biodiversity and ecosystems	2	3	Use wood raw material from sustainable forestry.
	Circular economy	2	3	Right from the design phase, develop products that provide good opportunities for reuse or recycling and are easy to disassemble.
	Own employees	2	3	The handling of hazardous substances in own production is governed by the health and safety policy. Policies and guidelines govern the work.
	Contractors and employees in the supply chain	2	4	Supplier audits, systematic evaluation of suppliers, signing of the Code of Conduct.
	Business ethics	3	4	Supplier audits, signing of the Code of Conduct. Training in the Code of Conduct.
<b>Finance-related</b>	Currency	4	4	Reducing exposure
	Liquidity	2	4	Bank contracts, cash flow monitoring
	Compliance with rules	3	3	Procedures, monitoring

1 = least probability/impact, 5 = most probability/impact

#### *Supplier dependency (business-related risk)*

There are alternative suppliers for goods and components that Svedbergs Group purchases. Reducing our dependence on suppliers has been particularly important in connection with the war in Ukraine, where the company has historically had one supplier. Another factor taken into consideration is the unrest around the Red Sea, where the availability of containers and the price of transport may affect the business-related risk of cost control. The assessment is that the Group is not seriously harmed by an individual supplier not being able to meet set requirements.

#### *Functioning, efficient IT systems (business-related risk)*

Svedbergs Group takes an active approach to IT security and has taken a wide range of measures to prevent IT problems from occurring, including preparing and implementing new policies and working practices as the company has grown and thus increased its exposure. The risk of data intrusion has probably never been greater, and ongoing risk analyses are carried out to identify potential threats to our organisation's information systems. The risk and sensitivity analysis shows that the IT risk has both high probability and high impact for all organisations and Svedbergs Group is no exception. If problems should nevertheless arise, the Group has plans per entity for how they can be quickly remedied so that production and deliveries are affected as little as possible.

#### *Currency risks (finance-related risks)*

In 2019, the Board of Directors of Svedbergs Group adopted a finance policy including a currency policy, which means that 0–50 percent of net flows may be hedged. In connection with the acquisition, an equity hedge in EUR was made to balance internal loans in EUR. New rolling contracts have been signed for the net flow of external and internal loans in GBP and EUR. Hedge accounting is not applied.

#### **Future developments in the Group**

The Group has five strong brand companies and eight strong brands, and there are high ambitions to make them even stronger. In spring 2024, even more new products were launched on the market and were well received by customers. The Group is well equipped to meet future consumer demands.

Based on the Board of Directors' decisions on financial targets for the future, the Group aims to grow by 10 percent annually and to have an EBITA margin of more than 15 percent. To achieve the targets, all companies in the Group must continue to work on increasing sales, margin enhancement activities and improving productivity.

#### **Dividend policy**

Svedbergs' dividend policy for ordinary dividends means that a dividend of up to 50 percent of the profit for the year after tax may be paid to shareholders. The level of the dividend should take into account the company's financial position and its growth and investment strategy, with the aim of creating future shareholder value.

#### **Justification by the Board of Directors**

With reference to what is stated above, the Board of Directors considers the proposed dividend to be justifiable with regard to the requirements set out in Chapter 17, Section 3, paragraphs 2 and 3, of the Swedish Companies Act. The nature and scope of operations do not entail risks beyond those normally encountered in the industry. The Board of Directors' assessment of the company's and the Group's financial position

means that the dividend is justifiable in relation to the requirements that the nature, scope and risks of the business, place on the size of the company's and the Group's equity and the company's and the Group's consolidation needs, liquidity and position in general.

The Board of Directors assesses that the proposed dividend will not affect Svedbergs' ability to meet the company's obligations in the short and long terms or to make the necessary ongoing investments.

#### **Proposed appropriation of profits in the parent company**

##### **The following profits are at the disposal of the Annual General Meeting**

SEK	
Share premium reserve	467,939,688
Profit brought forward	86,630,970
Profit for the year	116,562,413
<b>Total</b>	<b>671,133,071</b>

##### **The Board of Directors proposes that the profits be appropriated as follows**

SEK	
Dividend of SEK 1.00 per share paid to shareholders <sup>1)</sup>	52,978,456
To be carried forward	618,154,615
<b>Total</b>	<b>671,133,071</b>

1) Dividend calculated on the total number of outstanding shares as at 27 March 2024.



## Consolidated income statement

SEK thousand	Note	2023	2022
Net sales	4	1,823,705	1,832,896
Cost of goods sold		-1,028,171	-1,075,780
<b>Gross profit</b>		<b>795,534</b>	<b>757,116</b>
Selling expenses		-440,374	-393,821
Administrative expenses		-104,049	-99,615
Research and development expenses		-23,244	-20,398
Other operating income	6	7,526	6,820
Other operating expenses	5, 6	-24,962	-15,715
<b>Operating profit</b>	7-12	<b>210,432</b>	<b>234,384</b>
Financial income	14	14,957	14,053
Financial expenses	14	-65,657	-42,448
<b>Net financial items</b>		<b>-50,701</b>	<b>-28,395</b>
<b>Profit before tax</b>		<b>159,731</b>	<b>205,988</b>
Income tax	16	-40,835	-40,492
<b>Profit for the year</b>		<b>118,896</b>	<b>165,497</b>
Profit attributable to:			
Svedbergs Group AB's shareholders		118,896	165,497
Non-controlling interests		—	—
Earnings per share before dilution, SEK	18	3.37	4.90
Earnings per share after dilution, SEK	18	3.37	4.90
Avg. number of shares, thousands		35,324	33,769

## Consolidated statement of comprehensive income

SEK thousand	Note	2023	2022
Profit for the year		118,896	165,497
<b>Other comprehensive income</b>			
<i>Items that may subsequently be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		-22,466	20,212
<b>Total comprehensive income for the year</b>		<b>96,430</b>	<b>185,709</b>
Total comprehensive income for the year attributable to:			
Svedbergs Group AB's shareholders		96,430	185,709
Non-controlling interests		—	—

# Consolidated balance sheet

SEK thousand	Note	2023	2022
<b>ASSETS</b>			
Intangible assets	20	1,381,027	1,001,327
Property, plant and equipment	21	378,707	288,540
Right-of-use assets	22	82,245	28,462
Financial assets		2,880	1,517
<b>Total non-current assets</b>		<b>1,844,859</b>	<b>1,319,846</b>
Inventories	27	498,550	444,408
Accounts receivable – trade	28	296,067	291,404
Tax assets		20,651	19,195
Derivative instruments	29	13,106	—
Other receivables		5,964	1,983
Prepaid expenses	30	24,505	13,725
Cash and cash equivalents	31	216,946	200,329
<b>Total current assets</b>		<b>1,075,790</b>	<b>971,044</b>
<b>TOTAL ASSETS</b>		<b>2,920,649</b>	<b>2,290,890</b>

SEK thousand	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to parent company shareholders</b>	32		
Share capital		44,155	44,155
Other contributed capital		467,940	467,940
Reserves		4,999	27,465
Accumulated profit, including profit for the year		461,511	395,579
<b>Total equity</b>		<b>978,604</b>	<b>935,138</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	33	489,621	563,033
Non-current lease liabilities	22	63,683	9,904
Provision for additional purchase price	34	184,036	161,677
Other provisions	37	2,976	1,885
Deferred tax liabilities	17	174,437	131,965
<b>Total non-current liabilities</b>		<b>914,754</b>	<b>868,463</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	33	575,569	61,103
Current lease liabilities	22	18,830	18,827
Provision for additional purchase price	34	5,955	8,979
Accounts payable – trade		161,333	113,058
Current tax liabilities		3,933	12,702
Other liabilities		60,041	101,504
Accrued expenses and deferred income	36	196,961	168,160
Other provisions	37	4,669	2,957
<b>Total current liabilities</b>		<b>1,027,291</b>	<b>487,289</b>
<b>Total liabilities</b>		<b>1,942,045</b>	<b>1,355,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,920,649</b>	<b>2,290,890</b>

# Consolidated statement of changes in equity

SEK thousand	Note	Share capital	Other contributed capital	Reserves	Accumulated profit, incl. profit for the year	Total equity
<b>Opening equity, 1 January 2022</b>		<b>26,500</b>	<b>2,974</b>	<b>7,254</b>	<b>230,082</b>	<b>266,810</b>
Profit for the year		—	—	—	165,497	165,497
Other comprehensive income		—	—	20,212	—	20,212
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>	<b>20,212</b>	<b>165,497</b>	<b>185,709</b>
<b>Transactions with shareholders in their capacity as owners:</b>						
New share issue	32	17,655	464,965	—	—	482,620
<b>Total transactions with shareholders recognised directly in equity</b>		<b>17,655</b>	<b>464,965</b>	<b>—</b>	<b>—</b>	<b>482,620</b>
<b>Closing equity, 31 December 2022</b>		<b>44,155</b>	<b>467,940</b>	<b>27,465</b>	<b>395,579</b>	<b>935,138</b>

SEK thousand	Note	Share capital	Other contributed capital	Reserves	Accumulated profit, incl. profit for the year	Total equity
<b>Opening equity, 1 January 2023</b>		<b>44,155</b>	<b>467,940</b>	<b>27,465</b>	<b>395,579</b>	<b>935,138</b>
Profit for the year		—	—	—	118,896	118,896
Other comprehensive income		—	—	-22,466	—	-22,466
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>	<b>-22,466</b>	<b>118,896</b>	<b>96,430</b>
<b>Transactions with shareholders in their capacity as owners:</b>						
Dividend	19	—	—	—	-52,964	-52,964
<b>Total transactions with shareholders recognised directly in equity</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>-52,964</b>	<b>-52,964</b>
<b>Closing equity, 31 December 2023</b>		<b>44,155</b>	<b>467,940</b>	<b>4,999</b>	<b>461,511</b>	<b>978,604</b>

# Consolidated cash flow statement

SEK thousand	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Operating profit		210,432	234,384
<b>Adjustment for items not included in cash flow</b>			
Depreciation, amortisation and impairment		63,274	57,134
Other		-2,933	2,117
<b>Total</b>		<b>270,773</b>	<b>293,635</b>
Interest received		7,401	353
Interest paid		-45,798	-23,632
Tax paid		-49,389	-29,933
<b>Cash flow from operating activities before changes in working capital</b>		<b>182,988</b>	<b>240,423</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/Increase(-) in inventories		35,632	-27,194
Decrease(+) in operating receivables		16,504	3,464
Decrease(-)/Increase(+) in operating liabilities		-39,481	23,567
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>195,643</b>	<b>240,260</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	39	-476,647	-148,939
Capitalised development expenditure	20	-11,165	-9,303
Acquisition of other intangible assets	20	-2,695	-6,554
Acquisition of property, plant and equipment	21	-11,844	-21,844
Sale of property, plant, and equipment		—	8,101
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-502,351</b>	<b>-178,539</b>

SEK thousand	Note	2023	2022
<b>FINANCING ACTIVITIES</b>			
Loans raised	35	555,560	53,155
Repayment of loans		-109,427	-675,214
Repayment of lease liability	22	-23,115	-17,496
Reduction in overdraft facilities		-39,603	-33,163
New share issue		—	479,582
Dividend paid to parent company shareholders		-52,964	—
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>330,450</b>	<b>-193,136</b>
<b>CASH FLOW FOR THE YEAR</b>			
Cash and cash equivalents at beginning of the year		200,329	319,884
Exchange difference in cash and cash equivalents		-7,125	11,860
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>	31	<b>216,946</b>	<b>200,329</b>
Consolidated unutilised credit facilities	33	176,999	60,397

# Parent company's income statement

SEK thousand	Note	2023	2022
<b>Net sales</b>	4	<b>257,443</b>	<b>604,084</b>
Cost of goods sold		-138,292	-349,742
<b>Gross profit</b>		<b>119,152</b>	<b>254,342</b>
Selling expenses		-46,367	-111,632
Administrative expenses		-47,950	-46,254
Research and development expenses		-5,960	-11,660
Other operating income	6	1,594	4,885
Other operating expenses	5, 6	-6,441	-10,906
<b>Operating profit</b>	7-12	<b>14,027</b>	<b>78,773</b>
Profit from participations in Group companies	13	100,829	2,062
Interest income and similar profit items	14	74,155	28,868
Interest expense and similar items	14	-76,160	-28,729
<b>Net financial items</b>		<b>98,823</b>	<b>2,201</b>
<b>Profit after financial items</b>		<b>112,850</b>	<b>80,974</b>
Appropriations	15	7,945	-10,800
Tax on profit for the year	16	-4,233	-14,225
<b>Profit for the year</b>		<b>116,562</b>	<b>55,949</b>

# Parent company's balance sheet

SEK thousand	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	20	843	9,366
Property, plant and equipment	21	13,588	39,978
Right-of-use assets	22	–	4,015
Financial assets	17, 24	672,033	378,666
Receivables from Group companies	8	1,143,819	789,119
<b>Total non-current assets</b>		<b>1,830,283</b>	<b>1,221,144</b>
<b>Current assets</b>			
Inventories	27	–	96,652
<b>Current receivables</b>			
Accounts receivable – trade	28	–	105,257
Receivables from Group companies	8	110,112	10,285
Tax assets		8,079	–
Derivative instruments	29	13,106	–
Other receivables		5	489
Prepaid expenses	30	5,620	6,671
<b>Total current receivables</b>		<b>136,922</b>	<b>122,702</b>
Cash and bank balances	31	45,841	22,797
<b>Total current assets</b>		<b>182,763</b>	<b>242,151</b>
<b>TOTAL ASSETS</b>		<b>2,013,046</b>	<b>1,463,295</b>

SEK thousand	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>	32		
Share capital		44,155	44,155
Statutory reserve		5,300	5,300
<b>Total restricted equity</b>		<b>49,455</b>	<b>49,455</b>
<b>Non-restricted equity</b>			
Share premium reserve		467,940	467,940
Retained earnings		86,631	83,648
Profit for the year		116,562	55,949
<b>Total non-restricted equity</b>		<b>671,133</b>	<b>607,537</b>
<b>Total equity</b>		<b>720,588</b>	<b>656,992</b>
<b>Untaxed reserves</b>			
	15	<b>24,755</b>	<b>32,700</b>
<b>Provisions</b>			
Other provisions	37	2,976	3,365
<b>Total provisions</b>		<b>2,976</b>	<b>3,365</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	33	465,553	525,033
Non-current lease liabilities	22	–	1,198
Provision for additional purchase price	34	–	5,986
<b>Total non-current liabilities</b>		<b>465,553</b>	<b>532,217</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	33	571,195	61,015
Provision for additional purchase price	34	5,955	8,979
Current lease liabilities	22	–	2,815
Accounts payable – trade		8,479	42,937
Liabilities to Group companies	8	203,948	44,814
Current tax liability		–	6,240
Other liabilities		1,967	11,550
Accrued expenses and deferred income	36	7,630	59,671
<b>Total current liabilities</b>		<b>799,174</b>	<b>238,021</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,013,046</b>	<b>1,463,295</b>

# Parent company's statement of changes in equity

SEK thousand	Note	Share capital	Statutory reserve	Share pre- mium reserve	Retained earnings	Profit for the year	Total equity
<b>Opening equity, 1 January 2022</b>		<b>26,500</b>	<b>5,300</b>	<b>2,974</b>	<b>33,958</b>	<b>49,691</b>	<b>118,423</b>
Distribution of previous year's profit		—	—	—	49,691	-49,691	—
Profit for the year		—	—	—	—	55,949	55,949
New share issue	32	17,655	—	464,965	—	—	482,620
<b>Closing equity, 31 December 2022</b>		<b>44,155</b>	<b>5,300</b>	<b>467,940</b>	<b>83,648</b>	<b>55,949</b>	<b>656,992</b>

SEK thousand	Note	Share capital	Statutory reserve	Share pre- mium reserve	Retained earnings	Profit for the year	Total equity
<b>Opening equity, 1 January 2023</b>		<b>44,155</b>	<b>5,300</b>	<b>467,940</b>	<b>83,648</b>	<b>55,949</b>	<b>656,992</b>
Distribution of previous year's profit		—	—	—	55,949	-55,949	—
Profit for the year		—	—	—	—	116,562	116,562
Dividend	19	—	—	—	-52,964	—	-52,964
<b>Closing equity, 31 December 2023</b>		<b>44,155</b>	<b>5,300</b>	<b>467,940</b>	<b>86,631</b>	<b>116,562</b>	<b>720,588</b>

# Parent company's cash flow statement

SEK thousand	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Operating profit		14,027	78,773
<b>Adjustment for items not included in cash flow</b>			
Depreciation and amortisation		4,833	13,024
Other		-2,410	-3,133
<b>Total</b>		<b>16,450</b>	<b>88,664</b>
Interest received		6,904	—
Interest paid		-43,524	-23,706
Tax paid		-18,355	-14,324
<b>Cash flow from operating activities before change in working capital</b>		<b>-38,525</b>	<b>50,634</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+) in inventories		-5,563	2,981
Decrease(+)/Increase(-) in operating receivables		-17,693	-2,994
Increase(+) in operating liabilities		182,894	63,450
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>121,113</b>	<b>114,071</b>

SEK thousand	Note	2023	2022
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	24	-292,552	—
Acquisition of intangible and tangible fixed assets	20, 21	-2,666	-13,337
Dividends from subsidiaries		100,829	2,062
Loans to subsidiaries		-295,603	—
Repayment received from Group companies		—	13,060
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-489,992</b>	<b>1,785</b>
<b>FINANCING ACTIVITIES</b>			
Reduction in overdraft facilities	35	-39,603	-33,163
Loans raised		555,560	53,155
Repayment of loans		-71,071	-675,214
Repayment of lease liability	22	—	-2,888
New share issue		—	482,620
Dividend paid to parent company shareholders		-52,964	—
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>391,923</b>	<b>-175,489</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>23,044</b>	<b>-59,633</b>
Cash and cash equivalents at beginning of the year		22,797	82,430
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>	31	<b>45,841</b>	<b>22,797</b>
Parent company's unutilised credit	33	176,999	60,397



# Notes

All Amounts in SEK thousand unless specified otherwise.

