SVEDBERGS GROUP

Annual and Sustainability Report 2024

Contents

The cover photo
During the year, Thebalux launched a collection of luxury bathroom mirrors that seamlessly blend innovation and timeless design. The collection offers customers the opportunity to combine design and functionality preferences, such as choice of shape, lighting, mirror heating, Bluetooth and integrated magnifying mirrors.

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

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

A portfolio of strong brand companies

Svedbergs Group's ambition is to drive and enhance the consolidation of the European market for bathroom products. The focus is on 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 knowledge in marketing, innovation and sustainability.

We create value by supporting 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.

Svedbergs

Svedbergs i Dalstorp AB started in 1920 as a tin factory, and switched to making bathroom cabinets in 1962. Today, the company is a leading bathroom furniture supplier in the Nordic region. 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 products are developed and designed in Herning, Denmark.

Macro Design

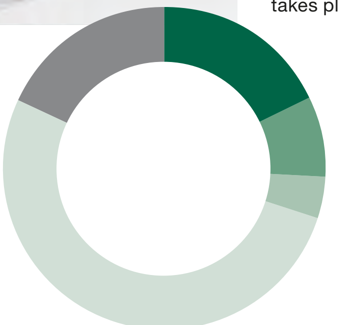
Macro Design was founded in 1985 and has developed from being a shower enclosure manufacturer to offering furniture and accessories for the entire bathroom. The products are developed and designed in Laholm, where most of the production also takes place.

Roper Rhodes

Roper Rhodes was founded in 1979 and is now one of the UK's leading suppliers of bathroom furniture and products, marketed under the Roper Rhodes, Tavistock and R2 brands. The company is located in Bath.

Share of total sales 2024

- Svedbergs, 18%
- Macro Design, 8%
- Cassøe, 4%
- Roper Rhodes, 52%
- Thebalux, 18%



Thebalux

Thebalux was founded in 1996 and has established a strong position, primarily in the Dutch bathroom market. The products are offered through the Thebalux and Primabad brands. Production takes place in Biddinghuizen and Veghel.

About Svedbergs Group

Our journey of change

2016

A well-established market leader in bathroom furniture in Sweden

1 brand

Sales approximately SEK 450 million

Stable profitability

Weak growth

2024

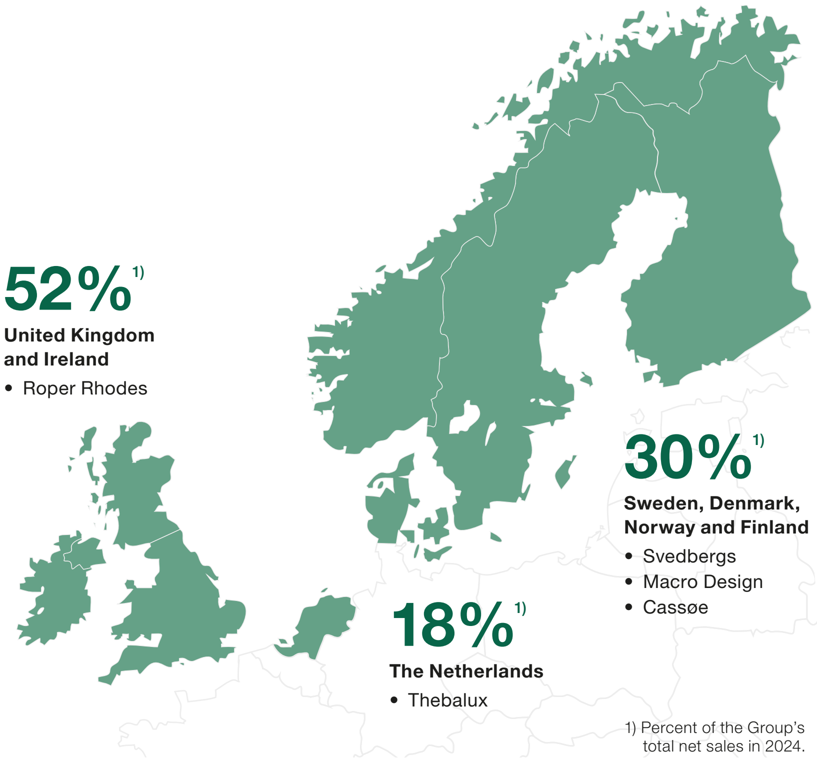
One of the leaders in bathroom furniture in Northern Europe

5 brand companies and 8 brands in 7 countries

Sales approximately SEK 2,184 million

High profitability

Strong growth



1) Percent of the Group's total net sales in 2024.

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, manufacturer and supplier of shower enclosures and bathroom furniture.

2020

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

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.

2024

Continued growth and strengthened profitability in generally challenging markets. Strong focus on innovation, product development, and cost control.

2024 in brief

A stable year overall

Continued strong performance in the UK and the Netherlands. More challenging in the Nordic region.

2024 was characterised to a large extent by higher interest rates, lower disposable income and a slowdown in residential construction. These developments led to a general decline in demand for bathroom furniture and products from both private individuals and the project market. For Svedbergs Group, this was reflected in reduced volumes in the Nordic region, partly offset by continued strong sales in the UK and reliable sales in the Netherlands. A strong focus on cost control, efficiency enhancements and price adjustments contributed to continued stable earnings.

Cost savings in the Svedbergs brand company

To cope with reduced demand, cost reductions were decided on during the year in the Svedbergs brand company, including staff reductions. In parallel with the work on the cost side, forward-looking initiatives continued in sales, communications and the production and supply chains to make the company ready for when the market picks up again.

Svedbergs Group’s climate goals validated and approved by the Science Based Targets initiative

In early 2025, Svedbergs Group’s emissions reduction targets were approved by the Science Based Targets initiative (SBTi). The targets require different types of emissions to be reduced at different rates, with clear milestones for 2030 and 2050. The long-term goal is net zero emissions across the entire value chain. The approval means that the targets are considered compatible with the Paris Agreement and the ambition to limit global warming to a maximum of 1.5 degrees.

2,183.7

Net sales, SEK m
Sales growth in 2024 was 19.7 percent (–0.5).

14.3%

EBITA margin
The EBITA result for 2024 was SEK 312.2 million (240.0).

1.50

Proposed dividend, SEK
Equivalent to 47.3 percent of the Group’s profit after tax (44.6).

-20%

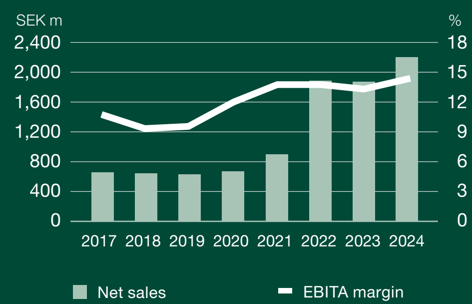
Reduced CO_2 emissions
Compared to the base year 2021 and in relation to net sales.

2024 in brief

Continued efforts to reduce the carbon footprint

During the year, work continued to reduce the Group's CO_2 footprint. Overall, emissions have decreased by 20 percent compared to the base year 2021. The reduction is a result of continued investments in energy efficiency, the transition to renewable energy and the optimization of production processes.

Financial development 2017–2024



Sales in 2024 were SEK 2,183.7 million (1,823.7). EBITA were SEK 312.2 million (240.0), corresponding to an EBITA margin of 14.3 percent (13.2).

Key ratios

	2024	2023	2022	2021	2020
Net sales, SEK m	2,183.7	1,823.7	1,832.9	868.7	649.4
Operating profit (EBIT), SEK m	296.2	210.4	234.4	95.1	66.2
EBIT margin, %	13.6	11.5	12.8	10.9	10.2
EBITA, SEK m	312.2	240.0	251.1	119.3	78.2
EBITA margin, %	14.3	13.2	13.7	13.7	12.0
Profit before tax, SEK m	228.9	159.7	206.0	79.4	62.1
Profit margin, %	10.5	8.8	11.2	9.1	9.6
Profit after tax, SEK m	168.1	118.9	165.5	58.6	48.2
Cash flow from operating activities, SEK m	188.7	195.6	240.3	96.2	94.2

CEO's comments

A stronger platform for future growth

2024 was a year that clearly demonstrated the strength of Svedbergs Group. Despite the market remaining challenging, we delivered strong, improved earnings and passed a historic milestone by exceeding SEK 2 billion in sales for the first time. The strength of our decentralised business model and our ability to adapt quickly was demonstrated once again.

By working consistently to further develop our brand companies, combined with our focus on profitability, efficiency and innovation, we not only addressed market challenges, but also improved our position in the market. We are now entering 2025 with strong brands, a strong product offering, a greater focus on sustainability and a business that is well equipped to both drive growth and seize the opportunities that will arise once the market turns.

For the year as a whole, sales amounted to SEK 2,183.7 million (1,823.7), with acquired growth contributing 20.3 percent, while organic growth was –1.8 percent. Gross profit increased to SEK 995.9 million (795.5), corresponding to a gross margin of 45.6 percent (43.6), while EBITA amounted to SEK 312.2 million (240.0), corresponding to an EBITA margin of 14.3 percent (13.2). In line with the previous year, we continued to have good cost control and lower freight and material prices, and we implemented price increases which, in combination with the acquisition of Thebalux and the continued strong performance of Roper Rhodes, contributed to the success.

Stronger offers

2024 was characterised by continued weak demand in our main markets, with both renovation and new construction activity affected by higher interest rates, economic uncertainty and more cautious consumer behaviour. Despite the market situation, we implemented important initiatives that strengthen both our offers and our operational capabilities. Svedbergs Group's decentralised model and clear focus on profitability, sales and product development were crucial in this work. We have built a stronger platform and are now well equipped to seize opportunities when the market turns.

In the UK, Roper Rhodes continued to strengthen its position. Demand for stylish, functional bathroom solutions was higher than in the Nordic markets, and the combination of design, quality and service continued to attract both new and existing customers. We see good potential to continue growing and developing the offer further in 2025. In addition, in May 2024, Roper Rhodes was recognised as the best supplier in all three categories of the PHG Supplier Awards, demonstrating once again its strength in product development, customer service and delivery capability.

Macro Design performed well during the year despite the continued weak demand in the Nordic market, which improved in the second half of 2024. By moving furniture assembly in-house, implementing price adjustments and good cost control, we improved margins even though sales were at the same level as in the previous year.

The Svedbergs brand company focused on adapting operations to the lower demand in the Swedish, Finnish and Danish markets. An important step in this transition was the commissioning of the new edge bending line in Dalstorp, which provides shorter lead times, increased capacity and greater flexibility in production. The investment not only strengthens Svedbergs' own operations but also creates opportunities for the Group's other brand companies. The focus in 2025 is on intensifying marketing and sales, optimising the capacity utilisation of the new production line and ensuring cost efficiency.

In Denmark, Cassøe experienced a slight decline in sales and profitability in 2024 as a whole, mainly assigned to weaker development in the Danish market. However, price adjustments offset the impact of lower volumes. At the same time, Cassøe continued to develop its range with a focus on innovative technology-orientated products, including a new lighting range, while a targeted approach to architects enhanced the brand's position in the market.

Thebalux delivered strong earnings during the year and continued to consolidate its position in the Dutch market, where the focus on design and quality was crucial. To meet the increased demand, production capacity was expanded with new equipment in Biddinghuizen, streamlining both production and delivery times. With continued product development, the launch of new product ranges and increased capacity, we see good opportunities to further strengthen our market position.

Innovation and sustainable design driving us forwards

2024 was a year in which we at Svedbergs Group continued to be driven by the power of our innovativeness and commitment to product development. We are convinced that true value creation comes from forward thinking, creativity and a passion for creating sustainable, functional bathroom solutions. Our organisation is characterised by a decentralised, entrepreneurial approach in which we constantly challenge ourselves and each other to meet customer needs with smarter, well-designed, more sustainable products.

During the year, we launched a number of new products across our brands, with a particular focus on sustainable design, energy efficiency and innovative solutions that make life easier for our customers. Our ambition is for at least 30 percent of our annual sales to come from products launched within the last three years, which we successfully achieve through a dynamic product development process and close collaboration with our customers and partners.

Alongside product innovation, we have continued to develop our production facilities and improved our capacity for customised, flexible production solutions. Investments in automation and digitalisation enable shorter lead times, higher precision and more sustainable use of resources.

While we recognise that cost control and efficiency are crucial to our ability to continue to invest in growth, it is our culture, our drive and our ability to combine design, function and service that create real value for our customers and for the Group.

The next level in our sustainability work

2024 was also a significant year for our sustainability work, as we prepared for 2025 when we will report under the new EU ESG requirements (CSRD) for the first time. We placed great emphasis on building a structured, transparent reporting process that gives our stakeholders a clear picture of our sustainability work and our progress. Our long-term goal is for Svedbergs Group to be a leading supplier of sustainable bathroom solutions in northern Europe, and we can already see that our sustainability focus gives us a competitive advantage in the dialogue with both customers and consumers.

We have increased our focus on sustainability with better supply chain traceability and systematic monitoring of climate impact, increased recycling, improved energy efficiency and more sustainability labelling at product level, giving us several competitive advantages now and in the future.

During the year, all our brand companies continued to work on the reduction plans that were developed based on the previous analysis of our greenhouse gas emissions. This work yielded tangible results, with a reduction in CO_2 emissions of just over 5 percent in 2024. Compared to the base year 2021, we have now reduced emissions by 20 percent, which means we are in line with our SBTi targets. The positive results include switching to renewable energy at more facilities, making our transport more efficient and optimising production processes.

Another focus area was to learn even more about the environmental impact of our products throughout their life cycle, from raw materials and production to use, recycling and finally waste management. As part of this, in February 2024, we published our first Environmental Product Declarations (EPDs). This is an important step in our sustainability work and an important tool for both developing our own offer and supporting customers, architects and property developers to make more informed, sustainable choices.

We look forward to demonstrating our progress and accountability with greater transparency, thus continuing to boost both our competitiveness and the trust of our customers, partners and investors.

Well positioned for 2025

As we enter 2025, we can see some signs of stabilisation in the market, although we make no assumptions about the prevailing market situation. The strong market positions of our brands, together with our decentralised, flexible business model, put us in a good position to adapt quickly in a world that continues to change.

At the same time, we are entering the new year with a clear direction and a long-term focus. We continue to invest in innovation and design to drive demand and enhance our brands' positions, while also deepening our sustainability work and integrating it throughout the value chain, from product development to production and delivery. We also continue to develop our digital customer journeys to meet new needs and reach more customers, while continuously evaluating opportunities for acquisitions that can complement and broaden our business.

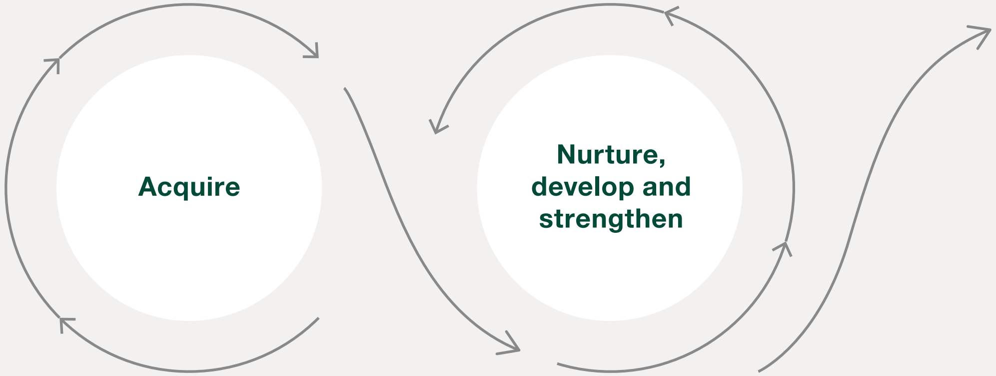
With strong brands, committed employees and a proven business model, we are well equipped to work towards our goal: to be the leading bathroom group in Northern Europe in terms of design, innovation and sustainability. I would like to thank all our staff for their dedication and hard work during the year, and to thank our customers, partners and shareholders for their trust. Together, we are building an even stronger Svedbergs Group.

Per-Arne Andersson
President and CEO
Svedbergs Group

> "With continued product development, the launch of new product ranges and increased capacity, we see good opportunities to further strengthen our market position."