## Note 1 General information

Svedbergs Group's ambition is to consolidate the European bathroom products market. The Group invests in independent companies that design, manufacture and market sustainable products for bathrooms. The Group grows through organic growth and acquisitions that complement and strengthen the Group through new products, greater geographical spread and new expertise in marketing, innovation and sustainability.

The Group creates value by nurturing companies' entrepreneurial drive and commitment, and also by selectively finding synergies in areas such as purchasing, digitalisation and sustainability. The Group calls this cooperation without confusion.

The Group operates through the brand companies Svedbergs, Macro Design, Cassøe, Roper Rhodes and Thebalux.

The parent company Svedbergs Group AB (publ) is a listed Swedish limited company with its registered office in Halmstad Municipality, Sweden. The address of the head office is Box 840, 301 18 Halmstad, Sweden. The company is listed on the Nasdaq OMX Nordic Exchange in Stockholm in the Small Cap category.

On 27 March 2024, the Board of Directors approved this annual report and these consolidated financial statements for publication.

## Note 2 Accounting policies and disclosures

This note sets out the significant accounting policies applied in the preparation of these consolidated financial statements, to the extent that they are not disclosed in subsequent notes. All accounting policies set out in this annual report have been applied consistently for all years presented, unless otherwise stated. The consolidated financial statements comprise Svedbergs Group AB and its subsidiaries, referred to jointly as the Group. Svedbergs Group AB prepares consolidated financial statements for the largest Group.

### 2.1 Compliance with regulations and standards

The consolidated financial statements for the Group have been prepared in pursuance of the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The consolidated financial statements have been prepared using the cost method, except for certain financial assets and liabilities measured at fair value.

#### 2.1.1 Parent company accounting policies

The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. RFR 2 means that parent companies in groups that have voluntarily chosen to apply IFRS/IAS in their consolidated financial statements must, as a general rule, apply the IFRS/IAS applied in the Group. Accordingly, the parent company applies the principles applied in the consolidated financial statements, with the exceptions listed below and in the table on depreciation/amortisation principles on page 84. The principles have been applied consistently for all years presented, unless otherwise stated.

Shares and participations in subsidiaries are recognised at cost less any impairment. Dividends received

are recognised as financial income. A dividend that exceeds the subsidiary's comprehensive income for the period or that causes the book value of the holding's net assets in the consolidated financial statements to be less than the book value of the participations is an indication of a need for impairment. When there is an indication that shares and participations in subsidiaries have fallen in value, the recoverable amount is calculated. If it is lower than the carrying amount, an impairment is made. Impairments are recognised in the item 'Profit from participations in Group companies'.

Shareholders' contributions are recognised directly in equity by the recipient and are capitalised as shares and participations by the contributor, where impairment is not required. Group contributions are recognised by applying the alternative rule according to RFR 2, IAS 27 p.2. The alternative rule means that both Group contributions received and paid are recognised as an appropriation in the income statement.

#### 2.1.2 New standards and amendments

##### a) New and amended standards applied by the Group

The following amendments are applied by the Group for the first time for the financial year beginning on 1 January 2023:

- IFRS 17 Insurance Contracts,
- Deferred tax assets and deferred tax liabilities arising from a single transaction – amendments to IAS 12,
- Definition of Accounting Estimates – amendments to IAS 8, and
- Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statements 2.

The amendments listed above had no material impact on the consolidated financial statements.

##### b) New standards and interpretations that have not yet been applied by the Group

Certain amendments to standards that have been published enter into force for financial years starting on or after 1 January 2024 and have not been applied prematurely in the preparation of these financial statements. These new amendments are not expected to have a material impact on the Group's financial statements in the current or future periods or on future transactions.

## 2.2 Consolidated financial statements

### 2.2.1 Subsidiaries

Subsidiaries are all entities over which the Group has a controlling influence. The Group has a controlling influence over an entity when it is exposed to or has rights to variable returns from its interest in the entity and can affect those returns through its controlling influence in the entity. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. Subsidiaries are excluded from the consolidated financial statements from the date on which the controlling influence ceases. The acquisition method is used to recognise the Group's business combinations (see Note 39).

Intra-Group transactions, balance sheet items and unrealised profits and losses on transactions between Group companies are eliminated. Intra-Group losses may be an indication of impairment that must be recognised in the consolidated financial statements. The accounting policies of subsidiaries have been adjusted, where appropriate, to ensure consistent application of the Group's policies. Non-controlling interests in the earnings and equity of subsidiaries are recognised separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet.

## Note 2 Accounting policies and disclosures, cont.

### 2.3 Translation of foreign currencies

#### 2.3.1 Functional and reporting currencies

Items in the financial statements of the various entities in the Group are measured in the currency used in the economic environment in which each company mainly operates (functional currency). The currency used in the consolidated financial statements is the Swedish krona (SEK), which is the parent company's functional currency and the Group's reporting currency.

#### 2.3.2 Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates prevailing on the transaction date or on the date on which the items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of closing day rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses attributable to loans and cash and cash equivalents are recognised in the income statement as financial income or expenses. Foreign exchange gains and losses attributable to the sale of products and services are recognised in the income statement as net sales. Foreign exchange gains and losses attributable to the purchase of raw materials and products are recognised in the income statement as cost of goods sold. Other foreign exchange gains and losses are recognised in other operating income and other operating expenses in the income statement.

#### 2.3.3 Group companies

The earnings and financial position of all Group companies (none of which has a hyper-inflation currency as its functional currency) that have a functional currency other than the reporting currency are translated to the Group's reporting currency as follows:

- assets and liabilities of each of the balance sheets are translated at the closing rate of exchange;
- income and expenses for each of the income statements are translated at the average exchange rate for the year, and

c) all exchange differences are recognised in other comprehensive income.

Accumulated gains and losses in equity are recognised in the income statement when the foreign operation is wholly or partially divested. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that operation and translated at the closing day rate.

### 2.4 Segment reporting

An operating segment is a part of the Group that engages in business activities from which it may earn income and incur expenses, the operations of which are regularly reviewed by the Group's chief operating decision maker as the basis for decisions about the allocation of resources to the segment and assessment of its earnings, and about which standalone financial information is available. The operating segment is reported on in a manner consistent with the internal reporting provided to the chief operating decision maker, the CEO. The chief operating decision maker is the function responsible for allocating resources and assessing the earnings of the operating segment. In Svedbergs Group, each brand company is reported on as a segment, which is in line with the internal monitoring of operations.

### 2.5 Revenue recognition

The Group applies the five-step model in IFRS 15, Revenue from Contracts with Customers, when assessing whether revenue should be recognised. The steps in the model are to: 1) identify the contract with the customer, 2) identify the performance obligation, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations, and 5) recognise the revenue at the time at which the performance obligation is satisfied.

The Group's contracts are in writing and contain the relevant performance obligations, such as which products are to be delivered and when. The Group's revenue is generated from the sale of goods from the product range offered to customers. 72 percent of the

product range consists of self-produced products and 28 percent of purchased products, all of which are sold under the company's own brand. Revenue includes the fair value of what has been or will be received for goods sold in the Group's operating activities.

Revenue is recognised net of VAT, returns, discounts and bonuses. The Group recognises revenue when the buyer obtains control of the goods and the Group no longer has any involvement in the day-to-day management of the goods sold or effective control over them. The revenue must be reliably measurable and it must be probable that future economic benefits will flow to the Group and the expenses incurred or expected to be incurred as a result of the transaction can be measured reliably. This time usually coincides with delivery of the goods from Svedbergs Group en route to the customer. Where the contract contains components that are fulfilled over time, revenue is allocated to the dates on which the respective performance obligations are fulfilled.

Where a contract contains several separate performance obligations, the transaction price is allocated to each performance obligation based on their standalone sales prices. Management estimates the standalone sales price on commencement of the contract based on observable prices for the same type of product to be delivered and services performed in similar circumstances to similar customers. If there are no observable prices, management must estimate the price using an appropriate method, such as the cost-plus approach. If the Group provides a discount, it is allocated to all performance obligations on the basis of their relative standalone sales prices.

Although there may be exceptional cases of extended payment terms, payment terms never exceed 12 months. The transaction price is therefore not adjusted for the effects of significant financing components.

The Group's obligation to provide refunds for defective products in accordance with normal warranty rules is recognised under IAS 37 Provisions. The

Group does not have any contracts in which extended warranties are offered to customers. A provision for product warranties is recognised when the products are sold. The reserve is based on anticipated contractual obligations and is determined on the basis of historical statistics on the cost of remedies, etc.

Interest income is recognised as revenue with the application of the effective interest method.

### 2.6 Current and deferred income tax

Tax expense for the period comprises current tax calculated on the taxable profit for the period at current tax rates. The current tax expense is adjusted by changes in deferred tax assets and liabilities relating to temporary differences and unutilised losses.

Current tax expense is calculated based on the tax rules adopted as at the balance sheet date or adopted in practice in the countries in which the parent company's subsidiaries operate and generate taxable income.

Deferred tax is recognised on all temporary differences arising between the taxable value of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise as a consequence of initial recognition of goodwill. Deferred tax is also not recognised if it arises as a consequence of a transaction that represents initial recognition of an asset or liability that is not a business combination and that, at the time of the transaction, has no impact on either net profit or taxable profit.

Deferred income tax is calculated using the tax rates (and laws) that have been adopted or advised as at the balance sheet date and are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent to which it is probable that future tax surpluses will be available, against which the temporary differences can be utilised. Deferred taxes attributable to temporary differences relating to holdings in subsidiaries are not recognised as the parent company can in all cases

## Note 2 Accounting policies and disclosures, cont.

control the timing of the reversal of the temporary differences and it is not considered likely that such a reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legal right to set off current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes levied by a single tax authority on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

Current and deferred tax is recognised in income statement, apart from when tax is attributable to items recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income and equity.

### 2.7 Related party transactions

Related companies are defined as the companies included in the Group and companies in which related natural persons have control, joint control or significant influence. Related natural persons are defined as Board members, senior executives and close family members of such persons. For purchases and sales between Group companies, the same pricing principles are applied as for transactions with external parties, i.e. at market prices. A disclosure is made if a related party transaction has occurred, i.e. a transfer of resources, services or obligations, whether or not compensation has been paid.

### 2.8 Earnings per share

Earnings per share are calculated by dividing the profit or loss according to the income statement attributable to the parent company shareholders by a weighted average number of shares outstanding during the period.

### 2.9 Leases

#### 2.9.1 The Group's leasing activities and their recognition

The Group leases buildings, premises and vehicles (see Note 22). Leases are normally entered into for fixed terms but there may be possibilities for exten-

sion. The terms are negotiated separately for each lease and contain a large number of different contractual conditions. The leases do not contain any specific conditions or restrictions that would result in their termination if the conditions were not met, but the leased assets may not be used as collateral for loans.

Leases are recognised as right-of-use assets and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is allocated between repayment of the liability and financial expenses. The financial expense is allocated over the lease term so that each accounting period is charged with an amount that corresponds to a fixed interest rate for the liability recognised in the period in question. The right-of-use asset is amortised on a straight-line basis over the shorter of the asset's useful life and the lease term. If the Group is reasonably certain to exercise a call option, the right-of-use asset is amortised over the useful life of the underlying asset.

Assets and liabilities arising from leases are initially recognised at present value. The lease liabilities include the present value of the following lease payments:

- fixed charges (including charges that are fixed in substance), less incentive claims
- variable lease payments that depend on an index or a price
- guaranteed residual value that the lessee expects to have to pay to the lessor
- the exercise price of a call option, if it is reasonably certain that the lessee will exercise the option, and
- penalties for terminating the lease, if the term of the lease reflects the assumption that the lessee will exercise this option.

The lease payments are discounted using the implicit rate if that rate can be determined, otherwise using the marginal borrowing rate. The Group is exposed to potential future increases in variable lease payments based on an index or interest rate which are not included in the lease liability until they become effective. When adjustments to lease payments based

on an index or interest rate take effect, the lease liability is remeasured and adjusted against the right-of-use asset. Right-of-use assets are measured at cost and include the following:

- the amount at which the lease liability was initially measured
- lease payments made at or before the commencement date, less any benefits received in connection with the signing of the lease
- initial direct expenditure, and
- expenses for restoring the asset to the condition required by the terms of the lease.

Payments for short-term leases and low-value leases are expensed in the income statement on a straight-line basis. Short-term leases are leases with a lease term of 12 months or less. Low-value leases include IT equipment and small office equipment.

#### 2.9.2 Options to extend and terminate leases

Options to extend and terminate leases are included in a number of the Group's leases, mainly for buildings. The conditions are used to maximise flexibility in the management of the leases. The majority of the options to extend and terminate leases may only be exercised by the Group and not by the lessors.

### 2.10 Business combinations

The acquisition method is used to recognise the Group's business combinations, whether the acquisition consists of equity interests or other assets. The consideration for the acquisition of a subsidiary is the fair value of

- assets transferred
- liabilities to former owners that the Group assumes
- shares issued by the Group
- assets or liabilities that are the result of a contract for a contingent consideration
- previous equity interest in the company acquired

Identifiable assets acquired, liabilities assumed and contingent liabilities taken over in a business combination are, with a few exceptions, initially measured at fair

value at the acquisition date. For each acquisition, i.e. on an acquisition-by-acquisition basis, the Group determines whether the non-controlling interest in the acquiree is recognised at fair value or at its proportionate share of the carrying amount of the acquiree's identifiable net assets. Expenses relating to acquisitions are expensed as they are incurred. Goodwill is the amount by which **a)** payment transferred, **b)** any non-controlling interest in the company acquired, and **c)** the fair value of previous equity interest in the company acquired at the acquisition date (if the business combination was completed in stages), exceed the fair value of identifiable net assets acquired. If the amount is lower than the fair value of the net assets acquired, in the event of a low-price acquisition, the difference is recognised directly in the income statement.

Where all or part of a consideration is deferred, the future payments are discounted to present value at the acquisition date, where the discount effect is significant. The discount rate is the company's marginal borrowing rate, which is the interest rate the company would have paid for loan financing during a corresponding period and on similar conditions.

Contingent considerations are classified either as equity or as financial liabilities. Amounts classified as financial liabilities are remeasured to fair value in each period. Any remeasurement gains and losses are recognised in profit or loss.

If the business combination is completed in several stages, the previous equity interest in the company acquired is remeasured to fair value at the acquisition date. Any profit or loss as a result of the remeasurement is recognised in profit or loss.

### 2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not amortised, but they are tested annually, or when there is an indication of a fall in value, for impairment. Assets that are amortised/depreciated are estimated in respect of impairment whenever events or changes in conditions indicate that the carrying

**Note 2 Accounting policies and disclosures, cont.**

amount may not be recoverable. Impairment is by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value, less any selling expenses, and its value in use. For the assessment of any need for impairment, assets are grouped at the lowest levels on which there are essentially independent cash flows (cash-generating units). Assets (other than goodwill) for which impairment was previously recognised are tested for whether any reversal should be made as at every balance sheet date. Capitalised development work is tested annually for impairment before it is ready for use.

**2.12 Items affecting comparability**

Items affecting comparability are recognised separately in the income statement when this is necessary to explain the Group's performance. Items affecting comparability are significant income or expense items that are recognised separately because of the significance of their nature or amount.

**2.13 Intangible assets**

**2.13.1 Goodwill**

Goodwill is calculated according to the principles in Note 2.10. Goodwill arising on business combinations is included in intangible assets. Goodwill is not amortised, but is tested for impairment annually or more frequently if events or changes in circumstances indicate a possible fall in value. Goodwill is recognised at cost less accumulated impairment. When an entity is sold, the carrying amount of goodwill is included in the profit/loss generated.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management purposes. Any impairment is recognised immediately as an expense and is not reversed.

**2.13.2 Brands**

Brands have been acquired through business combinations and are recognised at fair value at the acquisition date. The useful life is deemed to be indefinite as these are established brands in a stable market that the Group intends to retain and further develop. Brands are tested for impairment at least once a year and when there is an indication of a need for impairment.

**2.13.3 Customer relations**

Customer relations have been acquired through business combinations and are recognised at fair value at the acquisition date. Customer relations have a definite useful life and are recognised at cost less accumulated amortisation and impairment. Amortisation is on a straight-line basis to spread the cost over the estimated useful life of 10–15 years. At each balance sheet date, the established useful life is reassessed and if it differs from previous assessments, the amortisation period is changed accordingly.

**2.13.4 Capitalised development work**

For Svedbergs Group it is crucial to continually renew the product range. The results of the product development work will have a major impact on the Group's future sales growth and profit generation.

Expenses that are directly attributable to the development of new products and product lines or patents and are controlled by the Group are recognised as intangible assets when the following criteria are met:

- the development project is related to a new product or product line,
- it is technically possible to complete the above development project so that the development results can be used,
- the company's intention is to complete the development project and to use or sell the results,
- there is potential to use or sell the development results,
- it can be shown how the development results generate likely future economic benefits,

- adequate technical, financial and other resources to complete the development and to use or sell the development results are available, and
- the expenses attributable to the project during its development can be reliably calculated.

The expenses include employee benefit expenses for internal development work, external expenses and a reasonable proportion of indirect expenses. Intangible assets resulting from development work are recognised at cost. Where the carrying amount of an asset exceeds its estimated recoverable amount, the asset is immediately written down to its recoverable amount.

The development of new products is continuously capitalised during the development phase. Maintenance and improvements of existing products and product lines are considered to be adaptations of the core product and are not capitalised. Projects in the research phase are not capitalised. Development expenses that have previously been expensed are not capitalised as assets in later periods.

Advances for external development are recognised as intangible assets where the company has control over the asset.

Capitalised development expenditure are amortised from the time at which the asset is ready for use. Amortisation is calculated on the original cost and based on the estimated useful life of the assets, up to a maximum of five years.

**2.14 Property, plant, and equipment**

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of an asset. Additional expenses are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the part replaced is removed from the

balance sheet. All other forms of repair and maintenance are expensed in the period in which they arise.