A strong business model

Svedbergs Group's business model is to acquire, own and develop strong, innovative companies 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 continue 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 spreading best practice. The work is decentralised and based on a model that support the entrepreneurship and identity of the individual brand companies. 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.

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 overall ambition going forward is to continue to develop the business in a way that enables and ensures both investment in existing and new businesses and a good return to shareholders.

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.

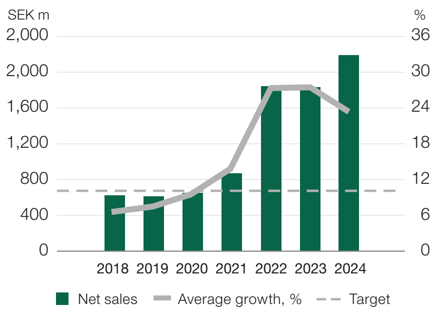
Dividend policy

Svedbergs Group's 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 2024

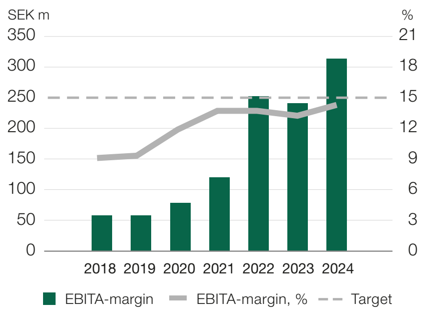
23.6%

Average growth over the last seven years has been 23.6 percent. Growth in 2024 was 19.7 percent.



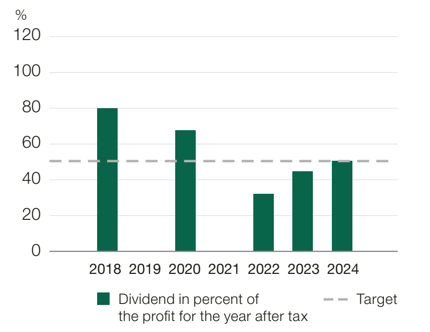
14.3%

The EBITA margin for 2024 was 14.3 percent.



47.3%

The Board of Directors proposes a dividend of SEK 1.50 (1.00) per share to the 2025 Annual General Meeting. The total dividend thus amounts to SEK 79.4 million (53.0). The proposed dividend represents 47.3 percent of the company's profit after tax.



Sustainability targets 2030

	Reduction of CO_2 emissions[1)]	Share of renewable energy	Environmentally certified wood raw material	Healthy presence	Physical audits of strategic suppliers	Total waste
Target	**50%** CO_2 emissions from Svedbergs Group's operations should decrease by 50 percent in relation to net sales between 2021 and 2030.	**100%** 100 percent of the energy used by Svedbergs Group should come from renewable sources by 2030.	**100%** 100 percent of the wood raw material purchased by Svedbergs Group should come from environmentally certified sources.	**96.5%** Healthy presence in relation to total scheduled time should exceed 96.5 percent by 2030.	**20%** The proportion of strategic suppliers at which a physical audit has been carried out should be 20 percent per annum.	**35%** The ratio of waste to net sales should be reduced by 35 percent between 2021 and 2030.
Outcome 2024	**-20%** Carbon emissions relative to net turnover decreased by 5 percent during the year compared to 2022. Compared to the base year 2021, emissions have decreased by 20 percent.	**87%** The share of renewable energy within Svedbergs Group decreased by 5.4 percentage points in 2024, from 92.4 percent in 2023 to 87.0 percent in 2023. The decrease is entirely related to the acquisition of Thebalux.	**100%** In 2024, 100 percent of purchased wood raw material came from environmentally certified sources, in line with the previous year.	**96,2%** Healthy attendance rate during 2024 was 96.2 percent, a decrease of 1.4 percentage points compared to the previous year. This is mainly due to the fact that figures from Thebalux were not reported for 2023.	**21%** In 2024, physical audits with a focus on sustainability were conducted for 21 percent of the Group's strategic suppliers. This is an increase of 11 percentage points compared to the previous year.	**41%** The amount of waste relative to net turnover decreased by 41.0 percent in 2024 compared to the previous year. Compared to the base year 2021, the amount has decreased by 41.4 percent.

1) The climate targets were updated at the beginning of 2025. Read more about the updated targets on page 48.

Our strengths

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

A fragmented market with good underlying demand

The European bathroom market is characterised by a large number of strong local or regional companies. There has been strong growth in the market historically, 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.

Capacity to invest in both organic and acquisitive growth

Svedbergs Group has enjoyed good profitability over time. The Group's stable financial position enables 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.

Strong brands

All brands within the Svedbergs Group are well established with strong positions in their respective geographical markets and in their various niches. All offer a comprehensive range characterised by high quality, design and function. All brand 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.

Cooperation without confusion

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, cost efficiency and a shared journey of growth.

Market & strategy

A fragmented European market

Svedbergs Group operates in several geographical areas. 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.

Although the European bathroom market is fragmented in terms of preferences and actors, there are also significant similarities, not least in terms of overall drivers and structure. In all countries, demand is largely driven by renovation, conversion and extension work.

Two sub-markets

In all geographic markets, the market can generally be divided into two parts: sales to consumers through various channels and sales to property owners and construction companies. A significant portion of the market value consists of sales to consumers and tradespeople, while the remaining portion relates to sales to property owners and construction companies in connection with new housing construction or extensive renovation projects.

Historically stable market for renovation, conversion and extension

Sales related to the market for renovation, conversion and extension have historically been relatively stable over time. Demand is heavily influenced by disposable household income, housing price trends, interest rates, incentives in the form of subsidies, and the age structure of individual properties and property portfolios.

More volatile market for new construction

The market for new construction is usually more volatile and is largely driven by the state of the construction economy and the rate of new construction. However, in several geographical markets there is a large underlying structural housing deficit. In Sweden, for example, the National Board of Housing, Building and Planning estimates that an average of just over 50,000 new homes per annum will need to be built until 2033 to meet the expected demand.

Growth in 2024

In 2024, weak macroeconomic growth resulted in a marked deterioration in household purchasing power, postponed investment in existing property stocks and significantly lower residential construction. Overall, this contributed to a generally weak European bathroom market.

Trends and driving forces

Global trends – personal choices

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. At the same time, the Group structure makes it possible to share inspiration and achieve economies of scale in areas such as purchasing and production.

Increased technology content

Technological developments are increasingly making their mark in the bathroom. The opportunities this entails require 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. Collaboration between the brand companies also enables shorter lead times.

Rapid digitalisation affecting the entire value chain

Digitalisation and rapid technological development affect virtually the entire value chain, from purchasing and production to marketing and sales. There is great potential in several areas, in particular 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 in all brands to harness the opportunities of digitalisation in everything from product development and automation in production to marketing and sales.

Continued focus on sustainability

Issues relating to both environmental impact and social responsibility are becoming increasingly important. This is clear from customers in terms of increased demand for quality, longevity, good working conditions and transparency in product information. And from legislators it is clear in terms of stricter requirements for sustainability reporting at both product and company levels.

Svedbergs Group's response

With a relatively high proportion of own production, Svedbergs Group has 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 drive and enhance the consolidation of the European bathroom market, a market currently characterised by a large number of locally strong, independent brands.

1

Profitable growth

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

Svedbergs Group will grow organically, but also through complementary acquisitions of strong, independent brands with the potential to continue growing 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.

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 supporting 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.

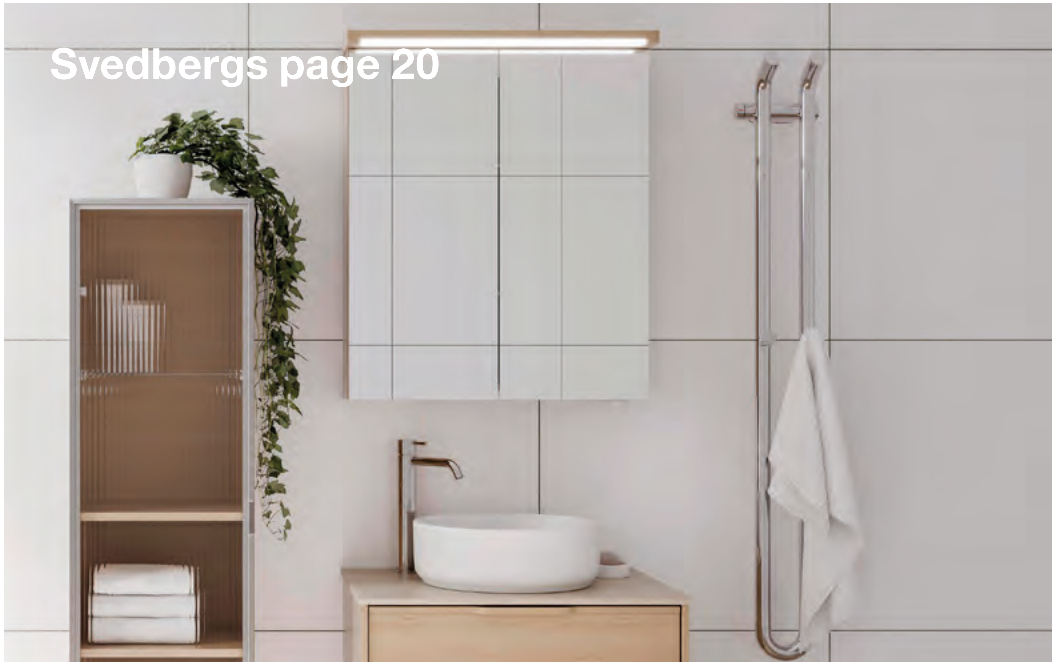
5

Organisation and leadership

Empowering and developing people through growth-oriented leadership

The leadership of Svedbergs Group is characterised by an aspiration to motivate, inspire and lift people to levels at which they can perform even better. This is about giving 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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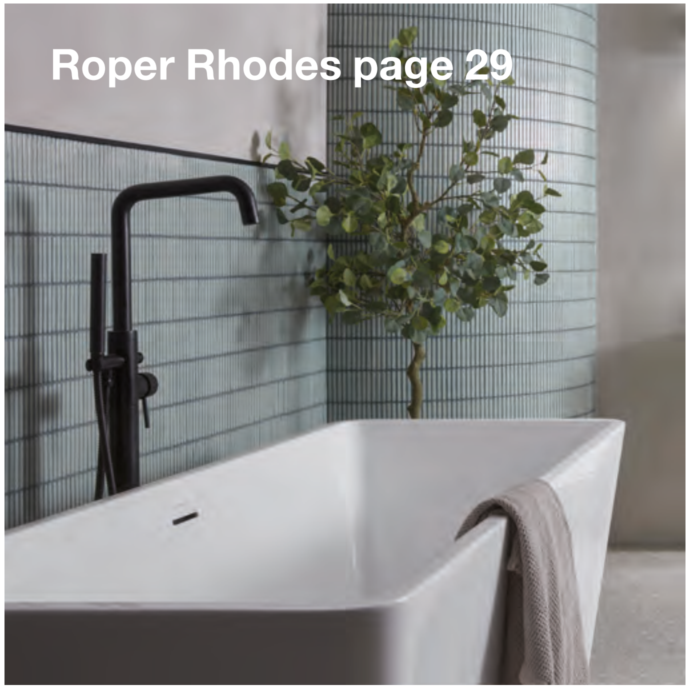
Cassøe page 26


Macro Design page 23


Roper Rhodes page 29


Thebalux page 32

Svedbergs

Svedbergs' Epos furniture range in white ash and tall cabinet with display door in line glass.

Svedbergs

Well-established supplier in the Nordic region

Svedbergs is a well-established supplier of bathroom fittings in the Nordic region. The range includes furniture, showers, bathtubs, heated towel rails, mixers, toilets and accessories. Product and design development is mainly in-house, in close cooperation with selected designers and suppliers. Most of the manufacturing is also done in-house.

Svedbergs started in 1920 as a tin factory, and changed 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.

Around 75 percent of goods sold are manufactured at its own production facility in Dalstorp. In addition to reduced vulnerability to supply chain disruption, in-house production enables high flexibility, efficient range development, shorter product series and more customised solutions. This approach also ensures good control over resource utilisation, environmental impact, waste management and social conditions.

The sales organisation is divided into sales to the consumer market via retailers and sales to the project market, such as property owners, housing developers and construction companies.

Sales to the consumer market are geographically organised and are made through local building and specialist retailers both in physical stores and via digital channels. A number of retailers also have their own showrooms.

In parallel with a strong network of retailers, Svedbergs strives to build closer direct relationships with end customers. It is becoming increasingly important to have a digital presence in this work. In recent years, Svedbergs has increased its visibility on various social media platforms and also launched a new website offering more inspiration and increased integration with retailers.

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.

Svedbergs

Operational highlights 2024

Cost savings and higher internal efficiency

There was a major focus during the year on adapting operations and the organisation to the continued weak market. Among other things, cost-cutting measures were implemented, including reductions in full-time positions.

Continued implementation of new edge bending line

The commissioning of the new edge bending line at the Dalstorp production plant continued during the year. The installation is expected to offer several major benefits, including shorter lead times, increased capacity and greater flexibility in terms of product variation and customisation. It also creates opportunities for production for the other brand companies in the Group. Overall, the investment will future-proof operations and is an important part of the Group's continued growth journey.

Launch of two new collections

The new Poem and Bloc furniture collections were launched during the year. Both collections combine design and aesthetics with a high degree of functionality and sustainability. They are also characterised by coherent concepts for products with strong, distinctive identities.

Exhibitions and own showrooms updated

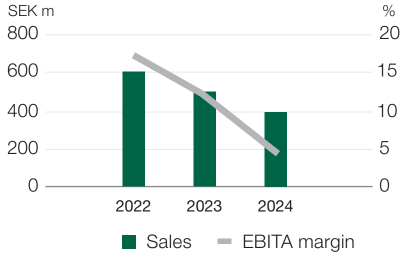
The exhibition spaces at retailers and our own showrooms, with trained sales staff, play an important role in our efforts to inspire our customers. As part of preparations for launching the new collections, the showrooms and exhibitions at retailers were updated during the year.

Focus for the future

Much effort will be put into marketing and sales in 2025. Efforts to ensure the efficient operation of the new production line will continue, with a particular focus on increasing capacity utilisation. There will also be a continued strong focus on cost control, ensuring high internal efficiency and preparation in case the market remains challenging. In the new construction and project market, Svedbergs will focus on projects related to renovation and pipework replacement.

Financial development

Svedbergs' total net sales for the year amounted to SEK 401.1 million (504.3), a decrease of 20.4 percent. Growth was negative in the majority of Svedbergs' geographical markets during the year. EBITA were SEK 16.8 million (58.6), corresponding to an EBITA margin of 4.3 percent (12.2). This development was largely due to the decrease in volume.



SEK m	2024	2023	2022
Total net sales	401.1	504.3	602.2
EBITA	16.8	58.6	98.6
EBITA margin, %	4.3	12.2	17.3

"The focus in recent years has been on efficiency improvements and cost control. This has been challenging, but we will benefit when the market eventually turns."

Thomas Elvlin,
CEO of Svedbergs

Macro Design

Macro Design's furniture range Crown with Stripe front panel in black oak, Vega mirror and Spirit shower screen with Sky shower shelf.

Macro Design

Furniture and accessories for the whole bathroom

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, brassware 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.

Macro 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, sustainable material choices and high quality.

The main markets are Sweden, Norway and Iceland. There are also some sales in Finland and Denmark.

Sales are primarily aimed at the consumer market but also include parts of the project market. Sales to consumers are mainly through specialist bathroom stores, via large chains and a number of independent specialist retailers and wholesalers. Macro Design's products are sold by a total of around 300 active retailers.

Bringing development, design, production and delivery under one roof ensures an efficient process. The proximity to partners, retailers and end customers also means good opportunities for customisation based on specific customer needs. It also contributes to fast deliveries, high delivery precision and lower environmental impact.

Operational highlights 2024

Strong focus on efficiency enhancements and cost control

The economic and geopolitical situation led to a cautious attitude among customers during the year. There was a strong focus on efficiency enhancements and an overall strong focus on cost control. The work covered virtually all areas of the organisation.