Depreciation is based on original cost and the estimated useful life of the assets. Depreciation per annum has been calculated using the following percentages:

	Group	Parent company
Brands	Impairment testing	—
Customer relations	7–10 %	—
Capitalised expenditure on product development	20%	Expensed directly
Computer programmes, computer equipment	20–33 %	20–33 %
Machinery and equipment in production	10–20 %	10–20 %
Other equipment	20%	20%
Buildings	4–10 %	4–10 %
Land	—	—

Assets' residual value and useful life are reviewed at the end of each reporting period and are adjusted as required. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other operating income or other operating expenses.

## Note 2 Accounting policies and disclosures, cont.

### 2.15 Financial instruments

#### 2.15.1 Classification

The Group classifies its financial assets in the following categories:

- financial assets recognised at fair value through other comprehensive income
- financial assets recognised at fair value through profit or loss, and
- financial assets recognised at amortised cost.

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the assets' cash flows. The Group reclassifies debt instruments only when the Group's business model for the instruments changes.

#### 2.15.2 Recognition and derecognition in the balance sheet

Purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to buy or sell the asset. Financial assets are derecognised when the right to receive cash flows from the instrument has lapsed or has been transferred and the Group has transferred substantially all the risks and benefits of ownership.

#### 2.15.3 Measurement

Financial assets are initially measured at fair value plus, where the asset is not recognised at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets recognised at fair value through profit or loss are expensed directly in the income statement.

##### a) Investments in debt instruments

The subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the nature of the cash flows generated by the asset. The Group classifies its investments in debt instruments in three measurement categories:

- *Amortised cost:* Assets held for the purpose of collecting contractual cash flows, where those cash flows consist solely of principal and interest, are recognised at amortised cost. Interest income from such financial assets is recognised as financial income using the effective interest method. Gains and losses arising from derecognition are recognised directly in profit or loss. Impairment losses are recognised on a separate line in the income statement.
- *Fair value through other comprehensive income:* Financial assets that are held for the purpose of collecting contractual cash flows and for the sale of the assets, where the cash flows of the assets consist solely of principal and interest, and the asset has not been identified as measured at fair value, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognised through other comprehensive income except for impairment, interest income and exchange differences, which are recognised in the income statement. When the financial asset is derecognised, the accumulated gain or loss previously recognised in other comprehensive income is transferred from equity to the income statement. Interest income from these financial assets is recognised as financial income using the effective interest method. Expenses for impairment are recognised on a separate line in the income statement.
- *Fair value through profit or loss:* Assets that do not qualify for recognition at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt instrument recognised at fair value through profit or loss that is not part of a hedging relationship is recognised net in the income statement in the period in which the gain or loss arises.

##### b) Investments in equity instruments

The Group measures all equity instruments at fair value. Where Group management have chosen to recognise fair value changes to equity instruments

through other comprehensive income, there is no subsequent reclassification of fair value changes to the income statement when the instrument is derecognised. Dividends from such investments are recognised in the income statement as other income when the Group's right to receive payment has been established.

Changes in the fair value of financial assets recognised at fair value through profit or loss are recognised as other gains/losses in the income statement. Impairments (and reversals of impairments) of equity instruments recognised at fair value through other comprehensive income are not recognised separately from other changes in fair value.

##### c) Impairment of financial assets

In accordance with the IFRS 9 impairment rules, the Group uses forward-looking information to apply the expected credit loss model. Financial assets include accounts receivable – trade that are measured at amortised cost. Recognition of credit losses means that the Group considers a wider range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected possibility of receiving future cash flows from the asset.

The Group applies the simplified method for calculating expected credit losses and the provision represents the expected loss over the entire remaining life of the receivable. The Group assesses the impairment of accounts receivable – trade collectively where the receivables have been grouped based on the number of days past due as they have common credit risk characteristics. Accounts receivable – trade are derecognised when the Group no longer expects that they will be paid. See Note 28 for more information on the Group's recognised credit losses.

Cash and cash equivalents are also within the scope of impairment under IFRS 9. However, the impairment that would be involved has been deemed to be immaterial.

### 2.16 Derivatives

Derivative instruments are recognised in the balance sheet at the contract date and are measured at fair value, both on initial recognition and on subsequent remeasurements at the end of each reporting period. Quoted rates for the currency at the balance sheet date are used to determine fair value. The method of recognising the remeasurement gain or loss depends on whether the derivative has been identified as a hedging instrument and, if so, the nature of the item being hedged.

In 2023 and 2022, the Group did not apply hedge accounting for existing derivative instruments, which means that the resulting gain or loss is recognised directly in the income statement.

Information on the fair value of various derivative instruments can be found in Note 25. All derivative instruments are classified as current assets or current liabilities.

### 2.17 Inventories

Inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method. Raw materials are measured at cost. The cost of finished products and products in progress consists of the cost of materials and direct labour and other directly and indirectly attributable production costs. Borrowing costs are not included. Net realisable value is the estimated sales price in operating activities less applicable variable selling expenses. Intra-Group profits on sales between Group companies are eliminated.

A provision for anticipated obsolescence of inventories is made when there are objective grounds to assume that the Group will not be able to obtain the value at which the inventories are recognised in future sales. The amount of the provision is the difference between the carrying amount of the asset and the value of estimated future cash flows. The amount of the provision is recognised in the income statement.

## Note 2 Accounting policies and disclosures, cont.

### 2.18 Accounts receivable

Accounts receivable are amounts due from customers for goods sold in operating activities. Accounts receivable are generally due for payment within 30–45 days and all accounts receivable have therefore been classified as current assets. Accounts receivable are initially recognised at the transaction price. However, accounts receivable that have a significant financing component are measured at fair value. The Group holds the accounts receivable for the purpose of collecting contractual cash flows and therefore measures them at subsequent reporting dates at amortised cost using the effective interest method. In accordance with IFRS 9, the Group applies a simplified method for impairment testing of accounts receivable. See Note 2.15.3 c) for a description of the Group's impairment policy.

### 2.19 Cash and cash equivalents

Cash and cash equivalents include, in both the balance sheet and the statement of cash flows, cash and bank balances. Utilised overdraft facilities are recognised as current interest-bearing liabilities.

### 2.20 Accounts payable – trade and other liabilities

Accounts payable are obligations to pay for goods or services acquired in operating activities from suppliers. The amounts are unsecured and are usually paid within 30–60 days. Accounts payable and other liabilities are classified as current liabilities if they fall due within one year or less (or during the normal operating cycle if this is longer). If not, they are recognised as non-current liabilities. The liabilities are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

### 2.21 Borrowings and borrowing costs

Borrowing is initially recognised at fair value, net of transaction costs. Borrowing is subsequently recognised at amortised cost and any difference between the amount received (net of transaction costs) and the amount to be repaid is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowing is derecognised from the balance sheet when the obligations have been settled or cancelled or have otherwise lapsed. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Utilised overdraft facilities are recognised as current interest-bearing liabilities in the balance sheet.

The Group has no development projects of such importance that it is necessary to capitalise borrowing costs. All borrowing costs are therefore expensed as they are incurred.

### 2.22 Provisions

Provisions for legal claims and warranties are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. No provisions are made for future operating losses.

If there are a number of similar obligations, the probability that an outflow of resources will be required for settlement is assessed for this group of obligations as a whole. A provision is recognised even if the probability of an outflow for a particular item in this group of obligations is low. Provisions for warranty claims are based on an individual company-specific procedure and are recognised when the products are sold. The provision is based on anticipated contractual obligations and is determined on the basis of historical statistics on the cost of remedies, etc.

### 2.23 Employee benefits

Liabilities for salaries and benefits, including non-monetary benefits and paid absence, that are expected to be settled within 12 months after the end of the financial year are recognised as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The expense is recognised as the services are performed by the employees. Liabilities for long-term paid absence that are not expected to be settled in full within 12 months after the end of the reporting period in which the employees perform the services that give rise to the benefits are recognised as non-current liabilities.

#### 2.23.1 Pension obligations

Group companies have different post-employment, defined benefit and defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. A defined benefit pension plan is a pension plan that is not a defined contribution plan. The characteristic feature of a defined benefit plan is that it defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

Some of the pension obligations for salaried employees in Sweden are secured through insurance with Alecta, which is a multi-employer defined benefit plan. For the financial years 2023 and 2022, the company had no access to information that makes it possible to recognise these plans as defined benefit plans. The pension obligations are therefore recognised as defined contribution plans, in accordance with the exemption in IAS 19 on accounting for multi-employer defined benefit pension plans.

Otherwise, the pension obligations in the foreign entities are mainly classified as defined contribution plans. For defined contribution pension plans, the Group pays contributions to privately administered pension insurance plans on a contractual basis.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due for payment.

#### 2.23.2 Warrants

Svedbergs Group AB has an outstanding option programme. The 2021 Annual General Meeting resolved to issue a maximum of 358,455 warrants. Each warrant entitles the holder, recalculated after the issue, to acquire one Class B share during the period 1 June 2024 to 31 May 2026 at a price of SEK 52.35 (56.04) for 1.07 shares (1.00) with a customary pre-emption agreement.

The subscription price corresponded to 110 percent of the volume-weighted average price of the shares on Nasdaq Stockholm during the five trading days immediately preceding the date of subscription of the warrants.

During the second quarter of 2021, 302,955 warrants were offered and transferred to employees on market terms. Of these, 60,000 were acquired by CEO Per-Arne Andersson and 252,955 by other senior executives. The remaining 55,500 warrants were subscribed for by the subsidiary Svedbergs i Dalstorp AB for possible new staff.

#### 2.23.3 Termination benefits

Termination benefits are paid when an employee's employment has been terminated by the Group before normal retirement age or when an employee accepts voluntary retirement in return for such benefits. The Group recognises termination benefits at the earlier of the following times: (a) when the Group is no longer able to withdraw the offer of benefits and (b) when the company recognises expenses for restructuring that are within the scope of application of IAS 37 and entail the payment of severance pay.

## Note 2 Accounting policies and disclosures, cont.

### 2.24 Equity

#### 2.24.1 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are recognised, net of tax, in equity as a deduction from the issue proceeds. If any Group company purchases the parent company's shares (buy-back of own shares), the consideration paid, including any directly attributable transaction costs (net of tax), reduces equity until the shares are cancelled or sold. If these ordinary shares are subsequently sold, the amounts received (net of any directly attributable transaction costs and tax effects) are recognised in equity.

#### 2.24.2 Reserves

Reserves in equity consist of translation reserves. The translation reserve comprises exchange differences arising from the translation of the income statements and balance sheets of all Group companies to the Group's reporting currency.

#### 2.24.3 Dividend

Dividends are recognised as income when the right to receive payment has been established. This applies even if the dividends are paid out of profits accrued before the acquisition date. However, as a consequence, the investment may need to be tested for impairment.

### 2.25 Contingent liabilities

Contingent liabilities are existing obligations relating to past events, the existence of which will be confirmed only by one or more uncertain future events, the occurrence or non-occurrence of which is not wholly within the Group's control. Contingent liabilities may also consist of existing obligations related to past events that have not been recognised as liabilities or provisions because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be estimated with sufficient reliability.

According to past experience, the Group reserves amounts to cover future warranty obligations for products sold. Contingent liabilities are not recognised as provisions in the balance sheet. However, the obligation may develop in a way that was not originally anticipated, for which reason the Group regularly assesses these obligations to determine whether an outflow of resources has become probable. If an outflow of resources has become probable for a circumstance previously treated as a contingent liability, a provision is made and recognised in the balance sheet.

### 2.26 Cash flow statement

The consolidated cash flow statement is prepared using the indirect method. The change in cash in hand for the year is broken down into operating, investing and financing activities. The starting point for the indirect method is the operating profit adjusted for transactions not involving payments, interest received and paid and taxes paid. Cash and bank balances are classified as cash and cash equivalents.

## Note 3 Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely reflect the actual outcome. Management also make estimates in the application of the Group's accounting policies. Estimates are reviewed regularly and based on past experience and other factors, including expectations of future events, that appear reasonable under prevailing conditions. Estimates and assumptions that entail a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year are summarised below.

Disclosures about the Group's estimates in the application of IFRS that have a significant impact on the financial statements and estimates made that may lead to significant adjustments in the financial statements of the following financial year are provided in connection with the respective notes in which the items they are deemed to affect are discussed. The table below shows where the disclosures can be found.

Estimates and assessments	Note
Recognition of deferred taxes	Note 17 Deferred tax liability
Impairment testing of goodwill and brands with indefinable useful lives and capitalised development expenditure	Note 20 Intangible assets
Recognition of leases	Note 22 Leases
Obsolescence in inventories	Note 27 Inventories
Provisions for credit losses	Note 28 Receivables
Recognition of conditional additional purchase price	Note 34 Provision for additional purchase price

## Note 4 Operating segments and distribution of income

The Group recognises each brand company as a segment, which is in line with internal financial monitoring and the basis for decisions by the most senior executives. Following the acquisition of Thebalux Holding B.V., an additional segment was added, and the Group changed from reporting four operating segments to

reporting five operating segments from the fourth quarter of 2023. The brand companies Svedbergs, Macro Design, Cassøe, Roper Rhodes and Thebalux each constitute a separate segment. The Group applies concept sales and does not report a breakdown of products or product groups as the necessary information is not available.

The Group's income is generated from the sale of goods from the Group's product range to customers. 28 percent (31) of the product range consists of self-produced products and 72 percent (69) of purchased products, which are sold under the company's own brand. Svedbergs Group's brands operate in different geographical markets, in both consumer and project

markets, and reach customers via several different sales channels. Total income by country is based on where the income is generated. No single customer accounts for more than 10 percent of the Group's total sales. For information on intra-Group sales, see Note 8 Related party transactions.

SEK m	Svedbergs		Macro Design		Cassøe		Roper Rhodes		Thebalux		Segment total		Other and eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External net sales	480.4	569.0	163.4	193.1	87.9	93.6	1,062.2	977.2	29.7	—	1,823.7	1,832.9	—	—	1,823.7	1,832.9
Internal net sales	23.8	33.2	6.2	6.2	1.3	—	0.0	—	—	—	31.4	39.3	-31.4	-39.3	0.0	—
<b>Total net sales</b>	<b>504.3</b>	<b>602.2</b>	<b>169.7</b>	<b>199.3</b>	<b>89.2</b>	<b>93.6</b>	<b>1,062.2</b>	<b>977.2</b>	<b>29.7</b>	<b>—</b>	<b>1,855.2</b>	<b>1,872.3</b>	<b>-31.4</b>	<b>-39.3</b>	<b>1,823.7</b>	<b>1,832.9</b>
EBITA, SEK m	58.6	98.6	12.1	24.1	17.8	20.0	178.9	130.2	1.0	—	268.4	272.9	-28.4	-21.8	240.0	251.1
EBITA margin, %	12.2	17.3	7.4	12.5	20.1	21.3	16.8	13.3	3.3	—	14.7	14.9	—	—	13.2	13.7

SEK m	Svedbergs		Macro Design		Cassøe		Roper Rhodes		Thebalux		Segment total		Other and eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total assets	350.9	1,094.5	234.9	264.6	143.3	154.0	1,595.7	1,608.0	1,029.2	—	3,354.0	3,121.1	-433.4	-831.3	2,920.6	2,289.7
of which goodwill	26.8	26.8	89.1	89.1	51.7	52.0	452.4	445.8	218.3	—	838.3	613.7	—	—	838.3	613.7
Total liabilities	291.9	738.3	107.2	131.4	31.4	22.0	472.8	1,276.2	221.7	—	1,125.0	2,167.8	817.1	-813.2	1,942.0	1,354.6
Investments	11.2	17.7	2.7	4.3	0.0	0.8	11.4	15.0	0.3	—	25.6	37.7	0.1	—	25.7	37.7
Depreciation, amortisation and impairment	-20.0	-21.0	-5.9	-6.8	-5.9	-4.4	-28.3	-24.0	-2.3	—	-62.4	-56.3	-0.9	—	-63.3	-56.3

### Breakdown of income by geographical area

SEK m	Svedbergs		Macro Design		Cassøe		Roper Rhodes		Thebalux		Group		Parent company	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	371.8	433.5	106.6	132.2	0.3	0.2	—	—	—	—	478.7	565.9	201.8	463.7
Norway	36.2	45.5	51.3	56.6	5.1	2.1	—	—	—	—	92.6	104.2	16.7	45.5
Denmark	7.5	6.3	—	0.0	79.1	86.2	—	—	—	—	86.6	92.5	4.3	6.9
Finland	63.6	80.5	0.9	1.5	—	—	—	—	—	—	64.5	82.0	25.4	78.2
UK	—	0.1	—	0.0	—	—	1,009.9	939.1	—	—	1,009.9	939.2	7.3	6.7
The Netherlands	—	—	—	—	—	—	—	—	29.7	—	29.7	—	—	—
Other exports	1.3	3.1	4.6	2.8	3.4	5.1	52.3	38.1	—	—	61.7	49.1	2.1	3.1
<b>Total</b>	<b>480.4</b>	<b>569.0</b>	<b>163.4</b>	<b>193.1</b>	<b>87.9</b>	<b>93.6</b>	<b>1,062.2</b>	<b>977.2</b>	<b>29.7</b>	<b>—</b>	<b>1,823.7</b>	<b>1,832.9</b>	<b>257.4</b>	<b>604.1</b>



## Note 5 Items affecting comparability

The Group has identified a number of items that are material on account of their nature and/or amount.

These are presented here separately to provide a better understanding of the Group's financial performance.