Proportion of the Group's total sales

Macro Design, 8%

Sales by country

- Sweden, 63%
- Norway, 34%
- Finland, 1%
- Others, 2%

Continued development of the customer offering

Work on developing the offering continued in 2024, with key initiatives including the launch of a new brassware range for both showers and washbasins, a new shower storage unit with a door, and washbasins and work tops in water-proof wood composite.

Greater flexibility and better service

At the end of 2023, Macro Design changed to assembling bathroom furniture in-house. In 2024, this enabled shorter lead times, higher flexibility and joint deliveries of complete bath-room solutions.

More structured approach to regulators

As part of the long-term strategic focus on the project market, a more structured approach to specifiers, including architects, was initiated during the year. The focus was on medium-sized projects in the premium segment where cus-tomer expectations of design, quality and innovation are high.

Stronger relationships with retailers

The retailer network continued to be developed during the year. Activities included updating the showrooms and training retailers. The aim of the training programme, based on the Macro Design Academy concept, was to create knowledge-able, inspiring, good brand ambassadors. During the year, retailers were also invited to Macro Design's showroom and production facility in Laholm to learn about new products and gain an insight into production.

More direct communication

In addition to the work with retailers, the com-pany 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.

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. The products that were EPD certi-fied in 2024 belonged to the Spirit and Empire product ranges.

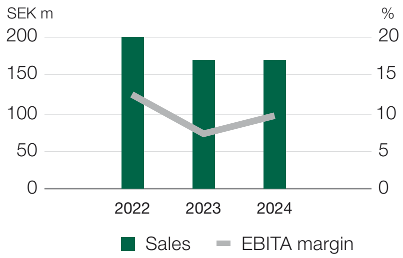
Focus for the future

The focus for the future will be on sales, innova-tive product development, continued efficiency enhancements and good cost control. The aim is to gain market share, regardless of the market situation.

Relations with specialist bathroom retailers will be developed and strengthened. In parallel, a special initiative for installers will be imple-mented. There will also be a continued strong focus on raising brand awareness among regu-lators and end customers. Particular emphasis will be placed on raising awareness of the possibility of customisation based on specific needs and preferences.

Financial development

Macro Design's net sales for 2024 were SEK 169.7 million (169.7). Demand remains weak in the Nordic market. EBITA were SEK 16.1 million (12.1), corresponding to an EBITA margin of 9.8 percent (7.4). The improved earnings were mainly a consequence of efficiency enhance-ments, taking over furniture assembly in-house and price adjustments.



SEK m	2024	2023	2022
Total net sales	169.7	169.7	199.3
EBITA	16.1	12.1	24.1
EBITA margin, %	9.8	7.4	12.5

"The goal going forward is to grow, gain market share and continue to strengthening our results. We will do this through innovative product development, a strong focus on sales and continued good cost control."

Thomas Gunnarsson, CEO of Macro Design

Cassøe

Cassøe glass bowl in gold, with Newform XT mixer in polished brass.

Cassøe

Quality products for bathrooms and kitchens

Cassøe is one of Denmark's leading suppliers 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.

From an initial focus on bathroom and kitchen brassware, in recent years Cassøe has changed its offering to broaden the range of bathroom and kitchen fittings. The range includes shower walls, mirrors, furniture, brassware and other accessories for both bathrooms and kitchens. Sales to the consumer and project markets are made through retailers such as kitchen and bathroom stores, tile stores, and plumbing wholesalers. In addition, there are established partnerships with architects and housing developers.

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

Operational highlights 2024

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. Among other new products, the year saw the introduction of a new range of lighting, adapted for rooms other than bathrooms and kitchens as well.

In parallel, the continuous updating of existing products continued, including the launch of 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.

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.

Targeted approach to architects
To raise awareness of Cassøe's offering and range of products and services for specifiers, a targeted campaign aimed at architects was carried out during the year. The focus was on raising awareness of the options for flexibility and customisation based on specific environments.

Focus for the future
A major focus in 2025 will be on continued development of the offering and range. The single most important priority is the launch of the new lighting range.

Great care continues to be taken to ensure a competitive offering in terms of price. Own brand goods play a key role in this endeavour. The aim continues to be to increase sales of own products sold under the Cassøe brand.

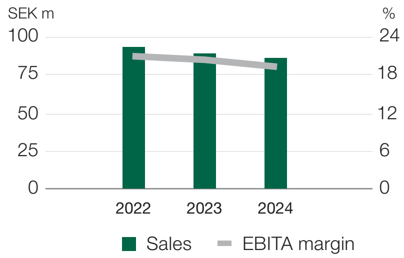
The retailer network will continue to play a central role in sales, and the aim is to increase sales through existing sales channels. In addition, efforts to establish sales through complementary channels will be intensified. This includes an initiative aimed at selected parts of the project market, as well as the development of the offering for production on behalf of other bathroom suppliers.

In the area of sustainability, the aim is to continue to reduce CO_2 emissions throughout the value chain. The initiatives include measures in both own operations and in the supply chain. As part of the effort to increase transparency on the impact of individual products, work on environmental product declarations will continue.

Given the market situation, a major focus will also be on ensuring high internal efficiency and continued good cost control.

Financial development

Cassøe's net sales for 2024 amounted to SEK 86.5 million (89.2), a decrease of 3.0 percent. The decrease was assigned to a negative trend in the main Danish market. EBITA were SEK 16.6 million (17.8), corresponding to an EBITA margin of 19.1 percent (20.2). The lower EBITA was mainly a consequence of lower volumes, which were partly offset by price increases.



SEK m	2024	2023	2022
Total net sales	86.5	89.2	93.6
EBITA	16.6	17.8	20.0
EBITA margin, %	19.1	20.2	21.3

"A major focus in 2025 will be on the development of our offering, including mirrors and lighting under our own brand."

Michael Cassøe,
CEO of Cassøe

Roper Rhodes

Roper Rhodes' Scheme series, featuring a round countertop basin, Play mirror, and Accent bathtub.

Roper Rhodes

Strong position in the UK

Roper Rhodes is a well-established British supplier and designer of bathroom furniture and products. The offer consists of sanitary ware, showers, brassware, furniture, mirrors, bathtubs, WCs and other accessories. In terms of net sales, its biggest product categories are bathroom furniture and sanitary ware. Roper Rhodes has been part of Svedbergs Group since 2021.

Roper Rhodes was established in 1979 and is one of the UK's leading suppliers of bathroom furniture, sanitary ware and accessories. The range is characterised by innovation, design and high quality. The products are designed at the company's headquarters in Bath. Production is outsourced to external manufacturers elsewhere 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.

Three brands

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 ware, showers, brassware, cabinets, mirrors and accessories.

Tavistock Acquired by Roper Rhodes in 1999. These products are priced in the mid-range segment and are primarily sold by major bathroom wholesalers to smaller, independent bathroom shops and plumbers' merchants. The range consists primarily of bathroom furniture, sanitary ware, showers, brassware, cabinets and mirrors.

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

Of the group's overall net sales in 2024, Roper Rhodes accounted for 30 percent, followed by R2 at 22 percent, Tavistock at 23 percent and OEM at 25 percent.

Proportion of the Group's total sales

Roper Rhodes, 52%

Sales by country

UK, 95%
Ireland, 5%

Operational highlights 2024

Continued strong growth

Despite a general slowdown in the market, Roper Rhodes saw its sales over the year grow by 7.2 percent. This development was largely a direct consequence of the strategic initiatives pursued, which include investments in new customer groups, product categories and geographical areas.

Higher sales in Ireland

The strategic priorities include continuing to grow in Ireland at a faster pace. Efforts in the organisation continued during the year, including reinforcements in sales, service and logistics. These efforts are key to the work to strengthen the company's local presence and improve service to customers. Sales in Ireland increased by a total of 20 percent in 2024.

New market segment

Over the course of the year, there was significant focus on the continued launch of a new product range aimed specifically at plumbers and trade installers. The range is sold through dedicated sales channels targeting professional installers.

New product categories

During the year, the new product categories of freestanding baths and bathroom lighting, both sold under the Roper Rhodes brand, continued to be launched.

Greater focus on the project market

In a generally weak project market, Roper Rhodes continued to grow in projects during the year. Sales grew by a total of approximately 10 percent. This development is the fruit of a deliberate focus on selected market segments, high flexibility and a strong focus on customer service.

Continued investments in sustainability

During the year, efforts continued to reduce climate and environmental impacts throughout the value chain. Among other things, life cycle analyses were integrated in product development during the year. The aim is for new products to have less impact than existing ones. Previous activities include the installation of a complete solar energy system at the warehouse and logistics centre in Bristol. The centre was self-sufficient for energy in 2024. The surplus energy produced was sold to the national grid.

Major focus on cost efficiency

At the same time as proactive investments were being made in new geographical areas and customer segments, work continued to ensure high internal efficiency, with a major focus on costs. During the year, this included efficiency enhancements in a wide range of areas, including purchasing, warehousing and logistics.

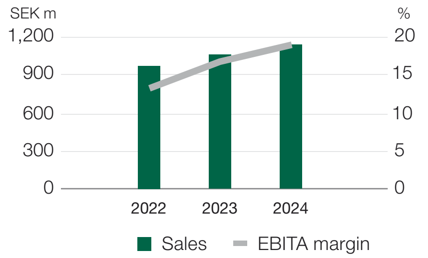
Focus for the future

In a market that is expected to remain weak, the ambition is to continue to grow and gain market share. The focus will remain on identified growth areas. These include continued expansion and higher sales in Ireland, as well as the continued launch of the new product range aimed specifically at plumbers and trade installers. There will also be a strong focus on reducing transport-related emissions.

A major upgrade of the underlying IT systems will be carried out during the year to improve customer service and thus support the ambition to grow.

Financial development

In 2024, net sales at Roper Rhodes amounted to SEK 1,138.5 million (1,062.2), an increase of 7.2 percent, of which 5 percent was organic. EBITA were SEK 213.7 million (178.9), corresponding to an EBITA margin of 18.8 percent (16.8).



SEK m	2024	2023	2022
Total net sales	1,138.5	1,062.2	977.2
EBITA	213.7	178.9	130.2
EBITA margin, %	18.8	16.8	13.3

"The goal is to continue to grow with good profitability. We will do this by means of rapid innovation and product development, but also continued expansion into new and complementary bathroom categories."

Leigh Leather, Managing Director of Roper Rhodes

Thebalux

Modena furniture from the Thebalux Exclusive collection, and M31 mirrors from the Thebalux Luxury mirrors collection.

Thebalux

Two strong brands

Thebalux is a well-established Dutch designer, producer and supplier of bathroom furniture and products. Since its foundation in 1996, the business has expanded both in terms of products and geographically. In parallel, its own production capacity has been gradually expanded. 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 the end of 2023.

The Thebalux and Primabad product offering consists of furniture, washbasins, mirrors, mirror cabinets, brassware, 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 Zutphen (Thebalux) and in Veghel (Primabad). Production is partly at the company's own production facilities, and partly at subcontractors mainly in Germany, Italy, Austria and China. Customers are mainly retailers in the bathroom sector and the building materials industry.

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 65 percent and Thebalux for the remaining 35 percent of total sales in 2024.

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, the major product categories include washbasins, mirrors and mirror cabinets. The in-house production of bathroom furniture takes place in Biddinghuizen. The focus is on the Dutch market, although there are some sales in Germany, Belgium, Austria and Luxembourg.

Primabad

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

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 2024

Continued development of the offer

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

Extended production capacity

During the year, there were active efforts to update and develop the production facilities. To meet strong demand, activities initiated included the installation of new production equipment at Thebalux's Biddinghuizen site. The installation, which was completed in early 2025, includes a new saw and associated automatic storage. In addition to increasing capacity, it also enables shorter lead times throughout the supply chain.

In view of the high demand, a decision was made during the year to invest in Primabad's production facility in Veghel. The investment, which will increase production capacity and shorten lead times, is an important part of the overall objective to continue to grow and gain market share in the Dutch market. Commissioning the production facility is expected to start in summer 2025.

Work on sustainability continues

Both Thebalux and Primabad are working actively to reduce the negative impact on the climate and the environment of their own operations, of external production and as a result of use. This work follows agreed reduction plans. Particular priorities include reducing CO_2 emissions throughout the value chain.

The production facility in Biddinghuizen has solar panels installed, which cover around 70 percent of its electricity needs. Geothermal energy is used for heating, making the facility completely gas-free. Solar panels will also be installed in connection with the expansion of the production facility in Veghel.

A major focus during the year was on enabling sustainability reporting in line with Svedbergs Group's procedures and standards. In addition to mapping and analysing impact, the work also included establishing a structured process for data collection.

Focus for the future

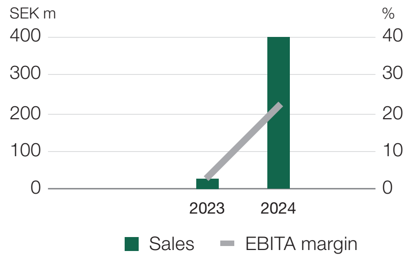
The overall objectives going forward include continued growth and gaining market share. This includes investment in product development, launching new collections and continuing to work closely with retailers and partners. During the year, there will be particular emphasis on commissioning new production equipment in Biddinghuizen and the expansion of capacity in Veghel.

The focus will continue to be on the Dutch market, but neighbouring markets will also continue to be worked.

Much effort will continue to be put into integration with Svedbergs Group in the areas of sourcing, sustainability and digitalisation.

Financial development

The acquisition of Thebalux was completed on 23 November 2023, and Thebalux was consolidated into Svedbergs Group from this date. Total net sales in 2024 were SEK 400.6 million (29.7). EBITA were SEK 89.4 million (1.0), corresponding to an EBITA margin of 22.3 percent (3.3).



SEK m	2024	2023	2022
Total net sales	400.6	29.7	n.a.
EBITA	89.4	1.0	n.a.
EBITA margin, %	22.3	3.3	n.a.

"With a strong focus on product development and new product ranges, we will continue to grow and gain market share."

Jeroen Hoetink
CEO of Thebalux

"A major focus in 2025 will be on increasing production capacity and reducing lead times."

Jan Zwanenberg
CEO/MD of Primabad

Sustainability report

Svedbergs Group and sustainability

The aim of Svedbergs Group's sustainability work is to boost long-term competitiveness while creating value for the company's stakeholders. It is an integral part of both strategy and operational activities.

Svedbergs Group's sustainability work is characterised by a long-term approach and continuous improvement. The top priorities include reducing climate-impacting emissions across the value chain in line with the targets adopted. Other priorities include issues concerning the Group's own employees and Svedbergs Group as an employer and client, and issues related to ethics and anti-corruption.

About the 2024 sustainability report

Svedbergs Group has prepared a sustainability report for the Group in accordance with the Annual Accounts Act in its wording before 1 July 2024. Reporting is based on the sustainability areas that are most material in the context of the company's business model, value chain and stakeholders.

The sustainability report follows the financial year and is published annually. The 2023 sustainability report was published in April 2024. The sustainability report consists of pages 35–66. The auditor's report on the statutory sustainability report is on page 67. The report has not been audited by an external party.

Contact

The contact for the sustainability report is Beate Hennesy, Director of Business Development and Sustainability, Beate.Hennessy@svedbergsgroup.com.

Contents

General disclosures

Basis for preparation

Svedbergs Group's sustainability report has been prepared on a consolidated basis and covers the period 1 January to 31 December 2024. The reporting structure and scope follow the financial reporting, which means that all subsidiaries included in the financial reporting are included in the sustainability report.

The sustainability report describes the impacts, risks and opportunities upstream, downstream and in relation to the Group's own operations.

In preparing this report, Svedbergs Group has taken into account the expectations of key stakeholders to ensure that the sustainability matters that are most significant to them are considered.

Disclosures in relation to specific circumstances

Svedbergs Group endeavours to have data that is as accurate and comparable as possible. When reporting metrics for indirect emissions, Svedbergs Group has used assumptions and estimates, in accordance with the GHG Protocol's guidelines. Accounting policies for key performance indicators are presented with the key performance indicators for each material area. For 2024, no prior period errors have been identified and corrected.

Material changes compared to previous years

- The 2024 sustainability report integrates quantitative and qualitative data from Thebalux. Thebalux was acquired at the end of 2023.
- During the year, new sustainability goals were decided. The climate goals were formulated based on the Science Based Targets initiative (SBTi) methodology for scientifically based climate goals. They were validated and approved by SBTi in early 2025.

Governance

The Board of Directors of Svedbergs Group is ultimately responsible for ensuring that the company is managed in line with the interests of the company and its shareholders. This work also includes ensuring long-term sustainability work and strategic sustainability management. The Board adopts overall targets and monitors progress towards them on an ongoing basis. The Board also decides on overall policies and verifies the outcome of the materiality assessment.

With the CEO, the Board is also ultimately responsible for ensuring that the Group's sustainability report is prepared in accordance with the Annual Accounts Act. For more information on the Board, see page 79.

Responsibility for strategic planning and coordination rests with Group management, which consists of the CEO, the CFO, the Director of Sustainability and the CEOs of the operating brand companies. Group management is responsible for the implementation of, compliance with and monitoring of policies adopted. It also prepares overall strategies, guidelines and priorities for sustainability work. Group management is also ultimately responsible for performing the materiality assessment of the Group's sustainability-related impact, including related risks and opportunities. The CEO of each brand company is responsible for ensuring work in line with the targets and priorities adopted. They are also ultimately responsible for the reporting of outcomes. For more information on Group management, see page 80–81.

The Sustainability Committee consists of representatives of the Board of Directors, the CEO, the CFO and the Director of Sustainability. The main task of the Committee is to review and monitor the relevance and outcome of sustainability targets and strategy, the Group's management of sustainability risks and compliance with statutory requirements including sustainability policies. The Committee reviews the work on sustainability reporting and coordinates common issues with the Audit Committee. The Committee reports to the Board.

Focus in 2024

Sustainability matters are a standing item on the agenda of the ordinary quarterly meetings of the Board of Directors and the Audit Committee. Examples of matters addressed and prepared in 2024:

- Preparations for the implementation of CSRD/ESRS. During 2024, Svedbergs Group carried out activities to prepare the company for the implementation of CSRD and the new ESRS reporting standards.
- Decisions on targets. The Board adopted new sustainability targets during the year.
- Reporting in accordance with the taxonomy.
- Continuous monitoring of KPIs, including employee survey, supplier monitoring and transition plans.

Governing framework

Svedbergs Group's operations are governed overall by a number of Group-wide governance documents in the form of policies. The most important policies include the Group's Codes of Conduct for employees and suppliers. These govern how everyone who works for and with Svedbergs Group is expected to act in relation to aspects such as human rights, working conditions, health and safety, the environment and business ethics.

In addition to shared governance documents, the brand companies in the Group have, where appropriate, adopted their own policies and frameworks, adapted to their specific operations and local conditions.

Governance cont.

External certification and eco-labels

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. These labels include SundaHus, Byggvarubedömningen, Svanen Husproduktion and other country-specific labels. The brand company Svedbergs i Dalstorp AB is also certified compliant with ISO 14001.

Full list of policies	E	S	G
Employee Code of Conduct		•	•
Supplier Code of Conduct		•	•
Climate Change Mitigation, Adaptation and Energy Policy	•		
Water Stewardship Policy	•		
Biodiversity Policy	•		
Resource Use, Circular Economy and Waste Policy	•		
Human Rights Policy		•	
Modern Slavery Policy		•	
Whistleblowing Protection Policy		•	•
Supplier Risk Management Policy		•	•

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.

Integration of sustainability-related performance in incentive schemes

Svedbergs Group's incentive schemes include performance requirements linked to the Group's climate targets. The performance requirement linked to the reduction of carbon dioxide emissions amounts to 10 percent of the total and refers, in the scheme for 2024, to the emissions from Svedbergs Group in scopes 1, 2 and 3.

Statement on due diligence

In accordance with OECD guidelines, work is carried out to identify, prevent and manage risks related to sustainability in operations and the value chain. Work is carried out in accordance with international standards on human rights, working conditions, the environment and business ethics. This includes:

- Regular risk assessment and mapping of the value chain.
- Implementation of policies and guidelines in line with global standards.
- Specific measures to reduce risks and negative impact.
- Transparent reporting of progress and effects in the sustainability reporting.

Due diligence processes and governance

The Board of Directors of Svedbergs Group has overall responsibility for ensuring an effective due diligence structure which is supported by the Group management, sustainability committees and operational teams. The methodology is integrated in corporate governance and risk management processes to ensure continuous improvement and compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and EU rules.

Due diligence is an integral part of Svedbergs Groups' group-wide policies:

- Supplier Code of Conduct, which sets out requirements for respecting human rights, fair working conditions and environmental responsibility.
- Climate Change Mitigation, Adaptation and Energy Policy, which ensures compliance with sustainable production standards.
- Human Rights Policy, which upholds ethical business practices and protection of workers.

The risk-based approach takes into account the likelihood, severity and potential negative impacts.

Identification, prevention and mitigation of negative impacts

Svedbergs Group conducts systematic ESG risk assessments by means of:

- Audits of suppliers and business partners to ensure compliance with sustainability requirements.
- Whistleblowing procedures, which enable stakeholders to report misconduct and violations of internal or external regulations.
- ESG risk assessments, in which social and environmental impacts are analysed as part of decision-making.
- Stakeholder dialogue, through work and dialogue with employees, suppliers, investors and trade associations.

If actual or potential negative impacts are identified, we take measures such as dialogue with suppliers for correction, contractual penalties or, if necessary, termination of business relationships with non-compliant parties. Regular evaluation and reporting enables continuous monitoring and improvement of due diligence processes. These measures ensure that Svedbergs Group conducts business in a responsible manner, contributing to long-term value creation and minimising ESG risks.

Risk management and internal controls over sustainability reporting

Risks related to the sustainability reporting process include incorrect data input from local entities, incorrect estimates or assumptions, or not reporting complete information. They may also involve a lack of data from the upstream and downstream value chain. These risks are mitigated by established routines and processes that include technical system support and review of sustainability controllers in the subsidiaries, before the data is compiled in the sustainability report by the Director of Sustainability.

Strategy

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 bathroom furniture, shower enclosures, bathtubs, heated towel rails, mixers, toilets and accessories. The 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.

Operations are conducted mainly via six wholly owned subsidiaries, Svedbergs i Dalstorp AB, Macro Design AB, Svedbergs Oy, Cassøe A/S, Svedbergs UK Ltd, with Roper Rhodes Ltd as a wholly owned subsidiary, and Svedbergs Group NL B.V., with Thebalux Holding B.V. as a wholly owned subsidiary.

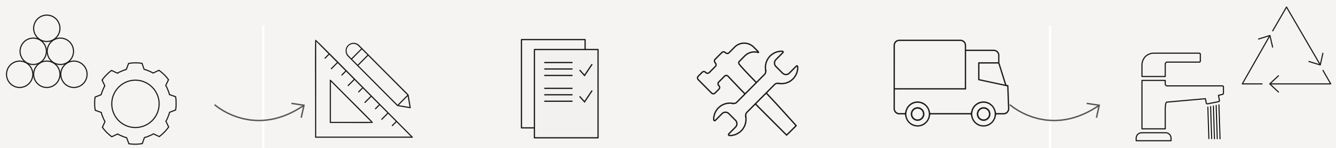
Cooperation without confusion

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 sourcing, digitalisation and sustainability.

The overall objectives include continued growth with good profitability. The ambition is to contribute to the consolidation of the European bathroom market. The strategy rests on five pillars:

- Profitable growth – Acquiring independent and innovative brands that complement the group.
- Operating model – Cooperation without confusion. Business centric set-up.
- Sales excellence – A comprehensive sales channel mix enables customer reach. Market leading customer service.
- Product development –Innovative bathroom solutions and continuous investments in design and sustainable products.
- Organisation and leadership – Empowering and developing people through growth-oriented leadership.

Value chain



Input/upstream	Own operations				Output/downstream
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

Svedbergs Group's upstream impact consists primarily of GHG emissions, impact on biodiversity and water use as a result of raw material production, product manufacturing and transport. Raw material extraction and processing are associated with energy-intensive processes traditionally powered by fossil fuels. In addition, there is a potential negative impact on human rights and working conditions.

Own operations

In Svedbergs Group's own operations, the key processes are design and product development, purchasing of raw materials and finished products, manufacturing and warehousing, and sales and distribution. The impact here consists primarily of energy consumption in production and in offices, waste from own production, emissions from transport and working conditions for own employees.

Output/downstream

Downstream impact mainly relates to the use of the products sold. The impact here is primarily emissions from transport, water and energy use and waste.

Interests and views of stakeholders

Obtaining the views of internal and external stakeholders on its operations is an important part of the ongoing development of the company and its operations. The aim is to balance different interests, expectations and wishes by means of constant dialogue.

Both Svedbergs Group and the individual companies are in continuous dialogue with their respective key stakeholders. Dialogue also takes place in specific cases in connection with the implementation of materiality assessments and where a need has been identified to create a deeper understanding of the company's impact in any area.

Stakeholder perspectives and views are communicated to Group management and are also considered in the materiality assessment.

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

About the materiality assessment

In 2023, Svedbergs Group performed a materiality assessment to identify impacts, risks and opportunities related to its operations. The analysis followed the principle of double materiality, under which both Svedbergs Group's impact on people and/or the environment and the financial impact on Svedbergs Group's operations are analysed. The materiality assessment was performed in the following steps:

Identification of material matters
Based on the list of sustainability matters and their subtopics in the ESRS 1, an initial assessment was carried out of each topic's relevance to Svedbergs Group's operations, taking into account impacts, risks and opportunities. This assessment covered the Group's activities, geographical locations, relevant sectors and value chain. This initial assessment resulted in a preliminary list of 39 sustainability matters covering Svedbergs Group's entire value chain and different time horizons.

Assessment of materiality
To ensure that the assessment was comparable with existing processes, a review of processes and documents was carried out with representatives of Svedbergs Group, Svedbergs i Dalstorp and Roper Rhodes. Impacts related to human rights were analysed on the basis of previous audits, risk assessments and internal control work. Impacts, risks and opportunities related to the environment were mapped against previous analysis of GHG emissions. Impacts, risks and opportunities related to social aspects were analysed based on previous employee surveys, interviews, audits, risk assessments and internal control work.

Sustainability topics and identified impacts, risks and opportunities for each material sustainability matter were assessed based on the following parameters:

- Corporate governance – Integration of sustainability aspects in governance and management.
- Strategy – Impact on business model and long-term planning.
- Impacts, risks and opportunities – Identification and management of material sustainability aspects.
- Metrics and targets – Indicators and monitoring of sustainability work.

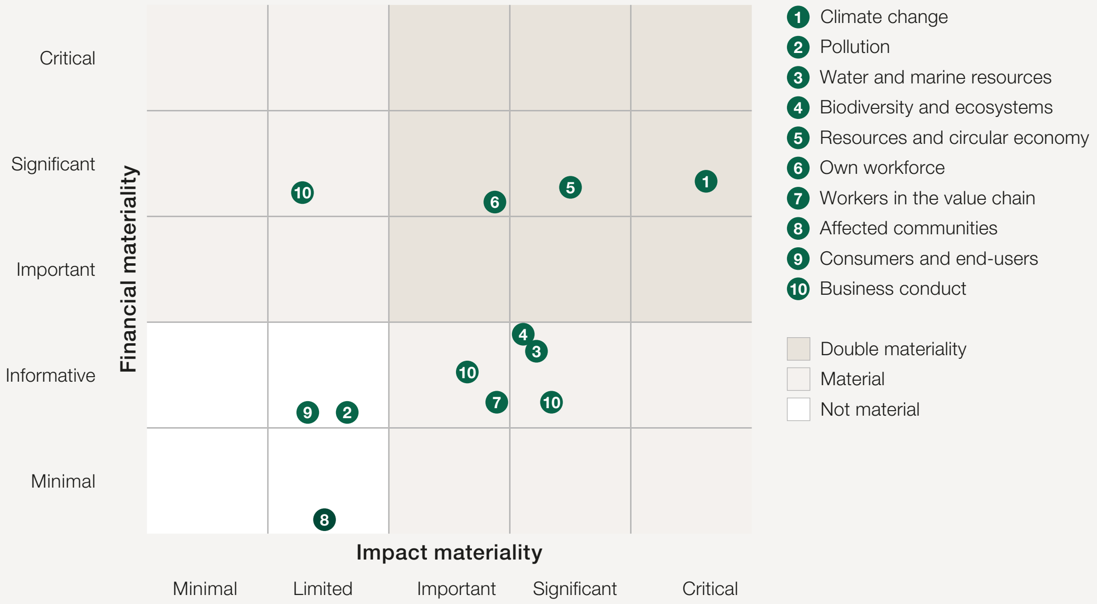
The assessment of impact materiality in terms of the potential and actual impact of the company took into account the assessment criteria severity and likelihood (see matrix below).

Negative impacts were assessed based on severity (a combination of scale, scope and irremediable character) and likelihood. Severity was prioritised over likelihood for negative impacts on human rights and scoring was based on relevant risk assessments with a bearing on human rights.

Positive impacts were assessed based on their severity (scale and scope). Appropriate thresholds were determined based on the quantitative assessment and previous processes and in dialogue with representatives of Svedbergs Group.

Assessment of financial materiality
After having mapped impacts, risks and opportunities, financial impacts were assessed in terms of potential scope and likelihood of occurrence. Assessment and appropriate thresholds were determined based on the quantitative assessment and existing processes and in dialogue with representatives of Svedbergs Group.

Summary and validation
The preliminary results were validated by representatives of Svedbergs Group and the brand companies. The materiality assessment resulted in seven topics, with a total of 17 sub-topics, being assessed as material.



Impact, risks and opportunities

The summary of Svedbergs Group's significant impacts, risks and opportunities shows that the impact of the Group's own operations is relatively limited, while material impacts in several areas exist upstream in the value chain, primarily linked to the production of the raw materials and products that are purchased for further processing or sale. The downstream impact is mainly about the impact that arises from the use of the goods and services Svedbergs Group sells. This is also considered to be relatively limited in this context.

Identified material risks may affect the Group's financial position, earnings and cash flow. One example is supply disruption in global supply chains that may affect the ability to purchase sufficient volumes of goods. Supply disruption may also lead to higher price levels, affecting the ability to attract and retain customers. Furthermore, a lack of human rights controls in the supply chain may damage the Svedbergs Group's reputation among consumers, which may lead to loss of sales. Sharply rising fuel prices, caused by geopolitical unrest, supply chain disruption or other global events, are another example of short-term financial risks.

While sustainability-related aspects may pose risks, they may also lead to new business opportunities, promote product development and enhance consumer appeal. For example, close cooperation with suppliers and careful control in the supply chain can result in a good supply of goods, opportunities for product diversification vis-à-vis competitors and a favourable reputation among consumers.

Climate change

	Type of material IRO	Value chain (O/U/D)	Description
Climate change mitigation	Negative impact	U+O	Manufacturing of Svedbergs Groups products (both those procured and those produced by Svedbergs Group companies) is energy intensive. Electricity and energy produced from fossil fuels have a negative impact on the climate.
		O	Travel (e.g., by car and plane) among the Group's own workforce has a direct climatic impact if the fuel used emits greenhouse gases.
		U	Sourcing and refining of materials such as glass and porcelain is energy intense and can have a negative impact on the climate if GHG-intense energy sources are used.
		U+D	Transportation of inbound and outbound products (through e.g., marine transportation or by truck) emits greenhouse gases and has a negative climatic impact.
		D	GHG-emissions from use of products sold the extent of which differs greatly between the different subsidiaries.
	Risk	U+O	In view of the energy intense manufacturing, fluctuations in energy prices can have an influence on financial performance among the Group and its suppliers. Changes in climate regulations, new incentives for energy efficiency and renewable energy, and the growing competitiveness of alternative energy sources may result in increased price fluctuations and instability in both conventional grid electricity and fossil fuel expenses. Increases in energy prices may lead to higher prices from suppliers, which may have adverse financial impact on Svedbergs Group.
		O	Continuously secure building against effects of climate change. Extreme weather events such as floodings can damage the Group's physical capital. If Svedbergs Group companies fail to adapt and protect physical assets from these events, this might bring impairments losses and increased costs.
		O	Higher requirements for environmental performance, including sustainability reporting, can pose a risk since it will increase disclosure burden and mean higher costs for the group. It could also bring penalties or reputational risks if the Group fails to live up to new requirements.
	Opportunity	D	Customers increasingly demand environmentally friendly products. By offering products with a small carbon footprint, Svedbergs Group companies can target this market and achieve competitive advantages.
		D	Growing awareness of climate change and environmental issues and changing consumer/customer demands can constitute an opportunity for the Group's companies to adapt to these preferences and offer products with a lower environmental footprint.
Energy	Negative impact	U	Some of the countries in which Svedbergs Group sources from and sells to still use natural gas for heating. Natural gas causes higher emissions than many other forms of heating.
		O	Negative impact on the environment through the energy use in operations and production; this differs greatly between subsidiaries.
		D	Negative impact on the environment through the energy use in the use phase of products.
	Risk	U+O	Svedbergs Group faces a financial risk linked to increased energy prices due to conflicts and inflation in Europe. The instability in the region can lead to disruptions in energy supply and production, causing energy prices to rise. This can impact operations as higher energy costs can affect the Group's profitability and operational expenses. Additionally, inflationary pressures in the region can further exacerbate the increase in energy prices, posing financial challenges.
	Positive impact	O	Production of energy through solar panels. This differs greatly between subsidiaries.