	Group		Parent company	
	2023	2022	2023	2022
Restructuring costs	-7,643	-5,746	-1,200	-3,627
Acquisition-related costs	-10,743	-92	-2,300	—
Costs related to mandatory offer shareholders	—	-1,451	—	-1,451
<b>Total</b>	<b>-18,386</b>	<b>-7,288</b>	<b>-3,500</b>	<b>-5,077</b>

## Note 6 Other operating items

	Group		Parent company	
	2023	2022	2023	2022
<b>Other operating income</b>				
Exchange gains	5,862	5,978	1,549	4,385
Other items	1,664	842	45	500
<b>Total</b>	<b>7,526</b>	<b>6,820</b>	<b>1,594</b>	<b>4,885</b>
<b>Other operating expenses</b>				
Capital losses on non-current assets	—	-121	—	-121
Exchange loss	-6,575	-8,105	-2,940	-5,673
Restructuring costs	-7,643	-5,746	-1,200	-3,627
Acquisition-related costs	-10,743	-92	-2,300	—
Costs related to mandatory offer shareholders	—	-1,451	—	-1,451
Other items	—	-200	—	-35
<b>Total</b>	<b>-24,962</b>	<b>-15,715</b>	<b>-6,441</b>	<b>-10,906</b>

## Note 7 Expenses broken down by type of expense

	Group		Parent company	
	2023	2022	2023	2022
Expenses for purchasing and handling materials	-894,502	-935,816	-107,627	-258,879
Expenses for remuneration to employees (Note 9)	-328,859	-295,246	-56,906	-117,539
Depreciation, amortisation and impairment (Notes 20, 21, 22)	-63,274	-57,134	-4,833	-13,024
Restructuring costs	-7,643	-5,746	-1,200	-3,627
Acquisition-related costs	-10,743	-92	-2,300	—
Carriage	-135,341	-133,232	-15,072	-37,044
Other external expenses	-180,439	-178,063	-57,072	-100,081
<b>Total cost of goods sold, selling expenses, administrative expenses and research and development expenses</b>	<b>-1,620,800</b>	<b>-1,605,329</b>	<b>-245,010</b>	<b>-530,194</b>

## Note 8 Related party transactions

The Parent company, Svedbergs Group AB, has six wholly owned subsidiaries, Svedbergs i Dalstorp AB, Svedbergs Oy, Macro Design AB, Cassøe A/S, Svedbergs UK Ltd with its subsidiary Roper Rhodes Ltd, and Svedbergs NL B.V. with its sub-group Thebalux, over which the parent has a controlling influence and with which it thus has a related party relationship. Internal sales occur to a small extent in the Group and have been eliminated in the Group. Transfer pricing is

at market prices, with all transactions taking place on market terms. Financial income and expenses are attributable to intra-Group loans or receivables on products purchased or sold. Receivables and liabilities are attributable to intra-Group transactions.

For information on remuneration of senior executives, see Note 10 Remuneration of the Board of Directors and senior executives.

### Purchases and sales of goods and services

Parent company	2023		2022	
	Sales	Purchases	Sales	Purchases
Svedbergs i Dalstorp AB	10,202	—	—	—
Svedbergs Oy	4,462	-3,202	2,923	-13,077
Cassøe A/S	607	—	608	-57
Macro Design AB	5,772	-478	30,193	-3,288
Roper Rhodes Ltd	7,281	—	6,633	—
Svedbergs Group NL B.V.	8,485	—	—	—
<b>Total</b>	<b>36,809</b>	<b>-3,680</b>	<b>40,356</b>	<b>-16,422</b>

### Financial income and expenses

Parent company	2023		2022	
	Income	Expense	Income	Expense
Svedbergs i Dalstorp AB	4,642	—	—	—
Macro Design AB	556	—	556	—
Svedbergs UK Ltd	54,983	—	24,041	—
Roper Rhodes Ltd	—	-1,256	—	—
Svedbergs Group NL B.V.	2,000	—	—	—
<b>Total</b>	<b>62,181</b>	<b>-1,256</b>	<b>24,598</b>	<b>—</b>

### Receivables and liabilities

Parent company	2023		2022	
	Receivables	Liabilities	Receivables	Liabilities
Svedbergs i Dalstorp AB	142,694	-46,860	—	—
Svedbergs Oy	—	-6,005	—	-1,079
Cassøe A/S	—	-20,078	580	—
Macro Design AB	34,253	-3,642	37,353	—
Svedbergs UK Ltd	785,452	—	754,866	-43,735
Roper Rhodes Ltd	—	-127,363	6,604	—
Svedbergs Group NL B.V.	8,485	—	—	—
<b>Total</b>	<b>1,253,932</b>	<b>-203,948</b>	<b>799,404</b>	<b>-44,814</b>

## Note 9 Remuneration to employees

	Group		Parent company	
	2023	2022	2023	2022
Salaries and other remuneration	254,179	232,416	39,379	84,745
Social security contributions	54,575	51,460	17,439	32,282
Pension expenses	20,034	17,116	3,419	4,139
<b>Total</b>	<b>328,788</b>	<b>300,992</b>	<b>60,236</b>	<b>121,166</b>

### Salaries, other remuneration and social security expenses

	2023			2022		
	Salaries and other remuneration	Social security expenses	(of which pension expenses)	Salaries and other remuneration	Social security expenses	(of which pension expenses)
Board of Directors	1,815	515	(—)	1,815	576	(—)
Management	18,282	9,874	(3,585)	13,811	6,324	(2,512)
Other employees	234,082	64,220	(16,449)	216,790	61,676	(14,605)
<b>Group total</b>	<b>254,179</b>	<b>74,609</b>	<b>(20,034)</b>	<b>232,416</b>	<b>68,576</b>	<b>(17,116)</b>

### Average number of employees

	2023		2022	
	Total	Of whom men	Total	Of whom men
Sweden	187	121	209	138
UK	208	144	207	146
The Netherlands	16	14	—	—
Denmark	16	12	16	13
Finland	7	5	9	3
Norway	6	6	6	6
Ireland	1	1	1	1
<b>Group total</b>	<b>442</b>	<b>303</b>	<b>447</b>	<b>307</b>

Thebalux Holding B.V. was acquired on 23 November 2023 and affects the average number of employees in the Netherlands, calculated over 12 months. The total number of employees in the Netherlands was 96 on 31 December 2023.

### Pension benefits

Most employees in the Group have a defined contribution pension solution and in Sweden this solution follows the ITP 1 plan. Other employees in Sweden are protected through the ITP 2 plan's defined benefit pension obligations, where the premium is individually calculated and depends, among other things, on salary, previously earned pension and expected remaining period of service. Total Group contributions to pension premiums amounted to SEK 20,034 thousand (17,116).

### Related party transactions

There were no significant transactions with related key individuals during the period January to December 2023. Information on other related party transactions can be found in Note 8 Related party transactions.

### Warrants

Svedbergs Group has an outstanding option programme. The 2021 Annual General Meeting resolved to issue a maximum of 358,455 warrants. Each warrant entitles the holder to acquire one Class B share during the period 1 June 2024 to 31 May 2026 at a price of SEK 52.35 (56.04) for 1.07 shares (1.00) with a customary pre-emption agreement.

The subscription price corresponded to 110 percent of the volume-weighted average price of the shares on Nasdaq Stockholm during the five (5) trading days immediately preceding the date of subscription of the warrants.

A total of 302,955 warrants were offered and transferred to employees on market terms. Of these, 60,000 were acquired by CEO Per-Arne Andersson, and 242,955 by other senior executives. The remaining 55,500 warrants were subscribed for by the subsidiary Svedbergs i Dalstorp AB for possible new staff.

## Note 10 Remuneration of the Board of Directors and senior executives

### Remuneration of the Board of Directors and senior executives

	2023					
	Basic salary/ Board fees	Committee fees	Variable remuneration	Other benefits <sup>1)</sup>	Pension expenses	Total
Anders Wassberg, Chair	470	55	—	—	—	525
Susanne Lithander, Member	235	60	—	—	—	295
Jan Svensson, Member	235	25	—	—	—	260
Ingrid Osmundsen, Member	235	30	—	—	—	265
Kristoffer Väliharju, Member	235	—	—	—	—	235
Joachim Frykberg, Member	235	—	—	—	—	235
<b>Total, Board of Directors</b>	<b>1,645</b>	<b>170</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,815</b>
Per-Arne Andersson, CEO	2,832	—	1,416	183	1,117 <sup>2)</sup>	5,548
Management excl. CEO (8 people)	10,213	—	1,241	801	2,045	15,300
<b>Total</b>	<b>14,690</b>	<b>170</b>	<b>3,657</b>	<b>984</b>	<b>3,162</b>	<b>22,663</b>

1) Other benefits refer mainly to car benefits.

2) 2023 includes adjustments for pension payments relating to 2021 and 2022.

	2022					
	Basic salary/ Board fees	Committee fees	Variable remuneration	Other benefits <sup>1)</sup>	Pension expenses	Total
Anders Wassberg, Chair	470	55	—	—	—	525
Susanne Lithander, Member	235	60	—	—	—	295
Jan Svensson, Member	235	25	—	—	—	260
Ingrid Osmundsen, Member	235	30	—	—	—	265
Kristoffer Väliharju, Member	235	—	—	—	—	235
Joachim Frykberg, Member	235	—	—	—	—	235
<b>Total, Board of Directors</b>	<b>1,645</b>	<b>170</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,815</b>
Per-Arne Andersson, CEO	2,837	—	662	171	638	4,309
Management excl. CEO (5 people)	8,828	—	1,216	546	1,787	12,377
<b>Total</b>	<b>13,309</b>	<b>170</b>	<b>1,878</b>	<b>717</b>	<b>2,426</b>	<b>18,501</b>

1) Other benefits refer mainly to car benefits.

### Gender distribution in the group

	2023		2022	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Board members	6	4	6	4
CEO and senior executives	9	7	6	6
<b>Group total</b>	<b>15</b>	<b>11</b>	<b>12</b>	<b>10</b>

### Remuneration of the Board of Directors and senior executives

The Annual General Meeting decides on fees payable to the Chair and Board members. Employee representatives receive no Board fee.

Remuneration of the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and pension. Other senior executives are the eight persons who, with the CEO, make up the Group management team. Three persons joined the Group management team in the fourth quarter 2023. For the members of Group management, see pages 64–65.

The ratio between basic salary and variable remuneration must be proportionate to the executive's responsibilities and authority. For the CEO and senior executives, the variable remuneration is capped at 50 percent of basic salary. The variable remuneration is based on performance in relation to set targets. Pension benefits and other benefits for the CEO and senior executives are paid as part of the total remuneration. Defined contribution pension insurance is paid to senior executives according to agreement, but at a maximum of 30 percent of the fixed annual salary. The retirement age of the CEO and Group management follows the pension rules of each country.

Variable remuneration refers to bonuses expensed for the financial year, which are paid in the coming year. For information on how the bonus is calculated, see below.

At Svedbergs Group AB's Annual General Meeting on 27 April 2023, Anders Wassberg was re-elected as Chair of the Board of Directors. On the same occasion, Jan Svensson, Ingrid Osmundsen, Susanne Lithander, Joachim Frykberg and Kristoffer Väliharju were re-elected as Board members. Since the Annual General Meeting on 27 April 2023, the Board of Directors has held 17 minuted meetings up to and including the adoption of this annual report and expects to hold one more meeting before the Annual General Meeting on 25 April 2024.

### Variable remuneration

Variable remuneration for the CEO and senior executives is mainly based on growth and profitability in combination with cash flow and sustainability targets determined by the Board of Directors. In addition, other personal targets may be set. For 2023, the variable remuneration

for the CEO corresponded to 50 percent of basic salary (24) and for senior executives 22 percent (16).

### Defined benefit/defined contribution pension plans

The Group has both defined contribution and defined benefit pension plans. See Note 2.23.1. Pension expense refers to the expense that affected the profit for the year.

### Severance pay

The notice period may not exceed 12 months in the event of termination by the company. If the CEO is given notice of termination, the severance pay amounts to a maximum of 12 months' salary. If the CEO gives notice of termination, the notice period is 6 months and no severance pay is paid.

A mutual notice period of 6–9 months applies between the company and senior executives. A maximum of 12 months' salary is payable in the event of termination of employment of senior executives.

### Preparation and decision-making process

During the year, the Remuneration Committee prepared proposals to the Board of Directors regarding principles for remuneration of senior executives. These included the proportions between fixed and variable remuneration and the size of any salary increases. The Remuneration Committee also proposed criteria for assessing the outcome of variable remuneration, allocation and size in the form of financial instruments, etc., as well as pension conditions and severance pay. The Remuneration Committee also examines the reasonableness of remuneration of other members of the Board of Directors for consultancy assignments within the Group where appropriate.

The Board of Directors has discussed the Remuneration Committee's proposals and made decisions based on the Committee's recommendations. The remuneration of the CEO for the 2023 financial year has been decided by the Board of Directors based on the recommendation of the Remuneration Committee. Remuneration of senior executives has been decided by the CEO after consultation with the Remuneration Committee.

The Remuneration Committee consists of the Chair of the Board of Directors and a Board member appointed by the Board of Directors.

## Note 11 Remuneration of auditors

The following remuneration has been paid to the company's auditors:

	Group		Parent company	
	2023	2022	2023	2022
<b>Deloitte AB</b>				
Audit engagement	1,134	965	684	708
Audit activities in addition to the audit engagement	678	995	674	995
<b>Deloitte, Denmark</b>				
Audit engagement	158	121	—	—
Audit activities in addition to the audit engagement	50	—	—	—
<b>Evelyn Partners, UK</b>				
Audit engagement	1,846	828	—	—
<b>Milsted Langdon, UK</b>				
Audit engagement	—	1,038	—	—
<b>Moore MKW, Netherlands</b>				
Audit engagement	410	—	—	—
<b>Other accounting firms</b>				
Audit engagement	183	175	—	—
<b>Total cost of remuneration of auditors</b>	<b>4,460</b>	<b>4,123</b>	<b>1,358</b>	<b>1,703</b>

Audit engagement refers to the fee for the statutory audit, i.e. the work necessary to produce the auditor's report, as well as audit advice provided in connection with the audit engagement.

## Note 12 Depreciation, amortisation and impairment

	Group		Parent company	
	2023	2022	2023	2022
<b>By function</b>				
Cost of goods sold	-18,190	-18,551	-2,412	-5,881
Selling expenses	-29,046	-24,608	-1,085	-2,643
Administrative expenses	-15,099	-11,849	-1,294	-4,389
Research and development expenses	-938	-2,125	-42	-112
<b>Total</b>	<b>-63,274</b>	<b>-57,134</b>	<b>-4,833</b>	<b>-13,024</b>
<b>By asset class</b>				
Customer relations	-11,222	-9,330	—	—
Capitalised development expenditure	-6,964	-7,889	—	—
Right-of-use assets	-23,358	-18,731	—	-3,128
Software	-5,468	-5,826	-1,432	-3,214
Buildings	-4,860	-4,735	-1,333	-1,533
Machinery and equipment	-11,401	-10,624	-2,067	-5,150
<b>Total</b>	<b>-63,274</b>	<b>-57,134</b>	<b>-4,833</b>	<b>-13,024</b>

## Note 13 Profit from participations in Group companies

	Parent company	
	2023	2022
Dividends from subsidiaries	100,829	2,062
<b>Total</b>	<b>100,829</b>	<b>2,062</b>

## Note 14 Profit from financial items

	Group		Parent company	
	2023	2022	2023	2022
Interest income	7,401	353	67,618	24,729
Exchange differences	7,555	13,700	6,537	4,139
<b>Financial income</b>	<b>14,957</b>	<b>14,053</b>	<b>74,154</b>	<b>28,868</b>
Interest expenses	-49,831	-27,735	-42,345	-23,016
Exchange differences	-14,616	-13,781	-32,624	-4,010
Other financial expenses	-1,210	-932	-1,191	-1,704
<b>Financial expenses</b>	<b>-65,657</b>	<b>-42,448</b>	<b>-76,160</b>	<b>-28,729</b>

## Note 15 Appropriations and untaxed reserves

	Parent company	
	2023	2022
<b>Appropriations</b>		
Difference between tax depreciation and depreciation according to plan	14,645	2,100
Change in tax allocation reserve	-6,700	-12,900
<b>Total</b>	<b>7,945</b>	<b>-10,800</b>
<b>Untaxed reserves</b>		
Difference between tax depreciation and depreciation according to plan:		
Machinery and equipment	55	14,700
Tax allocation reserve, 2022 fiscal year	18,000	18,000
Tax allocation reserve, 2023 fiscal year	6,700	—
<b>Total</b>	<b>24,755</b>	<b>32,700</b>

Deferred tax liabilities related to untaxed reserves amount to SEK 5,100 thousand (6,736).

## Note 16 Income tax

	Group		Parent company	
	2023	2022	2023	2022
Current tax	-42,507	-36,675	-4,153	-14,572
Deferred tax	1,672	-3,817	-79	346
<b>Income tax</b>	<b>-40,835</b>	<b>-40,492</b>	<b>-4,233</b>	<b>-14,225</b>

The UK tax rate increased from 19 percent to 25 percent during the year, which has a direct impact on the Group's average effective tax rate for 2023.