O = Own operations   U = Upstream   D = Downstream

Impacts, risks, opportunities cont.

Water

	Type of material IRO	Value chain (O/U/D)	Description
Water	Negative impact	D	Freshwater is consumed by the end-users of the products offered by the Group's companies.
		U	Suppliers are located in areas of water stress. The Group's suppliers use a varying amount of water; for example, ceramics are water intense.
	Positive impact	D	There is a potential for positive impact if the Group design's products with water efficiency in mind. If products are designed to consume small volumes of water in the usage phase, this can have a positive impact since less water is consumed.
	Risk	U	Sourcing from suppliers in water stressed areas.
	Opportunity	D	The growing emphasis on water consumption and usage presents an opportunity for Svedbergs Group in terms of products.

Biodiversity and ecosystems

	Type of material IRO	Value chain (O/U/D)	Description
Direct impact drivers of biodiversity loss	Negative Impact	U	Sourcing of raw materials including metals can have adverse impacts on ecosystems. For example, metal, glass and timber sourcing can have various ecological impacts, particularly through mining and extraction processes. These impacts may include habitat destruction, soil and water pollution. Unsustainable practices can harm local ecosystems, disrupt wildlife, and degrade water quality.
	Risk	U	Controversies involving impacts on biodiversity from extraction of raw materials e.g., wood and metals can lead to damaged reputation and thus decreased sales as well as difficulties in attracting workers.
Impacts on the extent and condition of ecosystems	Negative Impact	O	Storage facilities and other buildings used by the Group companies can have a negative impact on biodiversity and ecosystems by displacement.
Impacts on the state of species	Negative impact	U	Sourcing of raw materials including metals can have adverse impacts on ecosystems. For example, metal, glass and timber sourcing can have various ecological impacts, particularly through mining and extraction processes. These impacts may include habitat destruction, soil and water pollution. Unsustainable practices can harm local ecosystems, disrupt wildlife, and degrade water quality.
	Risk	U	The Group companies offer products made of wood. If the suppliers of the raw material are involved in controversies regarding adverse impacts on ecosystems, this can lead to reputational damage to Svedbergs Group.
Impacts and dependencies on ecosystem services	Risk	U	Input of raw materials such as wood and porcelain is dependent on ecosystem services. Factors such as deforestation and climate change threaten the resilience of natural systems, and may lead to difficulties in accessing these inputs in the future.

O = Own operations U = Upstream D = Downstream

Impacts, risks, opportunities cont.

Circular economy

	Type of material IRO	Value chain (O/U/D)	Description
Resource inflows, including resource use	Negative impact	U+D	Svedbergs Group has a negative impact on the environment and people through their choice and use of materials e.g., timber, metal, glass, plastic and porcelain.
	Positive impact	U+D	Svedbergs Group can have a positive impact on the environment through the choice of materials in line with circular economy principles, such as the use of recycled and bio-based materials, as well as other sustainable alternatives.
	Risk	U	Svedbergs Group may face financial risks related to resource inflows and use, specifically due to difficulties in obtaining necessary raw materials, resources, and components caused by supply chain challenges and regional conflicts. These risks include, among others, increased costs and delays.
	Opportunity	O	Svedbergs Group can enhance the overall lifecycle impact of their products. This can enable the Group to minimize regulatory risks, fulfil rising customer expectations, and unlock cost-saving opportunities.
			The Group can have more control of production by sourcing material and manufacturing locally within the Group's production units.
Resource outflows related to products and services	Negative impact	D	Svedbergs Group can have a negative impact on the environment through the usage phase of their products.
	Positive impact	D+O	Svedbergs Group can have a positive impact on the environment through the products delivered to customers and by following the principles of circular economy. This includes prolonging life of the equipment of all equipment, assessing the circularity of new or redesigned products and material savings. Furthermore, the Group can have a positive impact on the environment by engaging and enabling research and projects that minimise the negative impact on the environment.

Circular economy

	Type of material IRO	Value chain (O/U/D)	Description
Waste	Negative impact	O	Svedbergs Group can have a negative impact on the environment through their internal waste management processes, including packaging.
	Positive impact	D+O	As a market leader, the Group can have a positive impact by designing products with extended lifecycles, recyclability and promoting initiatives and behaviors among customers which aim at reducing waste. This includes end-of-life of the products as well as packaging used.
	Risk	D+O	Increasing cost of waste disposal.
	Opportunity	O	Optimizing the use of materials and reducing waste may reduce costs.

O = Own operations U = Upstream D = Downstream

Impacts, risks, opportunities cont.

Own employees

	Type of material IRO	Value chain (O/U/D)	Description
Equal treatment and opportunities for all	Negative impact	O	There is a risk for discrimination of employees at the Group's workplaces, including unconscious biases in recruitment, internal career development and non-inclusive working conditions. This impact is increased through the current gender diversity disparities in the Group, even if this is beginning to turn around.
			Svedbergs Group can have a negative impact on employees by not providing sufficient trainings and information for them to be able to succeed at their tasks and changing systems. This includes giving all employees similar access to training and competence development.
	Positive impact	O	Employee access to competence development and training.
			Equality and inclusion promoted through recruitment practices and internal networks, among other initiatives.
	Risk	O	Occurrences of discriminatory and non-inclusive practices at the Group's workplace can result in reputational damage - leading to loss of income and difficulties in recruitment. It can also lead to legal penalties including fines.
			Unadjusted pay-gaps and unadjusted internal career opportunities related to aspects such as gender diversity, diversity and inclusion pose a risk to the Group's employer branding and by extension the possibilities to attract the right competencies.
			Talent attraction can pose a difficulty for the Group due to operation locations and a difficult job market.
	Opportunities	O	Providing opportunities for career development, especially for longer serving employees, as well as leadership development and upskilling opportunities, can support Svedbergs Group in retaining employees.

O = Own operations U = Upstream D = Downstream

Own employees

	Type of material IRO	Value chain (O/U/D)	Description
Working conditions	Negative impact	O	There is a risk of accidents resulting in injuries among the workforce, primarily those involved in manual labor. Minor injuries such as cuts, slips and repetitive strain injuries may occur relatively frequently, while major injuries such as burn, falls and crushes may have severe consequences for involved individuals.
		O	Occupational health and safety hazards in office and during hybrid work include non-ergonomic working environment, stress and lack of work-life balance.
	Positive impact	O	The Group can have a positive impact on employees by creating good working conditions and contributing to good physical and mental health, including through health initiatives, flexible workplace and different employee benefits.
		O	Through organic growth, acquisitions and by opening local offices, Svedbergs Group creates employment opportunities which benefits those that are employed through a stable income.
	Risk	O	Injuries to the workforce can lead to lost working time, which can lower production and be a financial burden, and potentially leading to penalties. This includes strain injuries. Injuries to the workforce can result in legal repercussions and fines. They may also constitute a reputational risk and result in difficulties in recruiting workers.
		O	Insufficient management of working conditions may pose a risk to employee retainment and to the company's employer branding and by extension the possibilities to attract the right competencies. Severe deviations to insufficient working conditions could also lead to fines and potentially higher operating costs.
	Opportunities	O	Ensuring a good working environment makes it easier to attract and retain talent and decreases the cost associated with employee turnover and employee training.
Other work-related rights	Negative impact	O	Risk for violation of human rights are identified mainly in the supply chain and may arise in connection with material purchases in own operations. There is also the use of agency workers in some subsidiaries.
	Risk	O	Risk of human rights violations in own operations assessed to be low. Risks are mainly in the supply chain and may arise in connection with material purchases in own operations. There is also the use of agency workers in some subsidiaries.

Impacts, risks, opportunities cont.

Workers in the value chain

	Type of material IRO	Value chain (O/U/D)	Description
Equal treatment and opportunities	Negative impact	U	This is key for suppliers from non-EU countries where there are limited laws/regulations to ensure fair pay to workers, optimal working conditions and productivity.
	Positive impact	U	Requirements regarding social and environmental aspects on suppliers to promote a sustainable value chain. This includes occupational health and safety. Svedbergs Group can work with occupational health and safety for workers in the value chain, helping to ensure the physical, mental, and social well-being of workers in their value chain.
Working conditions	Negative impact	U	Suppliers are concentrated to Europe and Asia (China). Primarily in China and southeast Asia, there is a risk for poor working conditions and exploitation of workers.
		U+D	There is a risk of occupational health and safety for workers in the value chain, including the physical, mental, and social well-being of workers in the value chain. If such cases occur, especially fatalities or wide-spread occupational hazards, it can be linked to Svedbergs Group.
		U+D	Cases of non-conformances regarding working hours and wages among suppliers in China.
	Positive impact	U+D	Requirements regarding social and environmental aspects on suppliers to promote a sustainable value chain. This includes occupational health and safety. Svedbergs Group can work with occupational health and safety for workers in the value chain, helping to ensure the physical, mental, and social well-being of workers in their value chain.
	Risk	U+D	Suppliers are concentrated to Europe and Asia (China). Primarily in China and south east Asia, there is a risk for poor working conditions and exploitation of workers. Occurrences of poor working conditions or human rights violations can result in reputational damage to Svedbergs Group. This risk may pose higher in the case of logistics companies wearing the Svedbergs Group branding.
		U+D	Lack of adequate insight, transparency and/or follow-up of suppliers can in turn financially impact Svedbergs Group.

Workers in the value chain

	Type of material IRO	Value chain (O/U/D)	Description
Other work-related rights	Negative impact	U+D	Working conditions upstream in the value chain can be difficult to trace and ascertain. There is a risk that conditions such as modern slavery, child labour and unjust working hours and wages affect workers in the Group's value chain, especially in 2nd and 3rd tier and beyond where insight into practices and suppliers is limited. This is due in part to the countries that the Group sources from.
		U	Some of Svedbergs Group's products may contain conflict minerals (such as chromite for the production of stainless steel) and while there are clear expectations on suppliers in this area, there is a risk that human rights violations occur at the place of sourcing these minerals. Human rights is a risk in mining in general. Ascertaining working conditions upstream in the value chain, at 2nd and 3rd tier and beyond is very difficult.
	Risk	U	Svedbergs Group assesses the risk of human rights violations to mainly occur in the supply chain and may arise in connection with material purchases in projects. Failure of proactively discover potential human rights violations in the total value chain and proactively adapt to new human rights legislations, such as CSDDD, poses a risk of non-compliance and negative brand reputation.

O = Own operations U = Upstream D = Downstream

Impacts, risks, opportunities cont.

Business conduct

	Type of material IRO	Value chain (O/U/D)	Description
Corporate culture	Negative impact	U+O	By having a Code of Conduct and other methods of business conduct not up to par with upcoming legislation and/or not having it followed by employees and suppliers in the upstream value chain, the Group can have a negative impact on people.
		O	Svedbergs Group can have a negative impact on people through a negative corporate culture. While the culture may not permeate the group as a whole, it can be increased by reorganisations, among other things.
	Positive impact	O	Svedbergs Group can have a positive impact on employees through a corporate culture of feedback.
		O	The Group can have a positive impact by working with charities and/or engaging with local communities.
	Risk	U+D	Increased regulation, such as CSRD, Taxonomy and CSDDD, means increased pressures and operational costs in order to respond to and comply with new regulatory demands.
	Opportunity	O	Compliance with increased regulation, such as CSRD, Taxonomy and CSDDD, means increased opportunities to attract customers, investors and staff.
Corruption and bribery	Negative impact	U+O+D	There is a risk of bribery, corruption and anti-competitive practices. In some cases the Group may not be directly involved in the incident, but can be connected to it through suppliers or customers especially when sourcing from countries where legislation is lacking and rules are not followed.
		U+O+D	Svedbergs Group is dependent on the company, its employees, suppliers and partners respecting and complying with current legislation regarding corruption and bribery. Corruption and bribery can lead to increased costs, loss of business opportunities, legal penalties, and reputational damage. These risks are made higher due to the Group having value chain operations in markets and industries where corruption and bribery are prevalent. Furthermore, actions that conflict with current laws can affect the Group's reputation and operations, which may occur as a consequence of insufficient knowledge regarding legislations in respective country.

O = Own operations U = Upstream D = Downstream

Business conduct

	Type of material IRO	Value chain (O/U/D)	Description
Protection of Whistleblowers	Negative impact	U+O+D	If Svedbergs Group fails to protect workers who file whistleblower reports, this could have negative consequences on the whistle-blowing individuals.
	Risk	D	Failing to adequately protect whistleblowers who report misconduct or unethical practices within the company can lead to legal and regulatory consequences including lawsuits, fines, and reputational damage. Additionally, the Group may experience increased employee turnover, loss of trust among employees, and difficulty attracting and retaining talent. Failure to establish a culture of transparency and protect whistle-blowers can have a detrimental impact on financial performance and overall business operations.
Management of relationships with suppliers, including payment practices	Negative impact	U+D	By having a Code of Conduct and other methods of business conduct not up to par with upcoming legislation and/or not having it followed by employees and suppliers in the upstream value chain, the Group can have a negative impact on people
	Positive impact	U+D	Svedbergs Group can have a positive impact on people and the environment by upholding the highest ethical standards wherever they conduct business and by setting requirements on environmental and social aspects in purchasing and procurement.

Environment

Climate change

Svedbergs Group's highest emissions of greenhouse gases come from goods purchased, the use of products by customers and transport. The Group works continuously to define plans and measures to reduce emissions from its operations.

Impact, risks and opportunities

Impact in the value chain
Energy use in connection with the manufacture of Svedbergs Group's products accounts for a large proportion of the Group's total emissions. This applies to both products purchased from external suppliers and those manufactured in the Group. The manufacture of products made of glass and porcelain is particularly energy intensive. Transport of incoming and outgoing products also generates greenhouse gas emissions and has a negative climate impact, as does travel by the Group's employees.

Risks and opportunities for Svedbergs Group
The main risks relate to regulatory changes, new incentives for energy efficiency and renewable energy, and the increasing competitiveness of alternative energy sources, which may lead to greater price fluctuations and instability both in conventional electricity grids and in fossil fuel costs. Changing customer demands as a result of increased awareness of climate change and environmental issues may present an opportunity for the Group's companies if they can adapt and offer products with a lower environmental impact.

Governance

Policies related to climate change
Climate Change Mitigation, Adaptation and Energy Policy
The policy provides a framework for how the Group works to mitigate the impact of its own operations and the rest of the value chain on climate and the environment. The policy also addresses and manages identified physical climate and transition risks related to climate adaptation, as well as processes related to monitoring and managing greenhouse gas emissions and climate-related impacts, risks and opportunities across the organisation and the value chain.

The policy provides clear guidelines for shared commitments, targets and requirements related to mitigation of climate change, adaptation and energy use. The policy covers both the Group's own operations and the rest of the value chain and applies to all Svedbergs Group subsidiaries, their employees (whether permanent, fixed-term or temporary) and their suppliers and subcontractors wherever they operate in the world.