The income tax on the Group's profit before tax differs from the theoretical amount that would have resulted from the use of the weighted average tax rate for the profits of the consolidated companies as follows:

	Group		Parent company	
	2023	2022	2023	2022
Profit before tax	159,731	205,988	120,795	70,174
Tax at Swedish tax rate, 20.6% (20.6)	-32,905	-42,434	-24,884	-14,456
Difference in foreign tax rates	-4,592	1,426	—	—
Adjustment for previous year	-20	2,509	18	—
Tax effect of non-deductible/non-taxable items	-3,562	-1,504	20,633	283
Other changes	243	148	—	—
Tax reduction, equipment	—	-53	—	-53
Effect of change in tax rate on deferred tax calculation	—	-585	—	—
<b>Income tax</b>	<b>-40,836</b>	<b>-40,492</b>	<b>-4,232</b>	<b>-14,225</b>
Average effective tax rate	25.6%	19.7%	3.5%	20.3%

## Note 17 Deferred tax liability

Deferred tax assets and liabilities	Group		Parent company	
	2023	2022	2023	2022
Product development	5,858	4,824	—	—
Goodwill	16,452	14,200	—	—
Customer relations	43,141	27,437	—	—
Brands	78,433	54,219	—	—
Inventories	1,587	—	—	—
Untaxed reserves	15,589	18,169	—	—
Pension obligations	-613	-679	-613	-679
Leases	-66	—	—	—
Intra-Group profit in stock	-72	—	—	—
Other temporary differences	14,128	13,795	-235	-248
<b>Total</b>	<b>174,437</b>	<b>131,965</b>	<b>-848</b>	<b>-927</b>

Gross changes in deferred tax assets and liabilities in the Group are recognised as follows:

Deferred tax liabilities	Intangible assets	Untaxed reserves	Tax deficits	Pension obligations	Other	Total
<b>As at 1 January 2022</b>	<b>90,707</b>	<b>17,267</b>	<b>-488</b>	<b>-270</b>	<b>27,792</b>	<b>135,009</b>
Reclassification	—	—	—	—	-17,115	-17,115
Recognised in the income statement	722	902	504	-410	2,098	3,817
Exchange differences	9,251	—	-16	—	1,019	10,254
<b>As at 31 December 2022</b>	<b>100,680</b>	<b>18,169</b>	<b>—</b>	<b>-679</b>	<b>13,795</b>	<b>131,965</b>
Recognised in the income statement	914	-2,580	—	66	-72	-1,672
Recognised in equity	43,899	—	—	—	1,691	45,591
Exchange differences	-1,609	—	—	—	163	-1,446
<b>As at 31 December 2023</b>	<b>143,884</b>	<b>15,589</b>	<b>—</b>	<b>-613</b>	<b>15,577</b>	<b>174,437</b>

Deferred tax reported in equity in 2023 refers to deferred tax on acquired surplus values and fair value adjustment in Thebalux according to preliminary acquisition analysis. More information in Note 39.

### Important estimates and assessments

Deferred taxes are temporary differences between the accounting and tax values of the Group's assets. The Group recognises temporary deferred tax assets when it is probable that they can be utilised against future taxable profits. At 31 December, deferred taxes have been recognised in an amount equal to the amount expected to be received from or paid to the tax authorities.

## Note 18 Earnings per share

Earnings per share are calculated by dividing the profit or loss according to the income statement attributable to the parent company shareholders by a weighted average number of shares outstanding during the period.

	2023	2022
Net profit/loss for the period	118,897	165,497
Average number of shares (thousands)	35,324	33,769
<b>Earnings per share (SEK)</b>	<b>3.37</b>	<b>4.90</b>

The number of historical shares has been recalculated taking into account the bonus issue element in the completed new issue in 2022 and is used in all key ratio calculations for SEK/share. The conversion factor is 1.23.

## Note 19 Dividend per share and proposed appropriation of profits in the parent company

Dividend paid in 2023 totalled SEK 52,964 thousand (SEK 1.50 per share). No dividend was paid in 2022.

A dividend of SEK 1.00 per share for the 2023 financial year, totalling SEK 52,978 thousand<sup>1)</sup>, will be proposed at the Annual General Meeting on 25 April 2024. The proposed dividend has not been recognised as a liability in these financial statements.

### The following profits are at the disposal of the Annual General Meeting

Accumulated profit and other free reserves	554,571
Profit for the year	116,562
<b>Total profits</b>	<b>671,133</b>

The Board of Directors proposes that the profits be appropriated as follows:	
A dividend of SEK 1.00 per share <sup>1)</sup> to be paid to shareholders	52,978
To be carried forward	618,155
	<b>671,133</b>

1) Dividend calculated on the total number of outstanding shares as at 27 March 2024.

## Note 20 Intangible assets

Group	Goodwill	Customer relations	Brands	Capitalised development work	Software	Total
<b>As at 1 January 2022</b>						
Cost	595,199	127,619	227,029	92,157	45,308	1,087,312
Accumulated amortisation and impairment	—	-9,073	—	-71,025	-35,795	-115,893
<b>Carrying amount</b>	<b>595,199</b>	<b>118,546</b>	<b>227,029</b>	<b>21,132</b>	<b>9,513</b>	<b>971,419</b>
<b>2022 financial year</b>						
Opening carrying amount	595,199	118,546	227,029	21,132	9,513	971,419
Investments	—	—	—	9,303	6,554	15,857
Reclassifications	—	—	—	—	5,351	5,351
Sales/disposals	—	—	—	—	-68	-68
Exchange differences	18,460	5,462	7,865	—	25	31,812
Impairment	—	—	—	-1,216	—	-1,216
Amortisation	—	-9,330	—	-6,672	-5,826	-21,828
<b>Closing carrying amount</b>	<b>613,659</b>	<b>114,678</b>	<b>234,894</b>	<b>22,547</b>	<b>15,550</b>	<b>1,001,327</b>
<b>As at 31 December 2022</b>						
Cost	613,659	134,802	234,894	101,460	55,808	1,140,623
Accumulated amortisation and impairment	—	-20,124	—	-78,913	-40,259	-139,296
<b>Carrying amount</b>	<b>613,659</b>	<b>114,678</b>	<b>234,894</b>	<b>22,547</b>	<b>15,550</b>	<b>1,001,327</b>
<b>2023 financial year</b>						
Opening carrying amount	613,659	114,678	234,894	22,546	15,550	1,001,327
Investments	—	—	—	11,165	2,696	13,860
Increase through business combinations	232,585	73,154	96,999	—	—	402,737
Reclassifications	—	—	—	—	479	479
Exchange differences	-7,966	-2,600	-3,073	-80	-3	-13,721
Impairment	—	—	—	-807	—	-807
Depreciation	—	-11,222	—	-6,157	-5,469	-22,848
<b>Closing carrying amount</b>	<b>838,277</b>	<b>174,010</b>	<b>328,820</b>	<b>26,667</b>	<b>13,253</b>	<b>1,381,027</b>
<b>As at 31 December 2023</b>						
Cost	838,277	204,692	328,820	99,580	58,065	1,529,434
Accumulated depreciation and impairment	—	-30,682	—	-72,914	-44,812	-148,408
<b>Carrying amount</b>	<b>838,277</b>	<b>174,010</b>	<b>328,820</b>	<b>26,667</b>	<b>13,253</b>	<b>1,381,027</b>

## Note 20 Intangible assets, cont.

Parent company	Goodwill	Software	Total
<b>As at 1 January 2022</b>			
Cost	51,039	41,788	92,827
Accumulated amortisation and impairment	-51,039	-33,456	-84,495
<b>Carrying amount</b>	<b>—</b>	<b>8,332</b>	<b>8,332</b>
<b>2022 financial year</b>			
Opening carrying amount	—	8,332	8,332
Investments	—	3,676	3,676
Reclassifications	—	596	596
Sales/disposals	—	-26	-26
Amortisation	—	-3,214	-3,214
<b>Closing carrying amount</b>	<b>—</b>	<b>9,366</b>	<b>9,366</b>
<b>As at 31 December 2022</b>			
Cost	51,039	41,246	92,285
Accumulated amortisation and impairment	-51,039	-31,881	-82,920
<b>Carrying amount</b>	<b>—</b>	<b>9,366</b>	<b>9,366</b>
<b>2023 financial year</b>			
Opening carrying amount	—	9,366	9,366
Investments	—	74	74
Reclassifications	—	-614	-614
Sales/disposals	—	-6,549	-6,549
Depreciation	—	-1,432	-1,432
<b>Closing carrying amount</b>	<b>—</b>	<b>843</b>	<b>843</b>
<b>As at 31 December 2023</b>			
Cost	51,039	992	52,031
Accumulated depreciation and impairment	-51,039	-149	-51,188
<b>Carrying amount</b>	<b>—</b>	<b>843</b>	<b>843</b>

The income statement includes amortisation and impairment of SEK 7,526 thousand (8,268) in cost of goods sold, SEK 14,256 thousand (11,871) in selling expenses and SEK 1,872 thousand (2,907) in administrative expenses.

In 2023, total research and development expenses in the parent company amounted to SEK 6.0 million (11.7), of which SEK 2.7 million (4.4) was capitalised in the Group. Total expenditure during the year for research and development amounted to SEK 34.4 million (28.5) in the Group. Amortisation of capitalised product development expenses is recognised in the consolidated income statement in cost of goods sold.

The Dutch company Thebalux Holding B.V. was acquired in 2023, resulting in surplus value in the form of customer relations of SEK 73,154 thousand and brands of SEK 96,999 thousand. The business gave rise to goodwill of SEK 232,585 thousand attributable to the company's position in the Dutch market.

### Impairment testing of goodwill and brands with indefinable useful lives

The Group's goodwill and brands with indefinable useful lives have been evaluated in accordance with IAS 36.

### The Group's goodwill is attributable to the following cash-generating units

	2023	2022
Svedbergs	26,757	26,757
Macro Design	89,099	89,099
Cassøe	51,721	51,988
Roper Rhodes	452,438	445,815
Thebalux	218,263	—
<b>Total Group goodwill</b>	<b>838,277</b>	<b>613,659</b>

The Group's brands with indefinable useful lives are attributable to the Cassøe, Roper Rhodes, Tavistock, R2, Thebalux and Primabad brands, which are included in the Cassøe, Roper Rhodes and Thebalux cash-generating units. The carrying amount totals SEK 328,820 thousand (234,894).

The recoverable amount of the cash-generating units has been based on their value in use. Assumptions have been made regarding growth, profit margin, capital tied up, investment needs and risk premium. The principle of the assumptions is unchanged compared to the previous year. Financial projections are based on the company's budget for the next year and the company's five-year financial plan. These projections are based on the company's market assessment for each period, including the impact on expenses and income linked to emission reductions and other sustainability efforts. The assessment is that the

## Note 20 Intangible assets, cont.

expenses incurred over time should at least be offset by new business and generate income. Future cash flows have been estimated based on the existing structure of the asset and do not include acquisitions.

The company's assumptions about future growth are based on past experience, external sources of information and the company's long-term business plan. This assumption also takes into account expected market growth and price developments.

Assumptions about future margins follow the company's financial plan and its historical performance. Investments during the period are based on the company's internal investment plan and are deemed to correspond to replacement needs.

These estimates form the basis for the calculation of the value in use and the cash flow forecast made for a period covering the budget adopted and the company's five-year financial plan. The cash flow after this time has been extrapolated using an assumed annual growth rate of 2.0 percent (2.0), which is lower than the actual annual growth rate. The need for working capital (excluding cash and cash equivalents) in relation to the company's net sales is assumed in the long term to be 20 percent (15) for Svedbergs, 25 percent (25) for Macro Design, 22 percent (17) for Cassøe and 29 percent (24) for Roper Rhodes. The required return (WACC) before tax amounts to between 10.1 percent (9.4) and 12.7 percent (10.9) for the Group's units. Sensitivity analyses show that reasonable changes in the required return do not give rise to any need for impairment.

### Important estimates and assessments

The Group tests goodwill and brands with indefinable useful lives for impairment every year in accordance with the accounting policy described in Note 2.11. The recoverable amount of the Group's cash-generating units, Svedbergs, Macro Design, Cassøe and Roper

Rhodes, has been determined by calculating the value in use. For these calculations, certain estimates have to be made, which are described in this note. There is no need for impairment, as the calculated recoverable amount exceeds the carrying amounts at the year-end by a good margin. Based on the sensitivity analyses, company management assesses that no reasonably possible changes in significant assumptions in the impairment assessment of these cash-generating units would cause the recoverable amounts to be less than the carrying amounts of goodwill and brands with indefinable useful lives. For 2023, no impairment test was prepared for Thebalux, which was acquired on 23 November 2023, as it is company management's assessment that the recoverable amount of the company corresponds to the transaction price of the investment and no need for impairment is therefore deemed to exist.

The company capitalises expenses associated with the development of products when the criteria described in Note 2.13.4 are met and the expenses are expected to be offset by future income in excess of the expenses. During the year, the Group continually examines whether there are or will be sales of the products for which there is a book value. The Group recognises impairment for the products for which future economic benefits are deemed to be less than the book value. In 2023, this impairment testing resulted in impairment of SEK –807 thousand (–1,217).

## Note 21 Property, plant and equipment

Group	Land and buildings	Machinery and equipment in production	Other equipment	Total
<b>As at 1 January 2022</b>				
Cost	119,933	168,134	286,182	574,249
Accumulated depreciation and impairment	–83,010	–138,696	–70,081	–291,787
<b>Carrying amount</b>	<b>36,923</b>	<b>29,438</b>	<b>216,101</b>	<b>282,462</b>
<b>2022 financial year</b>				
Opening carrying amount	36,923	29,438	216,101	282,462
Investments	4,640	9,865	7,339	21,844
Reclassifications	197,114	–1,547	–197,765	–2,198
Sales/disposals	–	–175	–5,268	–5,443
Exchange differences	6,531	–	703	7,234
Depreciation	–4,735	–5,824	–4,801	–15,360
<b>Closing carrying amount</b>	<b>240,473</b>	<b>31,757</b>	<b>16,309</b>	<b>288,540</b>
<b>As at 31 December 2022</b>				
Cost	329,090	150,349	71,382	550,821
Accumulated depreciation and impairment	–88,617	–118,592	–55,073	–262,282
<b>Carrying amount</b>	<b>240,473</b>	<b>31,757</b>	<b>16,309</b>	<b>288,540</b>
<b>2023 financial year</b>				
Opening carrying amount	240,473	31,757	16,309	288,540
Investments	2,151	6,019	3,674	11,844
Increase through acquisitions	74,301	–	23,796	98,097
Reclassifications	2,738	–2,188	–3,398	–2,848
Exchange differences	–1,593	–	929	–664
Depreciation	–4,860	–5,550	–5,852	–16,262
<b>Closing carrying amount</b>	<b>313,209</b>	<b>30,039</b>	<b>35,458</b>	<b>378,707</b>
<b>As at 31 December 2023</b>				
Cost	423,825	154,180	143,868	721,873
Accumulated depreciation and impairment	–110,615	–124,142	–108,410	–343,168
<b>Carrying amount</b>	<b>313,209</b>	<b>30,039</b>	<b>35,458</b>	<b>378,707</b>
Assessed value of Swedish properties:				
Buildings	29,175			
Land	6,229			
<b>Total</b>	<b>35,404</b>			



## Note 21 Property, plant and equipment, cont.

Parent company	Land and buildings	Machinery and equipment in production	Other equipment	Total
<b>As at 1 January 2022</b>				
Cost	91,187	155,497	16,549	263,233
Accumulated depreciation and impairment	-77,509	-132,438	-15,594	-225,541
<b>Carrying amount</b>	<b>13,678</b>	<b>23,059</b>	<b>955</b>	<b>37,692</b>
<b>2022 financial year</b>				
Opening carrying amount	13,678	23,059	955	37,692
Investments	—	9,517	145	9,662
Reclassifications	—	-596	—	-596
Sales/disposals	—	-96	—	-96
Depreciation	-1,533	-4,843	-307	-6,683
<b>Closing carrying amount</b>	<b>12,145</b>	<b>27,041</b>	<b>793</b>	<b>39,978</b>
<b>As at 31 December 2022</b>				
Cost	91,187	138,593	9,605	239,385
Accumulated depreciation and impairment	-79,041	-111,552	-8,812	-199,405
<b>Carrying amount</b>	<b>12,145</b>	<b>27,041</b>	<b>793</b>	<b>39,978</b>
<b>2023 financial year</b>				
Opening carrying amount	12,145	27,041	793	39,978
Investments	—	2,593	—	2,593
Reclassifications	2,738	-2,116	-5	617
Sales/disposals	—	-25,450	-748	-26,198
Depreciation	-1,333	-2,067	-2	-3,402
<b>Closing carrying amount</b>	<b>13,550</b>	<b>—</b>	<b>37</b>	<b>13,588</b>
<b>As at 31 December 2023</b>				
Cost	93,925	—	5,281	99,206
Accumulated depreciation and impairment	-80,375	—	-5,243	-85,618
<b>Carrying amount</b>	<b>13,550</b>	<b>—</b>	<b>37</b>	<b>13,588</b>
Assessed value of Swedish properties:				
Buildings	14,024			
Land	2,630			
<b>Total</b>	<b>16,654</b>			

## Note 22 Leases

The following amounts related to leases are recognised in the balance sheet:

Right-of-use assets	Group		Parent company	
	2023	2022	2023	2022
At start of year	28,461	39,850	4,015	6,207
Additional leases in connection with acquisitions	52,310	—	—	—
Additional leases	20,680	7,264	—	1,515
Terminated leases	-1,678	-1,210	-4,015	-579
Depreciation	-23,358	-18,731	—	-3,128
Translation difference	5,831	1,288	—	—
<b>At year-end</b>	<b>82,245</b>	<b>28,461</b>	<b>—</b>	<b>4,015</b>
Buildings	59,124	2,398	—	414
Vehicles	22,790	26,063	—	3,601
Other equipment	332	—	—	—
<b>Total</b>	<b>82,245</b>	<b>28,461</b>	<b>—</b>	<b>4,015</b>
<b>Lease liabilities</b>				
Current	18,830	18,827	—	2,815
Non-current	63,683	9,904	—	1,198
<b>Total</b>	<b>82,513</b>	<b>28,731</b>	<b>—</b>	<b>4,013</b>

The Group's weighted average marginal borrowing rate was 3.42 percent (2.40).

The following amounts related to leases are recognised in the income statement:

	Group		Parent company	
	2023	2022	2023	2022
Depreciation amounts for right-of-use assets	-23,358	-18,731	—	-3,128
Interest expenses for lease liabilities	-1,437	-737	—	-78
Lease expenses attributable to short-term leases and low-value leases	-1,525	-1,386	—	-480

### Cash flows for leases

The total cash flow for leases in 2023 was SEK 23.1 million (17.5) for the Group.

### Important estimates and assessments

In determining the lease term, management consider all available information that provides an economic incentive to exercise an extension option, or not to exercise an option to terminate a lease. Options to extend a lease are included in the lease term only if

it is reasonably certain that the lease will be extended (or not terminated).

The lease term is reviewed if an option is exercised (or not exercised) or if the Group is forced to exercise (or not exercise) the option. The assessment of reasonable certainty is reviewed only if there is a significant event or change in circumstances that affects the assessment and the change is within the lessee's control.