Target

Climate change mitigation and adaptation goals – approved by SBTi

Overall Goals
Svedbergs Group aims to achieve net zero greenhouse gas emissions across the entire value chain by 2050.

Short-term Goals (by 2030)[1)]
- Absolute greenhouse gas emissions within Scope 1 and 2 shall be reduced by 44% by 2030.
- The share of renewable energy shall reach 100% by 2030.
- Scope 3 emissions shall be reduced by 51.6% per million SEK of value added by 2030. This target includes purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, and waste generated in operations.

Long-term Goals (by 2050)[1)]
- Absolute greenhouse gas emissions within Scope 1 and 2 shall be reduced by 90% by 2050.
- Scope 3 emissions shall be reduced by 97% per million SEK of value added by 2050.

Additional Goal
Carbon dioxide emissions from Svedbergs operations shall be reduced by 50% from 2021 to 2030 relative to net sales.

1) The base year is 2021. The target boundary includes land-related emissions and removals from bioenergy feedstocks. The targets were verified by the Science Based Targets initiative (SBTi) in early 2025.

Strategy and actions

Svedbergs Group has evaluated its strategy and business model with a focus on the ability to manage significant impacts and risks and to exploit significant opportunities. The analysis assessed the robustness of the company's business model and strategy in relation to risks and opportunities in the areas of the environment, social responsibility and corporate governance (ESG). This assessment integrates the results of the double materiality assessment (DMA) to ensure long-term operational stability and sustainable growth.

In the assessment, material impacts, risks and opportunities were grouped by conceptual themes and consideration was given to how each theme interacted with the Svedbergs Group's business model, strategy and value chain. The analysis was conducted from three-time perspectives: short-term, medium-term and long-term, and resulted in a conclusion for each theme, with recommendations to strengthen resilience in key areas.

Clear focus on long-term sustainability

Svedbergs Group endeavours to develop products with a long service life, gradually reduced environmental impact and high resource efficiency. This approach drives both competitiveness and customer value. Sustainability is an important item on the agenda both at Board level and in the Group management. Climate targets are integrated in governance and the overall business strategy has a clear focus on long-term sustainability. Environmental, social and financial aspects must be considered in all business decisions.

The products sold by Svedbergs Group are designed to have a long service life. When new products are developed, sustainability aspects and circular design principles are incorporated right from the idea stage. Using recycled materials to promote greater circularity, combined with active efforts to optimise and extend the service life of products, is a central part of product development and will become more so. Spare parts are readily available for much of the range.

The climate strategy is constantly evolving and is revised several times a year. This is done through regular discussions and updates of the reduction plans developed for each brand company. As the industry develops and more suppliers meet the Group's requirements, Svedbergs Group aims to drive a transition in which the business model is developed in line with the goals of the Paris Agreement.

Transition plan for climate change mitigation

Svedbergs Group has developed a transition plan to mitigate climate change which has been approved and adopted by the Board and management. Action plans have been developed for each company and these will form the basis for a broader review and further development of the transition plan. Important aspects are factors such as the growth and overall development of the company. A key part of this work is the implementation of a circular business model, focusing on identifying both challenges and opportunities and specifying how this can be realised in practice. The development of the transition plan will continue in 2025.

Every year, a Climate Audit is carried out, in which greenhouse gas emissions in the value chain are analysed according to the Greenhouse Gas Protocol (GHG Protocol). The analysis is used to develop and adjust reduction plans and targets for all Group companies, and activities to prioritise greenhouse gas reduction measures adapted to each company.

Svedbergs Group calculates scope 1, 2 and 3 emissions annually and all data is verified by third parties. The Group's work focuses on the areas identified in the annual climate impact reports produced, and efforts are directed towards the categories that cause the greatest impact. This applies in particular to indirect emissions in the value chain from goods purchased, transport and use of products sold. The emission reduction action plan is reviewed and updated annually, and the results of activities implemented are monitored against set targets.

Close collaboration with suppliers

Svedbergs Group's primary measures to reduce climate impact are focused on the materials and products that the Group purchases. This work relies heavily on close collaboration with suppliers. The Group's existing policies ensure that suppliers actively engage in climate and sustainability work and are open to collaboration to improve data collection and set their own climate targets.

Ongoing dialogues with major suppliers ensure the development of products that reduce material use, increase the proportion of recycled materials and include alternative materials with lower climate impact. In addition, logistics providers are evaluated to prioritise those with a lower climate impact, while transport routes for inbound and outbound deliveries are optimised.

Driving forces and measures

Energy consumption (scopes 1, 2 and 3 category 3)

The focus is on enhancing energy efficiency by ensuring basic energy savings in all facilities and reducing energy use for products in the use phase. Measures discussed by Svedbergs Group include reviewing the origin of energy. Fossil fuels will be phased out by switching to green electricity contracts, biogas or biofuels. Many of the companies currently have green electricity contracts in place and around 87 percent of total electricity consumption was renewable in 2024. Furthermore, energy efficiency will be reviewed in existing production processes. Svedbergs Group will continue to install solar panels in its own operations. In recent years, solar panels have helped Roper Rhodes and Thebalux have the capacity to produce their own green electricity.

Other measures taken include a review of electricity consumption in office and production premises, where radiators and fluorescent tubes have been replaced with more energy-efficient alternatives. Electricity, air conditioning and heating are used efficiently and should be switched off whenever possible. There has also been a review and optimisation of the use of compressors at Macro Design. A review of waste heat in compressors has also been carried out in Dalstorp, where the waste heat is returned to the district heating network.

Finally, loading doors have been replaced to create a better working environment during unloading and to reduce heat losses.

Transport (scope 3 category 4)

The main focus is on switching to renewable fuels and continuing to invest in sustainable transport solutions. For example, suppliers with sustainable transport solutions are prioritised and clear requirements are set for environmental profiles and performance reporting. To reduce emissions from transport, Svedbergs Group also aims to increasingly use biofuels and sustainable fuels such as Sustainable Marine Fuel (SMF), which Roper Rhodes is implementing at its largest supplier.

Transport efficiency is also increased by optimising the load factor, reducing the volume of packaging and coordinating deliveries between subsidiaries, while choosing the most environmentally friendly modes of transport.

Products (scope 3 categories 1 and 11)

Svedbergs Group works with major suppliers to gain access to climate data for standard products, for example via EPDs (Environmental Product Declarations) or LCAs (Life Cycle Assessments). Accurate product-specific data is crucial to make it possible to take measurable action.

To ensure the sustainability of its products, Svedbergs Group focuses on ecolabelling and certification, as well as increasing the proportion of its own production. An ecodesign framework with a checklist for material selection has been implemented. This framework is continuously updated as new designs and better materials become available.

To increase the proportion of recycled materials, the possibility of using recycled metals such as brass, steel and aluminium is being explored. The focus is on the design of energy-efficient products such as low-power electrical elements and products with timers to optimise use, and on developing more energy-saving features such as energy-efficient mixers in certain segments.

The goal is for all packaging to be recyclable or reusable by 2025. For products, at least 90 percent must be recyclable by 2030 and at least 30 percent of product materials must consist of recycled content.

Strategy and actions cont.

Investments
To implement the transition plan, Svedbergs Group is investing in a number of different measures. The Group has invested in a new system for collecting and managing sustainability data to facilitate and quality-assure reporting and monitoring. The Group has also invested in a tool to produce EPDs (Environmental Product Declarations) for its own products, thus facilitating the monitoring of climate impact. Investments are also being made in, for example, solar panel systems and machinery to make production more energy efficient.

In addition to the above investments, continuous investments are also being made to provide internal training and explore opportunities for more sustainable production in the supply chain.

Financing greenhouse gas removal and mitigation projects through carbon credits
Svedbergs Group does not currently use carbon credits. This may be reassessed in the future.

Internal carbon pricing
Svedbergs Group does not use internal carbon pricing but will investigate this within the next two years.

Integration of sustainability-related results in incentive schemes
Svedbergs Group's incentive schemes include performance requirements linked to the Group's climate targets. The performance requirement linked to the reduction of carbon dioxide emissions amounts to 10 percent of the total and refers, in the scheme for 2024, to the emissions from Svedbergs Group's own operations, i.e. emissions from own production, warehouses, offices, freight transport and business travel.

Outcome

GHG emissions disaggregated by scopes 1 and 2 and significant scope 3

	Base year, 2021	2023	2024	% change 2021 vs 2024	2030	2050	Annual % target/ Base year
Scope 1 GHG emissions							
Gross scope 1 GHG emissions (tCO_2eq)	791	597	629	–20%	443	79.1	–7.6%
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0			
Scope 2 GHG emissions							
Gross location-based scope 2 GHG emissions (tCO_2eq)	n.a	n.a	n.a	n.a			
Gross market-based scope 2 GHG emissions (tCO_2eq)	499	469	266	–47%	279	49.9	–7.6%
Scope 3 emissions per net-revenue ($t\ CO_2eq$/MSEK net revenue)	37.53	31.93	30.24	–19%	18.2	1.1	–11.4%
Total Gross indirect (scope 3) GHG emissions (tCO_2eq)	74,627	69,420	66,056	–11%	66,541	17,791	–4.8%
1 Purchased goods and services	57,425	56,413	54,464	-5%			
2 Capital goods	654	472	1,205	84%			
3 Fuel and energy-related Activities (not included in scope 1 or scope 2)	385	292	225	–42%			
4 Upstream transportation and distribution	9,943	7,026	4,281	–57%			
5 Waste generated in operations	33	29	14	–58%			
6 Business traveling	29	95	105	262%			
7 Employee commuting	667	677	722	8%			
8 Upstream leased assets		0	0	n.a			
9 Downstream transportation	1,089	977	329	–70%			
10 Processing of sold products		0	0	n.a			
11 Use of sold products	3,996	3,012	4,524	13%			
12 End-of-life treatment of sold products	407	426	187	–54%			
13 Downstream leased assets	n.a	n.a	n.a	n.a			
14 Franchises	n.a	n.a	n.a	n.a			
15 Investments	n.a	n.a	n.a	n.a			
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2eq)	75,633		66,971	–11%			
Total GHG emissions (market-based) (tCO_2eq)	75,918		66,685	–12%	67,264	17,920	–4.9%

Outcome cont.

Accounting policies

Svedbergs Group reports scope 1, 2 and 3 emissions in accordance with the principles of the GHG Protocol. The Group applies a market-based approach in which the climate impact is calculated based on electricity from a specific electricity contract with guarantees of origin actively purchased by the company. In the absence of such a contract for a specific origin of electricity, the residual mix is used in the calculation. The residual mix is the electricity that remains when the guarantees of origin sold are removed. The Nordic residual mix is used for the Nordic countries. For other countries, the residual mix for the specific country is used.

In reporting scope 3 emissions, Svedbergs Group has included all categories relevant to its operations. These include business travelling, employee commuting, waste, upstream and downstream transportation and distribution, goods and services purchased, capital goods, leased assets upstream, end-of-life product management and use of products sold.

Emission factors

The emission factors used are in units of CO_2 equivalents (CO_2eq), which correspond to the global warming potential (GWP) of carbon dioxide over a 100-year time frame and include the seven greenhouse gases covered by the Kyoto Protocol: CO_2, CH_4, N_2O, HFC, PFC, SF_6 and NF_3. GWP values have been applied, where possible, in accordance with the IPCC Fifth Assessment Report, 2014 CARS. Refrigerants may, in some cases, contain substances that have a high climate impact but are not included in the Kyoto Protocol, in which case they are reported separately in an annex.

Under the GHG Protocol, the seven greenhouse gases listed above must be calculated and reported both separately and together as CO_2eq. Currently, Svedbergs Group only reports the gases together, as available emission factors from authorities and institutes are only reported as CO_2eq.

In Svedbergs Group, all life cycle emissions from electricity not included in scope 1 or 2 are included in scope 3, category 3, Fuel and energy related activities.

Emission factors used for air travel take into account emissions of particles, NO_x and water vapour that occur at high altitude, known as high-altitude impacts. The calculation factor used by Svedbergs Group to take account of high-altitude impacts during air travel is 1.9, which was developed by researchers at Chalmers University of Technology and is used by the Swedish Environmental Protection Agency and the Swedish Transport Agency, among others.

Delimitations and definitions

- Goods purchased: The climate impact comes mainly from the materials in Svedbergs Group's purchased products. The largest category is metal, followed by ceramics and plastics.
- Services purchased: Services purchased are calculated on financial data (spend data).
- Capital goods: Capital goods are related to renovations and investments in Svedbergs Group's production facilities and offices.
- Fuel and energy related activities: This category includes the climate impacts of fuel extraction and production, power system construction and maintenance, and transmission and distribution losses in electricity networks.
- Upstream transportation and distribution: Upstream transportation and distribution consists of inbound logistics (freight, warehousing and reloading at premises) of products purchased and outbound logistics for which the company pays.
- Waste generated in operations: Waste from own operations.
- Business travelling: Employees' business travel.
- Commuting: Employees commuting to and from work.
- Leased assets upstream: This category includes refrigerant leaks in rented offices. Emissions have been estimated based on the volume of the system.
- Downstream transportation and distribution: Downstream transportation and distribution consist of the logistics from operations to the end recipient that are not paid for by the company. For Svedbergs Group, this involves tradespersons and retailers who supply products from the retail trade to end customers.
- Use of products sold: A Nordic average mix is used to calculate the climate impact of using the product sold in the Nordic countries.

Treatment of end-of-life products at the end of their life cycle: This category comprises the climate impact of treatment of end-of-life products at the end of their life cycle.

Sources and calculation tools

DEFRA, the Swedish Energy Markets Inspectorate, NTM, Vattenfall, Statistics Sweden, Ecoinvent and Inrego.

Greenhouse gas emissions per net revenue

Metric	2024	2023	2022	2021
Total GHG emissions per net revenue (tCO_2eq/SEK)	30.8	32.4	33.7	38.2

Environment

Water

Water and water use are directly linked to Svedbergs Group's operations. Significant quantities of water are used in the extraction of raw materials and in connection with the use of finished products. The brand companies work actively to optimise and streamline use as far as possible.

Target

100 percent of suppliers in water-stressed areas should have sustainable water management practices in place by 2030. The target covers Tier 1 suppliers operating in water-stressed areas, based on our water risk assessment.

Impact, risks and opportunities

Impact in the value chain
Svedbergs Group's impact on water withdrawal is primarily a consequence of upstream extraction of raw materials, where part of the production and manufacturing takes place in regions characterised by water stress. Svedbergs Group has suppliers in countries including Spain, Italy, Germany, Portugal, Belgium, Turkey and China. Individual raw materials associated with high water withdrawal include ceramics and metal. In addition, there is significant water use associated with consumer use. Water consumption in own operations is more limited.

Risks and opportunities for Svedbergs Group
The main risks include supply chain disruption owing to water-related challenges in the supply chain such as water scarcity in connection with raw material extraction and manufacturing processes. There are also risks in not being able to meet customer demand for water-efficient products.

At the same time, an increased focus on water consumption and use also entails opportunities. By providing products that enable efficient use of water, competitiveness can be enhanced.

Governance

Policies related to water and marine resources
Water Stewardship Policy
The policy provides clear guidelines for commitments, targets and requirements related to water use and withdrawal. The policy covers the entire value chain and applies to all Svedbergs Group subsidiaries, their employees, suppliers and subcontractors. The policy is subject to annual revision. It is communicated and available to all relevant stakeholders via appropriate channels (intranet, website, etc.).

Strategy and actions

Product development
A major focus of product development is on optimising and streamlining water use, especially in showers and mixers, without limiting the user's experience and needs. For example, most of the mixers in the ranges are equipped with technologies that reduce water consumption such as flow controllers and aeration.

Collaboration and dialogue with suppliers
All brand companies work actively to reduce water use in the value chain. Preventive work is carried out by means of dialogue with suppliers and by monitoring of the water situation in vulnerable regions. This is intended to reduce the water footprint of production and water-related risks in the supply chain. The work takes into account both the water footprint of the goods and the water situation in the area.

For suppliers in regions characterised by water stress, there are specific requirements for actions and action plans to reduce water use. This may also include certifications and specific policies.

Implementation of targets
In 2024, it was decided that all Tier 1 suppliers in water-stressed areas should have sustainable water use practices in place by 2030. Implementation of the target started during the year.

Improving water efficiency in offices
Water use in own offices and production facilities is limited. However, here too there is continuous work on improvements. More significant recent initiatives include the installation of low-flush toilets, a new skimmer system in the wet paint shop, new pre-treatment baths in the powder coating shop and the decommissioning of the veneer press.

Environment

Biodiversity and ecosystems

Svedbergs Group's impact on biodiversity and ecosystems mainly concerns aspects related to deforestation. Forests play a crucial role in combating climate change and also serve as a habitat for a large number of species. As a major purchaser of wood raw material and finished products based on wood, Svedbergs Group has a special responsibility to limit and minimise negative impacts.

Impact, risks and opportunities

Impact in the value chain
The brand companies in Svedbergs Group purchase raw materials and finished products consisting of, among other things, wood, ceramics and metal, and wood accounts for the highest proportion of the total volume of material in the Group's products. In the production of this raw material, there is a risk of impact on biodiversity and ecosystems, including habitat destruction and soil and water pollution.

Impacts on the state of species
According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), more species are threatened with extinction than ever before in human history and many ecosystems are changing rapidly. The main drivers include habitat destruction, overexploitation of species, climate change, pollution and the spread of invasive alien species.

Impacts on the extent and condition of ecosystems
Biodiversity and functioning ecosystems are essential for all life on Earth. With biodiversity loss, key ecosystem services are affected, which in the short term has a negative impact on biological processes, microlife and individual species. In the medium and long terms, there is a risk of more permanent impacts on land used for cultivation, population sizes and entire ecosystems, which could ultimately result in the extinction of entire species.

Viable ecosystems with rich biodiversity also play an important role in limiting climate warming and achieving climate targets. For example, wetlands can store greenhouse gases, thereby helping to limit global warming. Conversely, global warming accelerates when soils and ecosystems are destroyed or damaged, leading to a decrease in carbon sequestration by plants and soils.

Risks and opportunities for Svedbergs Group
In the short, medium and long terms, biodiversity loss may result in increased costs or shortages in the availability of specific products. Lack of care for biodiversity or direct violations of laws and other regulations also risk having a negative impact on Svedbergs Group's brand.

Governance

Policies related to biodiversity and ecosystems
Biodiversity & Timber Policy
The policy provides clear guidelines for commitments, targets and requirements related to biodiversity and the use of wood raw material. The policy covers the entire value chain and applies to all Svedbergs Group subsidiaries, their employees, suppliers and subcontractors. The policy is subject to annual revision. It is communicated and available to all relevant stakeholders via appropriate channels (intranet, website, etc.)

Target

100 percent of all wood raw material must be certified to sustainable forestry standards by 2030. The target covers all European Tier 1 timber and product suppliers.

Strategy and actions

All wood raw material used in Svedbergs Group's own products must come from responsibly managed forests by 2030. All purchased wood raw material must then be subject to traceability rules and fulfil at least the requirements of FSC's standard for Controlled Wood, FSC CW. This means that the raw material must not come from controversial sources, including illegally harvested forests, forests with high conservation values, where these values are threatened by forestry activities, and forestry activities that violate indigenous peoples' rights or human rights. Purchases are third party certified according to PEFC and FSC Chain of Custody.

In 2025, this work will be extended to include finished products purchased from Asia.

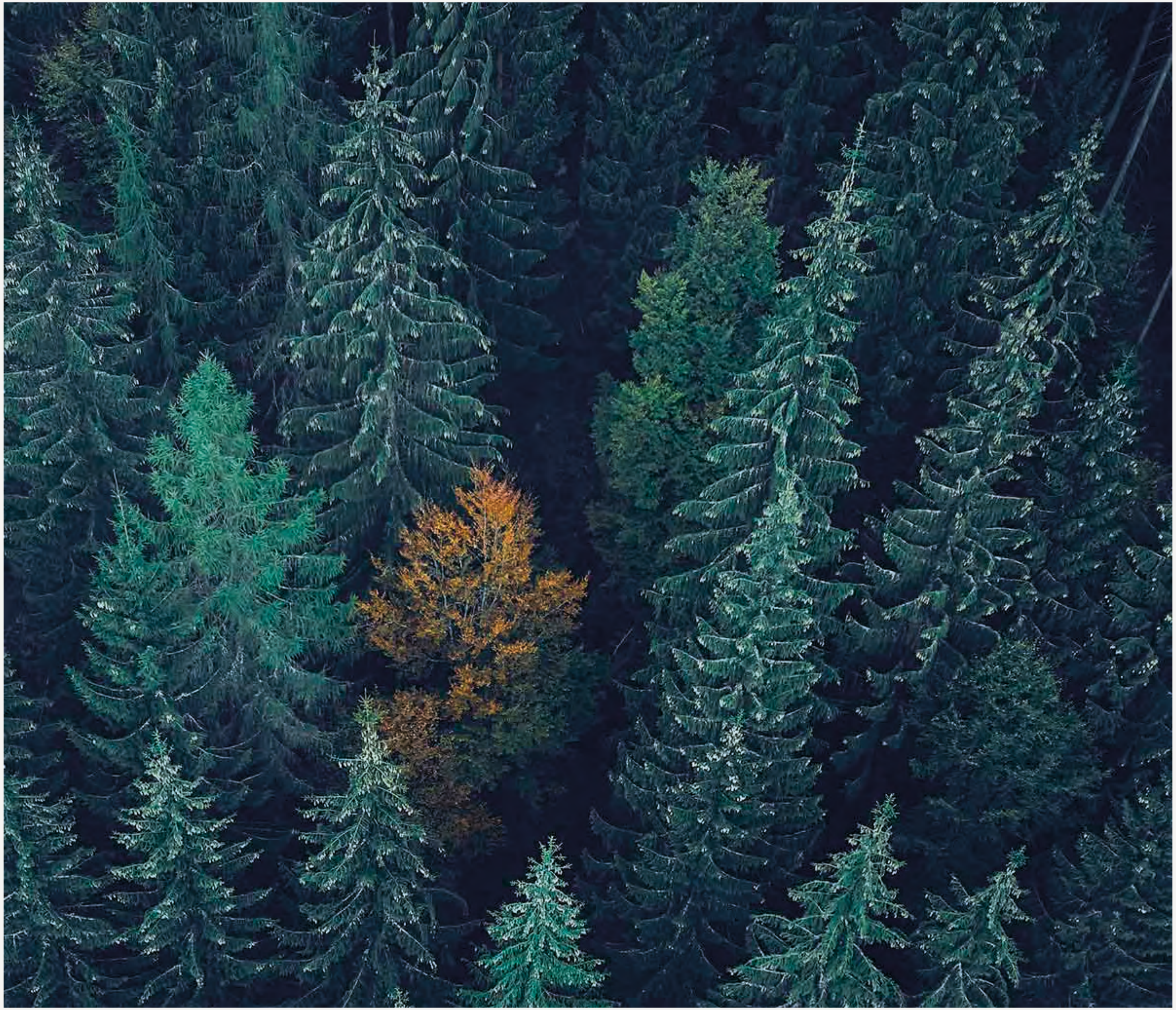
The subsidiary in the UK has recently started analysing the wood raw material it uses and has therefore not made as much progress in mapping and setting requirements for suppliers.

Annual risk assessments, including follow-up
Svedbergs Group performs annual risk assessments to analyse the supply chain and identify and manage risks related to biodiversity loss, deforestation and wider environmental impacts. This process helps ensure responsible purchasing, protect ecosystems and promote sustainable business principles. Risk assessments may include on-site audits of suppliers, including DNA testing of timber, where appropriate.

Outcome

Certified wood raw material

	2024	2023
Proportion of certified wood raw material used, %	100	100



Environment

Resource use and circular economy

Sustainable resource use and circular economy are about using materials, energy and other resources more efficiently and developing circular flows. This includes the use of recycled and renewable materials, minimising waste throughout the value chain, optimising the lifetime of products and resources and promoting product and packaging recycling and circular solutions for end-of-life products.

Impact, risks and opportunities

Impact in the value chain
Svedbergs Group's impact is mainly related to the extraction and processing of raw materials. The products offered by the Group's brand companies are made from components based on finite natural resources such as metals, minerals and various types of polymers. Almost all the material used for the products is virgin material. The extraction of these materials may have a negative impact on people and nature.

Downstream impacts are mainly related to potential shortcomings in recycling and reuse processes. Svedbergs Group sells products that are used by customers in a large number of countries. Shortcomings in local infrastructure may pose challenges for recycling and reuse. In addition, some products may go to landfill or incineration owing to contamination risks or complex material compositions that are difficult to separate.

Risks and opportunities for Svedbergs Group
The dependency on virgin materials entails risks related to raw material price trends and the availability of specific raw materials. There are also risks related to the management of waste. All risks may have an impact on Svedbergs Group's profitability.

The transition to a circular economy offers opportunities to optimise input and output flows of materials and products, which may result in reduced costs and greater opportunities to better meet customer expectations and requirements.

Governance

Policies related to biodiversity and ecosystems
Resource Use, Circular Economy & Waste Policy
The policy provides clear guidelines for commitments, targets and requirements related to resource use, circular economy and waste. The policy covers our own operations and value chain and applies to all Svedbergs Group subsidiaries, their employees, suppliers and subcontractors. The policy is subject to annual revision. It is communicated and available to all relevant stakeholders via appropriate channels (intranet, website, etc.).

Climate Change Mitigation, Adaptation and Energy Policy
For information, see page 48.

Target

- By 2030, all new products must be developed according to circular design principles.
- Waste from own operations must have been reduced by 35 percent by 2030.
- At least 90 percent of product materials must be recyclable by 2030.
- Achieve at least 30 percent recycled content in all our product materials by 2030.

The goals were set in 2024. Outcomes will be reported starting in the 2025 financial year. With these targets, Svedbergs Group wants to increase the volume of products manufactured in line with circular principles, which in turn will help increase the volume of circular material used and minimise the use of primary raw materials.

Strategy and actions

Product development in line with circular design principles
Svedbergs Group's mapping shows that the majority of greenhouse gas emissions arise in connection with the extraction of raw materials for purchased goods. To reduce emissions and negative environmental impact, while enhancing resource efficiency, Svedbergs Group endeavours to integrate circular design principles in product development. The aim is to extend the lifetime and reduce waste and material consumption in manufacturing. The Group works actively with subcontractors to develop products based on materials with a lower environmental and climate impact. This work covers the whole life cycle of the product and addresses a variety of aspects such as renewability, recyclability, lifetime and weight.

Evaluating opportunities of circular new business models
The brand companies are running projects aimed at evaluating the possibility of new offers linked to, for example, refurbishment or repair of damaged products.

Clear procedures for waste and waste management
Waste is generated at various stages in Svedbergs Group's value chain: during production at subcontractors, in the Group's own operations and in connection with end-of-life. It mainly consists of leftover materials from production and packaging materials. All brand companies are focusing on reducing the volume of waste that is sent to incineration and landfill. Work is also under way to increase the proportion of materials that are recycled.

Work on Environmental Product Declarations (EPDs)
The brand companies are working on environmental product declarations for their respective product portfolios. EPDs, or Environmental Product Declarations, are comprehensive, standardised documents that quantify the environmental impact of a product. The reports are developed using the Life Cycle Assessment (LCA) method and evaluate different impact categories, including carbon emissions, over a product's life cycle. This assessment covers everything from raw material extraction, transport and manufacturing processes to a product's use, end use and potential for recycling. In addition to increased clarity towards customers, architects, property developers and end consumers, it helps further develop the product portfolio and the manufacturing process, ultimately enhancing competitiveness.

Resource inflows

Resource flows mainly consist of products produced upstream in the value chain in suppliers' production facilities. These goods are delivered to the brand companies' warehouses to be processed or resold. The goods are also accompanied by different types of packaging. In addition to the goods, resource inflows also include IT equipment, software, furniture and company cars for the Group's offices. For warehousing activities, this mainly includes machinery, IT equipment and transport vehicles.

Social

Own employees

As an employer with operations in several countries, Svedbergs Group has an impact on a relatively large number of individual employees. Overall, the average number of employees in 2024 was 532. The company's own workforce is mainly in production, warehouses and in offices.

Target

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

Outcome

	2024	2023	2022
Healthy presence in relation to total scheduled time	96.2	96.3	97.0

Impact, risks and opportunities

Impact in the value chain
Svedbergs Group's own employees are mainly employed in the Nordic region, the UK and the Netherlands, regions and countries in which the national legislation generally imposes extensive, strict requirements for working conditions, decent pay, the working environment, health and safety. The reporting of the own workforce also includes persons not directly employed by Svedbergs Group or the individual brand companies. These include external labour when needed at the production stage in Sweden and the Netherlands.

Svedbergs Group's main actual and potential impacts related to its own workforce are mainly aspects related to working conditions, equal treatment and equal opportunities for all. Aspects of working conditions include job security, work-life balance, health and safety. Equal treatment and equal opportunities for all concern aspects such as pay, gender equality, training and skills development.

Risks and opportunities for Svedbergs Group
One of the main risks for Svedbergs Group is dependence on employees with the right skills and abilities. Technological developments, new customer needs and high demands for innovation require a high level of willingness to change, innovation and flexibility. In this regard, the ability to attract and retain sought-after skills plays a crucial role in the Group's continued expansion and performance. Deficiencies in working conditions could result in challenges related to the retention and recruitment of skilled, motivated employees. There are also legal and brand-related risks linked to accidents and incidents.

Governance

Policies related to own workforce
Employee Code of Conduct
The Employee Code of Conduct defines Svedbergs Group's commitments and expectations regarding health and safety, human rights, business ethics, environmental protection, and community engagement. It also clarifies these principles mainly to our employees, and other stakeholders working in and outside Svedbergs Group.

The Human Rights Policy
The Human Rights Policy outlines Svedbergs Group's commitments and responsibility to respect human rights, by carrying out risk analysis, assessing and addressing negative impacts, setting out the grievance mechanisms, and providing access to effective remedy if violations have occurred.

Whistleblowing Protection Policy
The Whistleblowing Protection and Grievance Policy are communicated to all employees via the employee handbook, and they are also embedded within legal compliance policies and training. They encourage employees to raise their concerns if they see something that does not meet the standards set out in our Employee Code of Conduct and explains the various grievance channels: internally via their line manager or HR, by the independent third-party sourced telephone number or website.

Strategy and actions

Processes for engaging with own workers and workers' representatives about impacts
Svedbergs Group strives for a straightforward, open and continuous dialogue between employees and between employees and managers. In addition to ongoing dialogue, there are a number of structured forums and channels.

Employee surveys
Much effort is put into continuously measuring and monitoring employee attitudes and the initiatives implemented in the Group. Regular employee surveys are an important part of this work. This allows for continuous monitoring, greater transparency and the possibility of taking the right action quickly. All Group companies conduct the Great Place to Work (GPTW) employee survey annually..

This is measured in five areas: Credibility, Respect, Fairness, Pride and Camaraderie.

Employee reviews
Regular employee reviews and follow-ups between managers and employees are a key element in ensuring an attractive workplace. The purpose of the reviews is to enhance internal working relationships and partnerships, and to motivate and develop colleagues to achieve individual goals.

Trade union involvement
Svedbergs Group provides information to and negotiates matters with trade unions in accordance with the obligations that apply under the Swedish Codetermination in the Workplace Act (MBL), collective agreements and local cooperation agreements. Matters relating to significant changes in the Group are always managed in close cooperation between management and the various trade unions.

With regard to trade union representation, Svedbergs Group defends the right to and opportunity for freedom of association, collective agreements and trade union representation. The Group also protects the right of employees to choose or not to choose trade union membership and treats everyone equally whether they are union members or not.

Channels for reporting misconduct and whistleblowing
All employees of Svedbergs Group are encouraged and urged to report misconduct and breaches of internal or external regulations. Reports may be made to a line manager, safety representative or local HR department. It is also possible to report cases anonymously to Svedbergs Group's online whistleblowing service. For more information about the whistleblowing service, see page 62.

Actions to manage impacts and risks
Svedbergs Group endeavours to continuously prevent identified impacts and risks while enhancing and developing the company's attractiveness as an employer. This work is based in part on the results of the annual employee survey and continuous monitoring of health and safety KPIs.