## Note 23 Non-current assets by country

Total non-current assets by country	Group	
	2023	2022
UK	982,927	976,915
The Netherlands	517,739	—
Sweden	240,841	244,309
Denmark	100,834	97,029
Finland	2,694	1,594
<b>Total</b>	<b>1,845,036</b>	<b>1,319,846</b>

## Note 24 Participations in Group companies

	Parent company	
	2023	2022
Opening value	376,222	376,222
Capital contributions	15	—
Acquisition of subsidiaries	292,552	—
<b>Closing value</b>	<b>668,790</b>	<b>376,222</b>

Shares held by the parent company	Registered office	Corporate identity no.	Share of capital	Share of voting power	Number of shares	Book value
Svedbergs Oy	Espoo, Finland	09021334	100%	100%	100	121
Svedbergs i Dalstorp AB	Dalstorp, Sweden	559097-7848	100%	100%	5,000	2,484
Macro Design AB	Dalstorp, Sweden	559029-9631	100%	100%	50,000	5,000
Cassøe A/S	Herning, Denmark	26987555	100%	100%	833,333	101,768
Svedbergs UK Ltd	Cheshire, UK	13763730	100%	100%	100	266,865
Svedbergs Group NL B.V.	Amsterdam, Netherlands	865633733	100%	100%	100	292,552
<b>Total</b>						<b>668,790</b>

Shares held by subsidiaries <sup>1)</sup>	Registered office	Corporate identity no.	Share of capital
Roper Rhodes Ltd	Bath, UK	01568433	100%
Roper Rhodes Ireland Limited	Dublin, Ireland	683429	100%
Thebalux Holding B.V.	Zutphen, Netherlands	08094903	100%
Thebalux B.V.	Zutphen, Netherlands	08066841	100%
Prima Groep B.V.	Zutphen, Netherlands	08103134	100%
Meubelfabriek B.V.	Veghel, Netherlands	16052225	100%
Primabad B.V.	Veghel, Netherlands	16080992	100%

1) Roper Rhodes Trustees was liquidated in 2023.

## Note 25 Financial risk management

### 25.1 Financial risk factors

Through its activities, the Group is exposed to various financial risks in the form of market risk (including currency and interest rate risk), credit risk and financing and liquidity risk.

The Group's overall risk management policy is focused on the unpredictability of financial markets and designed to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by a central finance department according to policies adopted by the Board of Directors.

The Group CFO identifies, evaluates and hedges financial risks in close cooperation with the Group's operational units. The Board of Directors has adopted written policies both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investment of excess liquidity. The Group uses derivative instruments to hedge some risks.

Risk	Exposure arises from	Assessment	Management
<b>Market risk – currency risk</b>	Future business transactions Recognised financial assets and financial liabilities not denominated in the respective currencies of the Group companies	Cash flow projections Sensitivity analysis	Forward exchange contracts, when they are deemed to significantly reduce the Group's currency risk
<b>Market risk – interest rate risk</b>	Variable rate borrowing	Sensitivity analysis	Interest rate derivatives, when they are deemed to reduce the Group's interest expense
<b>Credit risk</b>	Cash and cash equivalents, accounts receivable – trade and derivative instruments	Age analysis Credit rating	Credit limits
<b>Liquidity risk</b>	Borrowing and other liabilities	Rolling cash flow projections	Access to binding credit commitments and credits

### 25.1.1 Currency risk

#### Exposure

The Group operates internationally and is exposed to currency risks arising from various currency exposures, in particular with respect to the British Pound (GBP), US Dollar (USD), Chinese Yuan (CNY), Euro (EUR) and Danish Krone (DKK). The Group's currency risks consist of the transaction risk of future business

transactions in foreign currencies and the translation risk of recognised assets and liabilities and net investments in foreign subsidiaries. Translation risk arises because the Group's equity is affected by exchange rate fluctuations on investments in foreign currency in subsidiaries. The currency exposure arising from the net assets of the businesses acquired by the Group is mainly managed by borrowing in the relevant currency.

## Note 25 Financial risk management, cont.

The Group's risk exposure in the most significant foreign currencies at the end of the reporting period, expressed in Swedish kronor (SEK thousand), was as follows:

Exposure	31 December 2023				
	GBP	USD	CNY	EUR	DKK
Accounts receivable – trade	155,939	—	—	40,243	12,176
Bank loans	–422,994	—	—	–28,442	—
Additional purchase price	–162,792	—	—	–21,244	–5,955
Accounts payable – trade	–31,279	—	–31,345	–37,192	–2,505
Derivative instruments	–270,030	—	—	–285,563	—

Exposure	31 December 2022				
	GBP	USD	CNY	EUR	DKK
Accounts receivable – trade	142,458	—	—	23,375	8,378
Bank loans	–416,802	—	—	—	—
Additional purchase price	–155,691	—	—	—	–14,965
Accounts payable – trade	–34,849	–4,310	–1,818	–21,763	–4,419
Derivative instruments	–259,048	—	—	—	—

### Sensitivity

The Group is mainly exposed in its operating activities to changes in the GBP/SEK exchange rate. If SEK had weakened/strengthened by 5 percent in relation to GBP, with all other variables constant, the Group's equity as at 31 December 2023 would have been SEK 28.2 (22.7) million higher/lower. If SEK had weakened/strengthened by 5 percent in relation to the Group's most significant exchange rates, the Group's equity as at 31 December 2023 would have been SEK 13.0 million (6.4) higher/lower.

If SEK had weakened/strengthened by 5 percent in relation to GBP, with all other variables constant, the operating profit for the year as at 31 December 2023 would have been SEK 8.4 million (6.2) higher/lower as a result of transactions in foreign currency.

If SEK had weakened/strengthened by 5 percent in relation to USD, with all other variables constant, the operating profit for the year as at 31 December 2023 would have been SEK 12.0 million (19.3) lower/higher as a result of transactions in foreign currency.

If SEK had weakened/strengthened by 5 percent in relation to CNY, with all other variables constant, the operating profit for the year as at 31 December 2023 would have been SEK 10.1 million (1.1) lower/higher as a result of transactions in foreign currency.

If SEK had weakened/strengthened by 5 percent in relation to EUR, with all other variables constant, the operating profit for the year as at 31 December 2023 would have been SEK 0.1 million (3.9) lower/higher as a result of transactions in foreign currency.

If SEK had weakened/strengthened by 5 percent in relation to DKK, with all other variables constant, the operating profit for the year as at 31 December 2023 would have been SEK 1.0 million (1.2) higher/lower as a result of transactions in foreign currency.

### 25.1.2 Interest rate risk

The Group's primary interest rate risk arises from long-term variable rate borrowing, which exposes the Group to cash flow interest rate risk. The Group's finance policy states that interest expenses should be minimised as far as possible. Interest rate derivatives may be used to minimise the Group's interest expenses. For 2023 and 2022, it was assessed that the utilisation of interest rate derivatives would not reduce the Group's interest expenses. The Group's exposure, in terms of borrowing, to changes in interest rates amounts to SEK 1,065 million (584) at the end of the reporting period.

### Sensitivity

If interest rates on borrowing in 2023 had been one percentage point higher/lower, with all other variables constant, profit before tax for the financial year would have been SEK 6.1 million (7.9) lower/higher.

If SEK had weakened/strengthened by 5 percent in relation to GBP in 2023, with all other variables constant, profit before tax for the financial year would have been SEK 1.3 million (0.7) higher/lower as a result of reduced/increased interest expenses.

### 25.1.3 Credit risk

Credit risk arises from holdings of cash and cash equivalents, derivative instruments and balances with banks and credit institutions, and from customer credit exposures, including outstanding receivables. See Note 28 for more information about the Group's outstanding receivables.

Credit risk is managed at Group level, with the exception of credit risk related to outstanding accounts receivable – trade. Each Group company is responsible for monitoring and analysing the credit risk of each new customer before offering standard payment and delivery terms. It is Group management's view that there is no significant concentration of credit risk on any particular customer, counterparty or geographical region.

### 25.1.4 Financing and liquidity risk

Financing risk refers to the risk that the refinancing of maturing loans will be difficult or costly and that the Group will therefore have difficulty meeting its payment obligations. Liquidity risk refers to the risk of difficulties meeting commitments associated with financial liabilities. See Note 33 for an analysis of the Group's interest-bearing liabilities, broken down by the time remaining on the balance sheet date until the contractual maturity date.

Cash flow projections are prepared by the Group's operating companies and aggregated by the Group's central finance department. The Group CFO closely monitors rolling projections of the Group's liquidity reserve (which consists of unutilised credit commitments and cash and cash equivalents) to ensure that the Group has sufficient cash resources to meet the

needs of its operating activities while always maintaining sufficient credit in agreed unutilised credit facilities so that the Group does not breach borrowing limits or lending terms on any of its credit facilities. This is done centrally for all subsidiaries in the Group, in accordance with the practice and limits adopted for the company. Furthermore, liquidity management also includes calculating expected cash flows in major currencies and considering the range of liquid assets required to meet them, monitoring balance sheet-based liquidity measures in relation to internal and external regulatory requirements, and maintaining debt financing plans.

Financing risk arises when, at a given time, there are difficulties obtaining financing. To minimise the cost of the Group's borrowing and financing, the finance function must provide credit commitments covering the Group's working capital needs. According to the Group's finance policy, the parent company must always have access to 3 percent of the Group's net sales in cash and cash equivalents and surplus liquidity including unutilised credit facilities, which at the year-end corresponded to 18 percent (14). All borrowing is through the parent company's finance function.

The Group's financing from credit institutions requires certain key ratios to be achieved. These are known as covenants. All covenants were achieved at the balance sheet date. As at 31 December 2023, the Group had a liquidity of SEK 216.9 million (200.3). The Group has an approved overdraft facility of SEK 100.0 million (100.0), of which SEK 0.0 million (39.6) has been utilised.

### Maturity analysis of financial liabilities

The table below analyses the Group's financial liabilities and net settled derivative instruments that constitute financial liabilities, broken down by the time remaining at the balance sheet date until the contractual maturity date. The amounts given in the maturity analysis are the contractual undiscounted cash flows. In order to repay part of the group's indebtedness, a new share issue of approx. SEK 406 million was carried out during the first quarter of 2024.

## Note 25 Financial risk management, cont.

### Maturity analysis of financial liabilities

Group 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank financing	575,569	469,928	7,355	12,339
Accounts payable – trade	161,333	–	–	–
Lease liabilities	18,830	17,496	17,164	28,897
Provision for additional purchase price	5,955	162,792	21,244	–
<b>Total</b>	<b>761,687</b>	<b>650,216</b>	<b>45,763</b>	<b>41,235</b>

Group 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank financing	61,103	563,033	–	–
Accounts payable – trade	113,058	–	–	–
Lease liabilities	18,827	8,803	1,101	–
Provision for additional purchase price	8,979	161,677	–	–
<b>Total</b>	<b>201,967</b>	<b>733,513</b>	<b>1,101</b>	<b>–</b>

Parent company 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank financing	571,195	465,553	–	–
Accounts payable – trade (including intra-group)	10,035	–	–	–
Lease liabilities	–	–	–	–
Provision for additional purchase price	5,955	–	–	–
<b>Total</b>	<b>587,185</b>	<b>465,553</b>	<b>–</b>	<b>–</b>

Parent company 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank financing	61,015	525,033	–	–
Accounts payable – trade (including intra-group)	47,240	–	–	–
Lease liabilities	2,815	1,139	59	–
Provision for additional purchase price	8,979	5,986	–	–
<b>Total</b>	<b>120,049</b>	<b>532,158</b>	<b>59</b>	<b>–</b>

### 25.2 Management of capital risk

The Group's capital structure objectives are to

- safeguard the Group's ability to continue as a going concern so that it can continue to generate returns for shareholders and benefits for other stakeholders, and
- maintain an optimum capital structure to keep the cost of capital down.

To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

The Group assesses capital on the basis of the net debt/equity ratio. This key ratio is calculated as net debt divided by total equity. Net debt is calculated as non-current and current interest-bearing liabilities, lease liabilities and provisions for additional purchase price less cash and cash equivalents and interest-bearing receivables. Total capital is calculated as

equity in the consolidated balance sheet plus net debt. The net debt/equity ratio as at 31 December 2023 and 2022 was as follows:

	Note	2023	2022
Interest-bearing liabilities	33	1,065,190	624,135
Lease liabilities	22	82,513	28,731
Provision for additional purchase price	34	184,036	155,691
Interest-bearing receivables	29	–13,106	–
Less cash and cash equivalents	31	–216,946	–200,329
<b>Net debt</b>		<b>1,101,688</b>	<b>608,228</b>
Total equity		978,604	935,138
<b>Total capital</b>		<b>2,080,292</b>	<b>1,543,366</b>
Net debt/equity ratio		113%	65%

## Note 25 Financial risk management, cont.

### 25.3 Fair value estimation

The tables show financial instruments measured at fair value, based on their classification in the fair value hierarchy. The different levels are defined as follows:

**Level 1:** The fair value of financial instruments traded in an active market (such as listed derivatives and share-related securities) is based on quoted market prices at the balance sheet date. The quoted market price used for the Group's financial assets is the current bid price.

**Level 2:** The fair value of financial assets that are not traded in an active market (for example OTC derivatives) is determined using measurement techniques that rely as much as possible on market information and as little as possible on company-specific information. All significant inputs required for the fair value measurement of an instrument are observable.

**Level 3:** Where one or more key inputs are not based on observable market information. This applies, for example, to unlisted instruments.

The following table shows the Group's assets and liabilities measured at fair value as at 31 December 2023:

31 December 2023	Note	Level 1	Level 2	Level 3	Total
Derivative instruments	29	—	13,106	—	13,106
<b>Total assets</b>		<b>—</b>	<b>13,106</b>	<b>—</b>	<b>13,106</b>
Provision for additional purchase price	34	—	—	189,992	189,992
<b>Total liabilities</b>		<b>—</b>	<b>—</b>	<b>189,992</b>	<b>189,992</b>

The following table shows the Group's assets and liabilities measured at fair value as at 31 December 2022:

31 December 2022	Note	Level 1	Level 2	Level 3	Total
<b>Total assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Derivative instruments	29	—	527	—	527
Provision for additional purchase price	34	—	—	170,656	170,656
<b>Total liabilities</b>		<b>—</b>	<b>527</b>	<b>170,656</b>	<b>171,183</b>

There were no transfers between levels during the year. The fair value of derivative instruments is determined as the present value of future cash flows based on quoted prices for the currency at the balance sheet date. The Group holds additional purchase prices for

acquisitions which are financial instruments recognised at fair value through profit or loss. The fair values presented for these items have been calculated by management using a discounted cash flow model.

## Note 26 Financial instruments by category

Group 2023	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortised cost	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>				
Accounts receivable – trade	—	296,067	—	296,067
Derivative instruments	13,106	—	—	13,106
Cash and cash equivalents	—	216,946	—	216,946
<b>Total financial assets</b>	<b>13,106</b>	<b>513,014</b>	<b>—</b>	<b>526,120</b>
<b>Financial liabilities</b>				
Bank financing	—	—	1,065,190	1,065,190
Additional purchase price	189,992	—	—	189,992
Lease liabilities	—	—	82,513	82,513
Accounts payable – trade	—	—	161,333	161,333
<b>Total financial liabilities</b>	<b>189,992</b>	<b>—</b>	<b>1,309,036</b>	<b>1,499,028</b>

Group 2022	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortised cost	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>				
Accounts receivable – trade	—	291,404	—	291,404
Cash and cash equivalents	—	200,329	—	200,329
<b>Total financial assets</b>	<b>—</b>	<b>491,733</b>	<b>—</b>	<b>491,733</b>
<b>Financial liabilities</b>				
Bank financing	—	—	623,609	623,609
Additional purchase price	170,656	—	—	170,656
Derivative instruments	527	—	—	527
Lease liabilities	—	—	28,731	28,731
Accounts payable – trade	—	—	113,058	113,058
<b>Total financial liabilities</b>	<b>171,183</b>	<b>—</b>	<b>765,398</b>	<b>936,581</b>

## Note 26 Financial instruments by category, cont.

Parent company 2023	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortised cost	Financial instruments measured at amortised cost	Total
Financial assets	—	1,143,819	—	1,143,819
Loan receivable, Group companies	—	2,608	—	2,608
Accounts receivable – trade, Group companies	13,106	—	—	13,106
Cash and cash equivalents	—	45,841	—	45,841
<b>Total financial assets</b>	<b>13,106</b>	<b>1,192,268</b>	<b>—</b>	<b>1,205,374</b>
<b>Financial liabilities</b>				
Bank financing	—	—	1,036,748	1,036,748
Additional purchase price	5,955	—	—	5,955
Accounts payable – trade	—	—	8,479	8,479
Accounts payable – trade, Group companies	—	—	1,556	1,556
<b>Total financial liabilities</b>	<b>5,955</b>	<b>—</b>	<b>1,046,783</b>	<b>1,052,738</b>
<b>Parent company 2022</b>				
Financial assets				
Loan receivable, Group companies	—	789,119	—	789,119
Accounts receivable – trade	—	105,257	—	105,257
Accounts receivable – trade, Group companies	—	9,678	—	9,678
Cash and cash equivalents	—	22,797	—	22,797
<b>Total financial assets</b>	<b>—</b>	<b>926,851</b>	<b>—</b>	<b>926,851</b>
<b>Financial liabilities</b>				
Bank financing	—	—	585,521	585,521
Additional purchase price	14,965	—	—	14,965
Derivative instruments	527	—	—	527
Lease liabilities	—	—	4,013	4,013
Accounts payable – trade	—	—	42,937	42,937
Accounts payable – trade, Group companies	—	—	4,303	4,303
<b>Total financial liabilities</b>	<b>15,492</b>	<b>—</b>	<b>636,774</b>	<b>652,266</b>

The maximum credit risk exposure on financial instruments as at 31 December 2023 is the carrying amount.

## Fair value of financial instruments

The Group recognises financial instruments measured at fair value in the balance sheet. The fair values of the Group's financial assets and liabilities are estimated to be equal to their book values. The Group does not apply net accounting for any of its significant assets and liabilities. There were no transfers between levels or measurement categories during the period.

## Note 27 Inventories

	Group		Parent company	
	2023	2022	2023	2022
Raw materials and consumables	133,504	85,515	—	38,565
Products in progress	12,193	13,697	—	12,858
Finished goods and goods for resale	352,853	345,196	—	45,229
<b>Total</b>	<b>498,550</b>	<b>444,408</b>	<b>—</b>	<b>96,652</b>

Expenses for inventories write-down (obsolescence) charged to the profit for the year are included in the item cost of goods sold and had a positive effect of SEK 5,809 thousand (–8,971) on the Group's profit and SEK 2,490 thousand (2,348) on the parent company's profit.

## Important estimates and assessments

In the obsolescence measurement of inventories, write-downs follow an obsolescence ladder based on outgoing items and items with a low stock turnover rate. It is management's assessment that the obsolescence ladder applied reflects actual obsolescence. Additional manual write-down for obsolescence is also possible for products for which management consider that further write-down is required.

## Note 28 Receivables

	Group		Parent company	
	2023	2022	2023	2022
Accounts receivable – trade	304,415	293,916	—	105,500
Provision for expected credit losses	–8,348	–2,511	—	–243
<b>Carrying amount</b>	<b>296,067</b>	<b>291,404</b>	<b>—</b>	<b>105,257</b>

The fair value is deemed to correspond to the carrying amount on account of the short maturity. As at 31 December 2023, provision for expected credit losses in the Group amounted to SEK 8,348 thousand (2,511) and SEK 0 thousand (243) in the parent company.

## Note 28 – Receivables, cont.

As at 31 December 2023, accounts receivable – trade amounting to SEK 24,631 thousand (9,640) were past due in the Group and SEK 0 thousand (6,373) in the parent company. The age analysis of these is shown below:

	Group		Parent company	
	2023	2022	2023	2022
1–30 days	3,444	-3,332	–	7,762
30–90 days	12,585	10,139	–	-245
91–180 days	5,254	2,597	–	-671
>180 days	3,348	237	–	-473
<b>Total overdue accounts receivable – trade</b>	<b>24,631</b>	<b>9,640</b>	<b>–</b>	<b>6,373</b>

Provisions and reversals of provisions for expected credit losses are included in selling expenses in the income statement. Amounts recognised in the provision for depreciation are written off when there is no reasonable expectation of repayment. Indicators that there is no reasonable expectation of repayment may include the debtor defaulting on the repayment plan or contractual payments being more than 360 days late.

Change in provisions for expected credit losses	Group		Parent company	
	2023	2022	2023	2022
As at 1 January	-2,511	-2,068	-243	-243
Opening value, company acquisitions	-384	–	–	–
Provisions for expected credit losses	-8,156	-588	243	-200
Established losses	2,568	200	–	200
Currency translation differences	136	-55	–	–
<b>As at 31 December</b>	<b>-8,348</b>	<b>-2,511</b>	<b>–</b>	<b>-243</b>

### Important estimates and assessments

#### Provisions for credit losses

The provisions for accounts receivable – trade losses is based on assumptions about the risk of default and expected loss levels. The Group uses its own judgement in making assumptions and selecting inputs for the impairment calculation. These are based on history, known market conditions and forward-looking estimates at the end of each reporting period.

Carrying amount by currency	Group		Parent company	
	2023	2022	2023	2022
SEK	74,834	95,122	–	80,269
GBP	155,939	144,346	–	1
DKK	12,176	8,667	–	1,609
NOK	21,223	22,405	–	9,879
EUR	40,243	23,375	–	13,742
<b>Total</b>	<b>304,415</b>	<b>293,916</b>	<b>–</b>	<b>105,500</b>

## Note 29 Derivative instruments

	Group		Parent company	
	2023	2022	2023	2022
Forward exchange contracts – assets	13,106	–	13,106	–
Forward exchange contracts – liabilities (Note 33)	–	527	–	527

### Forward exchange contracts

The Group uses forward exchange contracts to minimise the currency effect between the parent company's internal loan receivables in GBP/EUR and external bank loans in GBP/EUR. The nominal amount of outstanding forward exchange contracts was SEK 555,592 thousand (259,048) as at 31 December 2023. Gains and losses on forward exchange contracts have been recognised in the income statement under financial expenses. Realised and unrealised forward exchange contracts had a negative effect of SEK 3,687 thousand (7,614) on the Group's operating profit in 2023.

The Group does not apply hedge accounting to existing forward contracts.

## Note 30 Prepaid expenses and accrued income

	Group		Parent company	
	2023	2022	2023	2022
Insurance	4,101	2,545	549	316
IT expenses	4,232	3,918	202	2,950
Marketing expenses	4,521	3,682	–	899
Rental expenses	747	1,279	105	1,257
Issue costs	3,811	–	3,811	–
Other	7,092	2,302	953	1,249
<b>Total</b>	<b>24,505</b>	<b>13,725</b>	<b>5,620</b>	<b>6,671</b>

## Note 31 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement include the following:

	Group		Parent company	
	2023	2022	2023	2022
Cash and bank balances	216,946	200,329	45,841	22,797
<b>Total</b>	<b>216,946</b>	<b>200,329</b>	<b>45,841</b>	<b>22,797</b>

The Group has an approved overdraft facility of SEK 100,000 thousand (100,000). Utilised overdraft facilities are recognised as borrowing in current interest-bearing liabilities. The parent company is the owner of the Group's cash pool and recognises the total balance in the cash pool as at 31 December 2023.

## Note 32 Equity

### Capital management

The objective of the capital structure is to safeguard the Group's ability to continue to develop its operations and maintain financial stability to create confidence among investors, creditors and the market. Svedbergs Group assesses the capital structure on the basis of the equity/assets ratio and return on equity.

Dividend of up to 50 percent of the profit for the year after tax may be paid to shareholders. The level of the dividend should take into account the company's financial position and its growth and investment strategy, with the aim of creating future shareholder value.

	Group		Parent company	
	2023	2022	2023	2022
Equity	978,604	935,138	720,588	656,992
Adjusted equity	—	—	740,243	682,956
Equity/assets ratio, %	33.5	40.8	36.8	46.7
Return on equity, %	12.0	22.1	16.2	8.5

Share capital	Number of shares	Share capital	Other contributed capital	Total
As at 1 January 2022	21,200,000	26,500	2,974	29,474
New share issue	14,123,758	17,655	464,965	482,620
<b>As at 31 December 2022</b>	<b>35,323,758</b>	<b>44,155</b>	<b>467,940</b>	<b>512,095</b>
—	—	—	—	—
<b>As at 31 December 2023</b>	<b>35,323,758</b>	<b>44,155</b>	<b>467,940</b>	<b>512,095</b>

### Acquisition and holding of own shares

Svedbergs Group's holding of own shares at the year-end amounted to 14,361 shares, corresponding to 0.04 percent of the total number of shares. The purpose of the holding is to ensure future delivery of shares to the employees who participate in Svedbergs' share savings programme. No shares were bought back during the year (0). The total number of shares as at 31 December 2023 was 35,323,758 (35,323,758).

Reserves	Currency translation	Total
As at 1 January 2022	7,254	7,254
Translation of foreign subsidiaries	20,212	20,212
<b>As at 31 December 2022</b>	<b>27,465</b>	<b>27,465</b>
Translation of foreign subsidiaries	-22,465	-22,465
<b>As at 31 December 2023</b>	<b>4,999</b>	<b>4,999</b>

### Currency translation

Exchange differences arising from the translation of foreign subsidiaries are recognised in other comprehensive income as described in Note 2.3.3 and accumulated in a separate component in reserves within equity. The accumulated amount is reclassified to the income statement when the net investment is disposed of.

## Note 33 Interest-bearing liabilities

Non-current interest-bearing liabilities	Group		Parent company	
	2023	2022	2023	2022
Bank loans	489,621	563,033	465,553	525,033
<b>Total</b>	<b>489,621</b>	<b>563,033</b>	<b>465,553</b>	<b>525,033</b>

Current interest-bearing liabilities	Group		Parent company	
	2023	2022	2023	2022
Bank loans	575,569	20,973	571,195	20,885
Bank overdraft facility	—	39,603	—	39,603
Forward exchange contracts (Note 29)	—	527	—	527
<b>Total</b>	<b>575,569</b>	<b>61,103</b>	<b>571,195</b>	<b>61,015</b>

The maturity structure of interest-bearing liabilities at the end of the reporting period was as follows:

	Group		Parent company	
	2023	2022	2023	2022
3 months or less	556,392	—	555,299	—
Between 3 months and 1 year	19,177	61,103	15,896	61,015
Between 1 and 2 years	469,927	563,033	465,553	525,033
Between 2 and 5 years	7,355	—	—	—
More than 5 years	12,339	—	—	—
<b>Total</b>	<b>1,065,190</b>	<b>624,135</b>	<b>1,036,748</b>	<b>586,047</b>

In 2023, the financing agreement with the bank was renewed. The agreement concerns a credit facility of SEK 600,000 thousand and EUR 6,225 thousand that runs until 31 March 2025. Interest rates on bank loans are variable and linked to STIBOR and SONIA. The average interest rate in 2023 was 5.71 percent (2.64). The terms of the credit facility are based on the development of net debt and EBITDA.

At the year-end, the Group's unutilised credit facilities amounted to SEK 176,999 thousand (60,397). The carrying amount of the Group's interest-bearing liabilities corresponds to its fair value, as the interest rate on these liabilities is in line with current market rates or because of the short-term nature of the liability.



## Note 34 Provision for additional purchase price

Provision for additional purchase price – long-term	Group		Parent company	
	2023	2022	2023	2022
Additional purchase price – interest-bearing	184,036	155,691	—	—
Additional purchase price – non-interest-bearing	—	5,986	—	5,986
<b>Total</b>	<b>184,036</b>	<b>161,677</b>	<b>—</b>	<b>5,986</b>

Provision for additional purchase price – short-term	Group		Parent company	
	2023	2022	2023	2022
Additional purchase price – non-interest-bearing	5,955	8,979	5,955	8,979
<b>Total</b>	<b>5,955</b>	<b>8,979</b>	<b>5,955</b>	<b>8,979</b>

### Important estimates and assessments

As at 1 December 2020, 100 percent of the shares in the Danish company Cassøe A/S were acquired. The purchase price amounted to DKK 64 million, of which DKK 46 million was paid on the possession date and the remaining DKK 18 million was paid annually in three equal parts of DKK 6 million on 1 December 2021, 2022 and 2023. A conditional additional purchase price was also agreed in connection with the acquisition. The additional purchase price, which amounts to a maximum of DKK 6 million, is based on annual milestones during the period 2021–2023. Based on how the company has performed since the acquisition, it is the management's assessment that the additional purchase price will be DKK 4 million.

As at 1 December 2021, 100 percent of the shares in the UK company Roper Rhodes Ltd were acquired. The purchase price of GBP 82 million was paid on the possession date. A conditional additional purchase price was also agreed in connection with the acquisi-

tion, amounting to a maximum of GBP 14 million. The additional purchase price is based on future performance during 2022–2024. Based on how the company has performed since the acquisition and the business plan for the coming years, it is the management's assessment that the additional purchase price will be GBP 12 million.

As at 23 November 2023, 100 percent of the shares in the Dutch company Thebalux Holding B.V. were acquired. The purchase price of EUR 50.6 million was paid on the possession date. A conditional additional purchase price was also agreed in connection with the acquisition, amounting to a maximum of EUR 2.7 million. The additional purchase price is based on future performance during 2023–2025. Based on how the company has performed during the year and the business plan for the coming years, it is the management's assessment that the additional purchase price will be EUR 2.3 million.

## Note 35 Changes and liabilities attributable to financing activities

The table below presents the analysis of the change in the Group's and the parent company's liabilities attributable to financing activities during the period.

Group	Opening balance 2023	Changes affecting cash flow		Changes not affecting cash flow			Closing balance 2023
		Change in other liabilities	Change in lease liabilities	Exchange differences	Change in lease liability	Change in other liabilities	
Non-current liabilities	734,614	–82,982	—	573	53,779 <sup>2)</sup>	31,356 <sup>3)</sup>	737,341
Current liabilities	88,909	489,512 <sup>1)</sup>	–23,115	4,038	23,118 <sup>2)</sup>	17,892	600,354
<b>Total</b>	<b>823,524</b>	<b>406,530</b>	<b>–23,115</b>	<b>4,611</b>	<b>76,897</b>	<b>49,248</b>	<b>1,337,695</b>

- 1) SEK 550,000 thousand of the change refers to a bridging loan taken out in connection with business acquisitions.
- 2) SEK 48,366 thousand of the change refers to acquired long-term lease liabilities and SEK 3,947 thousand refers to acquired short-term lease liabilities.
- 3) SEK 22,628 thousand of the change refers to additional purchase price in connection with business acquisitions and SEK 30,811 thousand refers to acquired loans.

Group	Opening balance 2022	Changes affecting cash flow		Changes not affecting cash flow			Closing balance 2022
		Change in other liabilities	Change in lease liabilities	Exchange differences	Change in lease liability	Change in other liabilities	
Non-current liabilities	710,701	11,719	–14,958	16,100	5,180	5,872	734,614
Current liabilities	745,783	–666,941	–2,537	11,362	1,789	–547	88,909
<b>Total</b>	<b>1,456,484</b>	<b>–655,221</b>	<b>–17,495</b>	<b>27,462</b>	<b>6,969</b>	<b>5,325</b>	<b>823,524</b>

Parent company	Opening balance 2023	Changes affecting cash flow		Changes not affecting cash flow			Closing balance 2023
		Change in other liabilities	Change in lease liabilities	Exchange differences	Change in lease liability	Change in other liabilities	
Non-current liabilities	532,217	–44,626	—	6,031	–1,198	–26,871	465,553
Current liabilities	72,809	489,512 <sup>1)</sup>	—	–248	–2,815	17,892	577,150
<b>Total</b>	<b>605,027</b>	<b>444,886</b>	<b>—</b>	<b>5,783</b>	<b>–4,013</b>	<b>–8,979</b>	<b>1,042,704</b>

- 1) SEK 550,000 thousand of the change refers to a bridging loan taken out in connection with business acquisitions.

Parent company	Opening balance 2022	Changes affecting cash flow		Changes not affecting cash flow			Closing balance 2022
		Change in other liabilities	Change in lease liabilities	Exchange differences	Change in lease liability	Change in other liabilities	
Non-current liabilities	509,338	11,719	–2,262	11,275	993	1,154	532,217
Current liabilities	729,987	–666,941	–626	11,311	–375	–547	72,809
<b>Total</b>	<b>1,239,325</b>	<b>–655,221</b>	<b>–2,888</b>	<b>22,585</b>	<b>618</b>	<b>607</b>	<b>605,027</b>

## Note 35 Changes in liabilities attributable to financing activities, cont.

The tables below present the components of financing activities.

Group	2023	2022
Bank loans	489,621	563,033
Additional purchase price	184,036	161,677
Lease liabilities	63,683	9,904
<b>Total non-current liabilities</b>	<b>737,341</b>	<b>734,614</b>
Bank loans	575,569	20,973
Bank overdraft facility	—	39,603
Forward exchange contract	—	527
Additional purchase price	5,955	8,979
Lease liabilities	18,830	18,827
<b>Total current liabilities</b>	<b>600,354</b>	<b>88,909</b>
<b>Closing balance</b>	<b>1,337,695</b>	<b>823,524</b>
<b>Parent company</b>	<b>2023</b>	<b>2022</b>
Bank loans	465,553	525,033
Additional purchase price	—	5,986
Lease liabilities	—	1,198
<b>Total non-current liabilities</b>	<b>465,553</b>	<b>532,217</b>
Bank loans	571,195	20,885
Bank overdraft facility	—	39,603
Forward exchange contract	—	527
Additional purchase price	5,955	8,979
Lease liabilities	—	2,815
<b>Total current liabilities</b>	<b>577,150</b>	<b>72,809</b>
<b>Closing balance</b>	<b>1,042,703</b>	<b>605,025</b>

## Note 36 Accrued expenses and deferred income

	Group		Parent company	
	2023	2022	2023	2022
Holiday pay liability	20,384	15,024	1,397	11,649
Social security contributions	10,195	9,236	887	7,137
Bonus to employees	37,995	54,873	1,708	5,275
Bonus to customers	89,423	36,155	—	28,132
Goods in transit	—	25,150	—	—
Other items	38,963	27,722	3,637	7,478
<b>Total</b>	<b>196,961</b>	<b>168,160</b>	<b>7,630</b>	<b>59,671</b>

## Note 37 Other provisions

	Group		Parent company	
	2023	2022	2023	2022
Pension obligations (long-term)	2,976	1,885	2,976	1,885
Warranty provision (current)	4,669	2,957	—	1,480
<b>Total</b>	<b>7,645</b>	<b>4,842</b>	<b>2,976</b>	<b>3,365</b>

### Pension obligations

Provisions for pension obligation consist of the parent company's obligation to future pension commitments (including special payroll tax). The liability is classified as non-current.

### Warranty expenses

Provision has been made for estimated warranty expenses for goods sold for which the warranty was still valid at the end of the financial year. The warranties are expected to be settled in the next financial year.

## Note 38 Pledged assets and contingent liabilities

	Group		Parent company	
	2023	2022	2023	2022
<b>Pledged assets</b>				
Net assets in Group companies	691,080	392,500	—	—
Property mortgages	29,139	29,139	4,439	4,439
Company mortgages	15,000	15,000	—	—
Shares in Group companies	—	—	6,818	6,818
<b>Contingent liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Note 39 Business combinations

### Acquisition of Thebalux Holding B.V.

On 23 November 2023, Svedbergs Group completed the acquisition of all shares in the Dutch bathroom supplier Thebalux Holding B.V. through the holding company Svedberg Group NL B.V. The purchase price amounted to EUR 53.3 million on a cash and debt-free basis, of which EUR 50.6 million was a fixed purchase price and a maximum of EUR 2.7 million was an additional purchase price. The amount of the additional purchase price will be based on Thebalux's financial performance in 2023, 2024 and 2025 and will be paid in 2026. 85 percent of the additional purchase price is expected to be paid. Acquisition costs of SEK 8.4 million were expensed in the fourth quarter of 2023.

To meet the liquidity needs of the combined operations of Svedbergs Group and Thebalux and to finance the acquisition of Thebalux, Svedbergs Group extended its credit facilities by taking out a bridging loan facility of SEK 550 million. To repay part of the bridging loan facility and strengthen the capital structure after the acquisition of Thebalux, it has been decided to carry out a new share issue with preferential rights for existing shareholders of approximately SEK 406 million during the first quarter of 2024.

Thebalux is a highly profitable company with a strong market position and over 25 years of experience of the Dutch bathroom market. The company's product range consists of furniture, washbasins, mirrors, mirror cabinets, mixers, lighting and various bathroom accessories offered through the Thebalux and Primabad brands.

The acquisition of Thebalux is in line with Svedbergs Group's strategy and represents an important step in

Svedbergs Group's goal of becoming the leading bathroom group in Northern Europe. With the acquisition, Svedbergs Group has established a position in the Netherlands, a large, attractive market characterised by a fragmented retail structure and an underlying need for new construction and renovation. The size of Thebalux and the expansion into the Dutch market, as well as some exports to neighbouring markets, further diversifies the Group's activities while enabling risk balancing.

Svedbergs Group carried out a preliminary acquisition analysis in which surplus values were allocated to customer relations, brands and goodwill. The estimated useful life of customer relations is 15 years, while the useful life of brands and goodwill is deemed to be indefinable. Goodwill is mainly attributable to the company's geographical market position. No part of the recognised goodwill is expected to be tax-deductible. The analysis is based on Thebalux as one cash-generating unit.

The acquisition affected the Group's net sales in 2023 by SEK 29.7 million and the operating profit by SEK -8.0 million (including acquisition expenses and amortisation of surplus value acquired). If the acquisition had taken place at the beginning of the financial year, the contribution to sales would have been SEK 375.1 million and the contribution to operating profit, including amortisation of surplus value acquired and acquisition expenses, would have been SEK 76.8 million.

According to the preliminary acquisition analysis, the purchase price and net assets and goodwill acquired amount to the following (SEK million):

Purchase price (SEK million):	Total
Cash and cash equivalents	598.2
Additional purchase price	22.5
<b>Total purchase price</b>	<b>620.7</b>

Purchase price (SEK million):			Total
The assets and liabilities recognised as a result of the acquisition are as follows (SEK million):	Book value	Fair value adjustment	Fair value
Brands	—	97.0	97.0
Customer relations	—	73.2	73.2
Property, plant and equipment	150.4	—	150.4
Inventories	77.8	6.6	84.4
Accounts receivable – trade	37.6	—	37.6
Other current receivables	2.4	—	2.4
Cash and cash equivalents	131.7	—	131.7
Deferred tax liabilities	—	-45.6	-45.6
Non-current liabilities	-83.1	—	-83.1
Accounts payable – trade	-10.5	—	-10.5
Other current liabilities	-49.3	—	-49.3
<b>Total net assets identifiable</b>	<b>257.0</b>	<b>131.1</b>	<b>388.1</b>
Goodwill	—	232.6	232.6
<b>Net assets acquired</b>	<b>257.0</b>	<b>363.7</b>	<b>620.7</b>

### Purchase price – cash outflow

Cash purchase price	598.2
Cash and cash equivalents acquired	-131.7
<b>Net outflow of cash and cash equivalents</b>	<b>466.6</b>

### Roper Rhodes Ltd

In 2023, Svedbergs Group paid SEK 10.0 million relating to a debt linked to former co-owners of Roper Rhodes Ltd, which was acquired in 2021.

## Note 40 Events after the balance sheet date

In order not to increase the Group's debt in the current uncertain market situation, Svedbergs Group carried out a new share issue to repay part of the Group's debt after the acquisition of Thebalux. Svedbergs

Group carried out a new share issue with preferential rights for existing shareholders. Issue proceeds amounted to approximately SEK 406 million. The rights issue was carried out in January–February 2024.

# Signatures of the Board of Directors

The consolidated financial statements and the annual report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application

of international accounting standards and generally accepted accounting principles and provide a true and fair view of the Group's and the parent company's financial position and earnings. The directors' report for the Group and the parent company provides

a true and fair view of the Group's and the parent company's operations, financial position and earnings, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Halmstad, 27 March 2024

Anders Wassberg  
*Chair of the Board of Directors*

Susanne Lithander  
*Board member*

Jan Svensson  
*Board member*

Kristoffer Väliharju  
*Board member*

Ingrid Osmundsen  
*Board member*

Joachim Frykberg  
*Board member*

Per-Arne Andersson  
*President and CEO*

Our auditor's report was submitted on 3 April 2024  
Deloitte AB

Maria Ekelund  
*Authorised Public Accountant*

# Auditor's report

To the general meeting of the shareholders of Svedbergs Group AB (publ)  
corporate identity number 556052-4984

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Svedbergs Group AB (publ) for the financial year 2023-01-01–2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 66–108 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 International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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.

### Key Audit Matter

#### Accounting for business combinations

In 2023 Svedbergs Group AB completed the acquisition of all shares in the Dutch bathroom supplier Thebalux Holding B.V. through the holding company Svedberg Group NL B.V. Accounting for business combinations requires significant judgments and estimates by management to determine the fair value of acquired assets and assumed liabilities. Disclosures regarding acquisitions as well as important judgments and assumptions are included in notes 2, 3 and 39 Accounting principles and note 31 Acquisition of Group companies.

Our audit procedures included, but were not limited to:

- review of agreements on the acquisitions and established purchase price allocation including significant assumptions and judgements made by management to evaluate the fair values assigned to acquired assets and assumed liabilities
- review applied accounting principles and associated disclosures for business combinations to confirm compliance with IFRS.

### Valuation of goodwill and other intangible assets with an indefinite useful life

Svedbergs Group AB (publ) reports in the consolidated balance sheet as of December 31, 2023 intangible assets with an indefinite useful life of SEK 1 167 million. The value of these assets is dependent on future returns and profitability in the cash-generating units and is tested at least annually, in accordance with IAS 36, Impairments. Management bases its impairment test on a number of assumptions about various parameters such as revenue growth, operating margin development and cost of capital (WACC). Changes in management's assessments and assumptions can have a significant impact on the financial reports, and therefore the valuation of goodwill and other intangible

## Auditor's report, cont.

assets with an indefinite useful life is deemed to be a particularly important area.

The group's accounting policy for impairment testing is described in note 2 and note 20 describes important assumptions used by management when preparing the annual impairment test.

Our audit includes, among other things, the following procedures:

- evaluation of Svedberg's principles and routines for establishing impairment tests for compliance with IFRS,
- with the involvement of our internal valuation specialists, evaluated and challenged important assumptions such as assumptions about revenue growth, operating margin development and discount rate,
- review of the models used to calculate present value for arithmetic accuracy as well as
- review that the required disclosures have been provided in the financial reports.

## 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 1–65 and 113–116. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this

procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar) This description forms part of the auditor's report.

## Report on other legal and regulatory requirements

### 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 Svedbergs Group AB (publ) for the financial year 2023-01-01–2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of

the Board of Directors and the Managing Director be discharged from liability for the financial year.

## Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among

**Auditor's report, cont.**

other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

**Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description forms part of the auditor's report.

**The auditor's examination of the Esef report****Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Svedbergs Group AB (publ) for the financial year 2023-01-01–2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Svedbergs Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of The Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter

16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

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

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts

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

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

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

Deloitte AB, was appointed auditor of Svedbergs Group AB (publ) by the general meeting of the shareholders on the 2023-04-27 and has been the company's auditor since 2021-04-28.

Malmö 3 April 2024  
Deloitte AB

Maria Ekelund  
*Authorized public accountant*

# Auditor's report on the Corporate Governance statement

To the general meeting of the shareholders in Svedbergs Group AB (publ)  
corporate identity number 556052-4984

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2023-01-01–2023-12-31 on pages 56–65 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been 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.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö 3 April 2024  
Deloitte AB

Maria Ekelund  
*Authorized Public Accountant*





Other

## Five-year review, key ratios

Group	2023	2022	2021	2020	2019
Net sales, SEK m	1,823.7	1,832.9	868.7	649.4	609.0
EBITA, SEK m	240.0	251.1	119.3	78.2	58.1
Operating profit (EBIT), SEK m	210.4	234.4	95.1	66.2	56.2
Profit before tax, SEK m	159.7	206.0	79.4	62.1	53.5
Profit for the year, SEK m	118.9	165.5	58.6	48.2	41.5
EBITA margin, %	13.2	13.7	13.7	12.0	9.5
Operating margin (EBIT), %	11.5	12.8	10.9	10.2	9.2
Profit margin, %	8.8	11.2	9.1	9.6	8.8
Free cash flow, SEK m	169.9	202.6	80.7	9.7	34.5
Cash flow for the year, SEK m	23.7	-131.4	261.1	22.1	15.0
Intangible assets, SEK m	1,381.0	1,001.3	971.4	260.0	160.4
Property, plant and equipment, SEK m	378.7	288.5	282.5	71.5	75.2
Right-of-use assets, SEK m	82.2	28.5	39.9	9.3	9.5
Financial assets, SEK m	2.9	1.5	—	—	—
Inventories, SEK m	498.6	444.4	325.6	129.9	134.3
Current receivables, SEK m	360.3	326.3	389.2	145.3	124.8
Cash and cash equivalents/investments in securities, etc., SEK m	216.9	200.3	319.9	58.4	36.3
<b>Total assets, SEK m</b>	<b>2,920.6</b>	<b>2,290.9</b>	<b>2,328.4</b>	<b>674.4</b>	<b>540.5</b>
Equity, SEK m	978.6	935.1	266.8	227.5	178.9
Interest-bearing liabilities (incl. additional purchase price), SEK m	1,331.7	808.6	1,431.7	246.2	234.6
Non-interest-bearing liabilities and provisions, SEK m	610.3	547.2	629.9	200.8	127.0
<b>Total equity and liabilities, SEK m</b>	<b>2,920.6</b>	<b>2,290.9</b>	<b>2,328.4</b>	<b>674.5</b>	<b>540.5</b>
Capital employed, SEK m	1,878.6	1,730.3	1,698.5	498.2	413.5
Investments, SEK m	25.7	37.7	15.5	27.2	26.2
Equity/assets ratio, %	33.5	40.8	11.5	33.7	33.1
Capital turnover rate	0.7	0.8	0.6	1.1	1.2
Return on total assets, %	6.5	9.0	5.3	10.2	10.2
Return on capital employed, %	13.9	14.2	12.1	16.8	15.3
Return on equity, %	12.0	27.5	23.7	23.7	23.9
Average number of employees	442	447	263	231	226
– of whom in Sweden	187	209	216	213	207
– of whom outside Sweden	254	238	47	18	19
Sales per employee, SEK thousand	4,128	4,100	3,303	2,811	2,695
Operating profit per employee, SEK thousand	476	524	362	287	249
Foreign share of invoicing, %	74	78	22	22	25

Data per share	2023	2022	2021	2020	2019
Number of shares at the end of the period – outstanding, thousands	35,310	35,310	21,146	21,146	21,146
Number of shares in own custody, thousands	14	14	54	54	54
Number of shares at the end of the period – total issued, thousands	35,324	35,324	21,200	21,200	21,200
Average number of shares <sup>1)</sup> , thousands	35,324	33,769	25,998	25,998	25,998
Share price at year-end, per share	31.20	25.20	70.12	27.97	18.59
Market capitalisation at year-end, SEK m	1,102	890	1,487	593	394
Earnings per share, SEK	3.37	4.90	2.25	1.85	1.60
P/E ratio	9.3	5.1	31.2	15.1	11.6
Equity per share, SEK	27.70	26.47	10.26	8.75	6.88
Free cash flow, per share	4.81	5.73	3.10	0.37	1.33
Dividend (2023 refers to the Board's proposal), per share	1.00	1.50	0.00	1.25	0.00
Dividend yield, %	3.2	6.0	0.0	4.5	0.0
Dividend payout ratio, %	29.7	32.0	0.0	67.4	0.0
Dividend/free cash flow, %	20.8	85.8	0.0	335.0	0.0

1) The number of historical shares has been recalculated taking into account the bonus issue element in the completed new issue in 2022 and is used in all key ratio calculations for SEK/share. The conversion factor is 1.23.

# Definitions of key ratios

Svedbergs Group reports key ratios to describe the development of operations and underlying profitability in a way that is comparable between reporting periods and industries. The Group uses the financial key ratios of average growth and EBITA margin to set long-term targets. In addition to these key ratios, a number of supplementary key ratios are also used that the Group believes provide valuable information to investors and other stakeholders to assess the possibility of dividends and strategic investments, evaluate profitability and meet financial commitments. The Group applies the European Securities and Markets Authority's (ESMA) guidelines for reporting alternative performance measures. Reconciliation of the Group's alternative performance measures is available on Svedbergs Group's website, [svedbergsgroup.com/report-archive](http://svedbergsgroup.com/report-archive).

**Adjusted equity** Equity plus untaxed reserves less deferred tax.

**Average number of employees** Average number of employees per year.

**Capital employed** Total assets minus non-interest-bearing liabilities and provisions. The capital employed shows how much capital the company requires to run its operations.

**Capital turnover rate** Net sales divided by average balance sheet total. The capital turnover rate is used to show how efficiently the Group uses its assets to generate sales.

**Dividend payout ratio** Dividend divided by profit for the year.

**Dividend per share** Dividend for the year divided by the number of shares outstanding.

**Dividend yield** Dividend per share for the year divided by the share price at the year-end.

**EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)** Operating profit before interest, taxes, impairment, depreciation and

amortisation (including goodwill amortisation) adjusted for items affecting comparability. EBITDA is used to measure the profit from operating activities, independent of depreciation and amortisation.

**EBITDA margin** EBITDA as a percentage of net sales. The EBITDA margin is used to relate EBITDA to sales.

**EBITA (Earnings Before Interest, Taxes and Amortisation)** Operating profit after depreciation, amortisation and impairment but before deductions for impairment of goodwill and amortisation and impairment of other intangible assets arising from business combinations, adjusted for items affecting comparability. The Group considers EBITA to be a relevant key ratio for investors who want to understand how much income is left to cover goodwill amortisation, interest, tax and profit.

**EBITA margin** EBITA as a percentage of net sales. The EBITA margin is used to relate EBITA to sales.

**EBIT (Earnings Before Interest and Tax)** Operating profit before interest and tax. The Group considers EBIT to be a relevant key ratio for investors as it shows the Group's operating profit before financing expenses and tax.

**EBIT margin** Operating profit as a percentage of net sales. The EBIT margin is used to relate EBIT to sales.

**Earnings per share** Profit for the year attributable to the parent company's shareholders divided by the average number of shares outstanding during the year.

**Enterprise value** Market capitalisation plus net debt.

**Equity/assets ratio** Equity as a percentage of the balance sheet total. The key ratio reflects the company's financial position. A good equity/assets ratio means the company is prepared to manage periods of economic downturn and is financially prepared for growth. At the same time, a higher equity/assets ratio creates less financial leverage.

**Equity per share** Equity divided by the number of shares outstanding. The Group considers the key ratio equity per share to be relevant for investors as it describes the amount of equity belonging to the shareholders of the parent company.

**Free cash flow** Cash flow from operating activities after changes in working capital and investments, excluding acquisitions and disposals of businesses. Free cash flow is a measure that the Group considers relevant for an investor as it shows, among other things, the value that may be distributed to shareholders.

**Investments** Investments in non-current assets for the year.

**Net debt** Interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables. Net debt is used as a measure of the ability to pay off all liabilities with available cash and cash equivalents if they were due on the date of the calculation.

**Organic growth** Change in net sales excluding increase attributable to acquisitions, translated at the previous year's exchange rates and calculated as a percentage of the previous year's figures. Amounts from companies acquired are included in the calculation of organic change from the first month-end that falls 12 months after the acquisition date.

**P/E ratio** The share price at the balance sheet date divided by earnings per share after tax. The P/E ratio is used for the valuation of shares and describes how many annual profits the Group is valued at on the stock exchange.

**Profit margin** Profit before tax as a percentage of net sales. The Group considers the profit margin to be relevant for investors as it shows how much income is left after all expenses excluding tax have been covered and thus relates the profit to the scope of operations.

**Return on capital employed** Profit before tax plus financial expenses as a percentage of average capital employed. Return on average capital employed is measure that the Group considers important for an investor who wants to understand profit generation in relation to capital employed.

**Return on equity** Profit for the year as a percentage of average equity. Return on equity is a measure that the Group considers important for an investor who wants to be able to compare their investment with alternative investments.

**Return on total assets** Profit before tax as a percentage of average total assets. The return on total assets is a measure of how efficiently the group utilises its assets to generate profit.

# Information to shareholders

## Financial calendar

Interim report Q1	24 April 2024
Annual General Meeting	25 April 2024
Interim report Q2	18 July 2024
Interim report Q3	25 October 2024

## Annual General Meeting 2024

The Annual General Meeting of Svedbergs Group AB (publ) will take place at 13:00 on 25 April 2024 at Trade Center, Kristian IV:s väg 3, Halmstad. For a shareholder to have a matter discussed at the meeting, the matter must have been received by the company no later than on 7 March 2024.

Documents to be presented at the Annual General Meeting are available on the company's website for at least three weeks before the meeting.

## Financial information

Svedbergs Group's financial reports, press releases, share information and other relevant company information are available at [www.svedbergsgroup.se](http://www.svedbergsgroup.se).

The website also offers a subscription service which allows subscribers to follow press releases, financial reports and other current information.

## Financial contact



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