Work environment, health and safety
The physical and mental health of employees is a top priority. Systematic health and safety work is carried out in the brand companies to ensure a safe, attractive workplace. The work involves both internal and external employees. Workplace accidents and incidents are reported according to a specific procedure and analysed to ensure that measures are taken to prevent similar incidents from occurring. There is a particular focus on maintaining a high level of safety in production.

Competitive, fair pay
Decisions about the remuneration of salaried employees and employees under collective agreements at Svedbergs Group must comply with and be adapted to statutory requirements, applicable collective agreements and other market practice. Overall, Svedbergs Group endeavours to provide remuneration that is market-based and well-balanced in terms of skills, responsibility and performance.

Remuneration decisions and processes, structures and systems for managing remuneration must be gender-neutral and non-discriminatory. Salaries and wages must be set on objective grounds, known to the employees. For salaried employees, salaries must be individual and differentiated according to job responsibilities and individual performance. There must be a clear link between salary development and employee performance, with individual targets set in dialogue between managers and employees. The wages of employees subject to collective agreements are set in accordance with the collective agreement.

In Sweden, annual pay surveys are carried out with the aim of achieving equal pay and in accordance with the Equality Ombudsman's regulations. Pay surveys are part of the work to prevent and combat discrimination and promote equal rights and opportunities.

Training and skills development
Svedbergs Group depends on employees with the right skills to continue to run and develop its operations. Training is an important factor in developing employees and creating internal engagement. It is also a prerequisite for retaining employees and providing them with opportunities to grow and develop their career with the Group. Training and development must be offered to all employees as needed. CPD activities in 2024 included training in self-leadership and sustainability.

Training in Diversity, Equality and Inclusion
Everyone in Svedbergs Group, regardless of gender, gender identity, ethnicity, sexual orientation, age, religion or other belief, must have the same opportunity for recruitment and career development. Abuse and any form of discrimination are unacceptable. During the year, leadership training programmes in self-leadership for management and employees were implemented in the brand companies Svedbergs and Macro Design. Roper Rhodes implemented training programmes in People Management and Equality, Diversity & Inclusion.

Outcome

Average number of employees (FTE)

	2024	2023	2022
Svedbergs Group AB	4	4	3
Svedbergs i Dalstorp AB	142	152	172
Macro Design AB	45	46	51
Cassøe A/S	16	15	14
Roper Rhodes Ltd	232	209	208
Thebalux Holding B.V.	92	16	n.a
Total	**532**	**442**	**447**

Number of employees by country

	No. of employees
Sweden	178
UK	231
The Netherlands	92
Denmark	17
Norway	6
Finland	6
Ireland	1

Employee turnover, %

	2024	2023	2022
Svedbergs Group	4.82	4.83	5.86

Gender distribution, Board and management

	2024	2023	2022
Board of Directors			
Women	2	2	3
Men	4	4	5
Group management			
Women	2	2	0
Men	7	7	6

Gender distribution, all employees

	No. of employees
Men	379
Women	153
Total	**532**

Social / Own employees

Outcome

Number of employees by contract type and gender

	Women	Men	Total
Number of employees	158	374	532
Number of permanent employees	155	363	518
Number of temporary employees	3	11	14
Number of full-time employees	135	366	501
Number of part-time employees	23	8	30

Healthy presence

	2024	2023	2022
Healthy presence in relation to total scheduled time	96.2	96.3[1]	97.0

1) Including Thebalux

Percentage of employees entitled to take family-related leave

%	2024	2023	2022
Percentage of employees entitled to take family-related leave	100	100	100

Percentage of employees covered by collective bargaining agreements

%	2024	2023	2022
Collective bargaining agreement coverage rate	35.4	n.a.	n.a.

Percentage of employees and non-employees that participated in regular performance and career development, per gender

%	Women	Men	Total
Percentage of non-employees that participated in regular performance and career development	93.2	86.6	88.6
Percentage of non-employees that participated in regular performance and career development	0	0	0

Health and safety metrics – Own workforce

	2024	2023	2022
Percentage of own workers in headcount who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	100	n.a.	n.a.
Percentage of own workers who are covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party	34.1	n.a.	n.a.
Number of fatalities as a result of work-related injuries and work-related ill health	0	n.a.	n.a.
Number of recordable work-related accidents (excluding fatalities)	4	n.a.	n.a.
Rate of recordable work-related accidents	6.2	n.a.	n.a.
Number of cases of recordable work-related ill health	3	n.a.	n.a.
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	28	n.a.	n.a.

Health and safety metrics – Non-employees in the own workforce

	2024	2023	2022
Percentage of non-employees who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	60.2	n.a.	n.a.
Number of fatalities as a result of work-related injuries and work-related ill health, non-employees	0	n.a.	n.a.
Number of recordable work-related accidents (excluding fatalities)	0	n.a.	n.a.
Rate of recordable work-related accidents	0	n.a.	n.a.
Number of cases of recordable work-related ill health	0	n.a.	n.a.
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0	n.a.	n.a.
Number of fatalities as a result of work-related injuries and work-related ill health, other workers working on the company's site	0	n.a.	n.a.

Social

Workers in the value chain

The manufacture of Svedbergs Group products is partly outsourced to contract manufacturers. The company thus depends on external labour such as employees of partners and subcontractors.

Impact, risks and opportunities

Impact in the value chain
Impacts on workers in the value chain are mainly upstream in the global value chains linked to the production of raw materials and bathroom products. Overall, Svedbergs Group has partnerships with more than 300 subcontractors, which mainly carry out production in Europe and China. Areas in which Svedbergs Group has an impact include working conditions, equal treatment and opportunities for all and other labour-related rights.

Risks and opportunities for Svedbergs Group
Shortcomings in the work environment and working conditions of workers in the value chain may pose risks related to delayed or postponed deliveries as a result of injuries, strikes or other reasons. Shortcomings in equal treatment and opportunities for all pose potential brand and reputational risks, which may have financial impacts.

Governance

Policies related to value chain workers
Human Rights Policy
The policy outlines Svedbergs Group's commitments and responsibility to respect human rights by carrying out risk analysis, assessing and addressing negative impacts, setting out the grievance mechanisms, and providing access to effective remedy if violations have occurred.

Supplier Code of Conduct
The Supplier Code of Conduct is based on internationally recognised conventions on human rights, working conditions, the environment and anti-corruption. All partners are expected to comply with the principles set out in the Supplier Code of Conduct. The principles are based on the ETI Base Code and the ten principles of the UN Global Compact. It makes it clear that Svedbergs Group for example does not accept human trafficking, child labour or forced labour in any form. It also clarifies the right of all workers to form or join trade unions and to bargain collectively. No worker exercising this right should suffer discrimination and all workers should know the basic conditions of their employment and have written employment contracts. Suppliers must ensure that all workers receive decent pay that guarantee a decent standard of living for them and their families.

Strategy and actions

Actions to manage impacts and risks
Channels for reporting whistleblowing
To enable workers in the value chain to anonymously report suspicions of non-compliance with laws and rules relating to working conditions or human rights, an external whistleblowing function is in place. Reports of suspected breaches and irregularities may be made via an online form that guarantees full anonymity. The online form is available via the Svedbergs Group website.

Target

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

All critical suppliers must have undergone an audit by 2030.

Outcome

	2024	2023	2022
% of strategic suppliers audited in 2024	21.0	10.0	7.0

Governance

Business conduct

Svedbergs Group does not accept any form of corruption, bribery, extortion or money laundering and distances itself from any illegal restriction of competition. This stance includes employees, customers, suppliers or individuals working for or on behalf of the Group.

Target

No incidence of corruption.

Outcome

	2024	2023	2022
Number of confirmed cases of corruption	0	0	0

Impact, risks and opportunities

Crimes, offences or misconduct related to corruption or shortcomings in business ethics in the Group's own operations, at suppliers and at partners entail risks relating to confidence in Svedbergs Group among customers, existing and potential employees, suppliers, partners and the rest of the business environment. Shortcomings in behaviour and conduct also risk having a financial impact in the form of additional costs, fines and loss of business.

Svedbergs Group has zero tolerance for all forms of corruption such as extortion, fraud, bribery and anti-competitive behaviour. All employees have a responsibility to comply with external and internal rules and to take action if the company or its employees do not act in line with them.

Governance

A healthy corporate culture

Svedbergs Group works actively to ensure high business ethics throughout the organisation. The foundation of responsible business and ethical behaviour is a healthy corporate culture. The Group constantly strives to maintain and ensure this culture by means of clearly defined expectations, training, ongoing internal dialogues and structured follow-up processes.

The prevention of business ethics risks is based on both external frameworks and internal rules and guidelines. The external frameworks include applicable laws and regulations, for example anti-corruption legislation. Svedbergs Group also complies with the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's core conventions and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the Code to Prevent Corruption in Business (the Swedish Anti-Corruption Institute).

Policies related to business conduct

Employee Code of Conduct

One of the main internal regulations is Svedbergs Group's Employee Code of Conduct. This Code sets out guidelines for how employees should behave towards each other and when representing the company. The aim of the guidelines is to ensure a safe work environment, equal, fair treatment of all employees and ethical conduct. Four key areas are defined in the Code:

- Promoting a healthy workplace, respecting fundamental labour law principles
- Conducting business based on ethical business practices
- Protecting company assets and personal data
- Supporting local communities and the environment

All employees of the Group have a personal responsibility to read, sign and follow the Code of Conduct. Svedbergs Group's Group Management is responsible for ensuring compliance with the Code of Conduct

Supplier Code of Conduct

All suppliers to Svedbergs Group must comply with the principles set out in the Group's Supplier Code of Conduct. The principles are based on the ETI Base Code and the ten principles of the UN Global Compact. They include working conditions and working hours, discrimination, bribery, environmental considerations and compliance with laws and regulations.

Data privacy

The policy describes Svedbergs Group's processing of personal data.

Whistleblowing policy

The policy clarifies the possibility for employees and other stakeholders to report irregularities anonymously and without risk of retaliation.

Strategy and actions

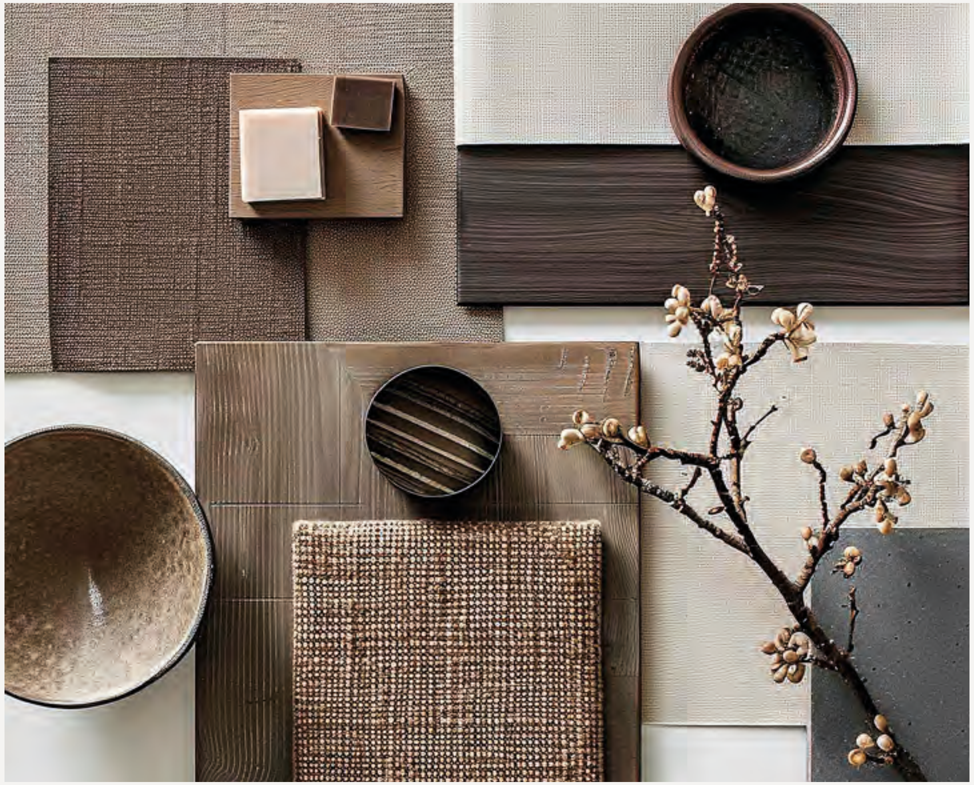
Management of relationships with suppliers
Svedbergs Group endeavours to ensure control and accountability throughout the supply chain. Social rights, including human rights, and environmental criteria are an integral part of the procurement process. Before a contract is signed with a new supplier, a risk assessment is carried out which, in addition to the ability to deliver as agreed, also covers social and environmental aspects. The Swedish Group companies conduct risk assessments with the support of amfori BSCI, a global business initiative that promotes responsible supply chains. Roper Rhodes works with SEDEX, which has a platform for supplier audits. All brand companies have had access to this platform since 2024.

Within the framework of this partnership, ongoing dialogues and risk assessments are conducted with selected suppliers. Based on the assessments, either in-depth in-house audits or external third-party audits are carried out, if deemed relevant. In addition, a strategic supplier assessment is carried out once a year. In the event of non-conformities and shortcomings, an action plan is drawn up. Repeated shortcomings may lead to the cancellation of partnerships and contracts.

Prevention and detection of corruption and bribery
Svedbergs Group works systematically to prevent corruption and maintain high ethical standards in its relations with employees, suppliers, customers and the rest of the business environment. To ensure that all employees are aware of the Employee Code of Conduct, mandatory training sessions are organised for all employees in the Group.

If employees experience behaviour that is not in line with Svedbergs Group's codes of conduct, values and policies, they are encouraged to contact their line manager, their safety representative or the HR department. It is also possible to report cases anonymously via an external online whistleblowing service. Reported events and incidents must be investigated promptly, independently and objectively. Furthermore, all reported incidents must be reviewed by an independent investigation team, separate from those involved in the case.

Whistleblowing service
Using Svedbergs Group's online whistleblowing service, employees and others covered by the Swedish Whistleblowing Act can make an anonymous report of misconduct that is perceived to violate laws or rules for the business. How the whistleblowing function is to be handled and managed is set out in the Group's internal guidelines and procedures, which comply with the Swedish Whistleblowing Act. These state, among other things, that Svedbergs Group must ensure that anyone who reports serious misconduct via the whistleblowing service must be able to do so in a safe, confidential manner without risk of reprisals.



Outcome

Confirmed incidents of corruption and bribery

	2024	2023	2022
Number of incidents reported	0	0	0
Number of confirmed cases of corruption	0	0	0
Number of convictions for offences of corruption and bribery	0	0	0

Reporting on the EU Taxonomy Regulation

The EU Taxonomy Regulation is a classification system for environmentally sustainable economic activities and a key tool for achieving the EU's goal of carbon neutrality by 2050.

The EU Taxonomy describes which economic activities fall within the scope of the taxonomy ("covered by the taxonomy") and which of these activities meet the EU's technical screening criteria and are thus classified as environmentally sustainable ("taxonomy-compliant economic activities"). In order for the Group's products to be considered "compliant" with the screening criteria, the activities must comply with certain EU-specific standards (EU Regulation 2017/1369).

A mapping of Svedbergs Group's operations based on the disclosure requirements and targets contained within the taxonomy has been carried out at company level. The survey identified compliant and non-compliant activities in relation to the taxonomy, according to the conclusions below:

- **Turnover** A very small proportion of Svedbergs Group's turnover is derived from Sales of spare parts, CE 5.2.
- **Capital expenditure (CapEx)** The investments are linked to Installation, maintenance and repair of energy efficiency equipment, CC M7.3. No investments have been made for other taxonomy-applicable activities. Regarding other investments, we have not had the opportunity to follow up on suppliers' compliance with the taxonomy as such data was not available.
- **Operating expenditure (OpEx)** The assessment of taxonomy compliance within this category needs to be further developed to identify which parts contribute to meeting the environmental objectives. For 2024, no operating expenditure was identified for taxonomy-compliant activities.

Activities aimed at increasing the proportion of taxonomy-compliant activities have also been identified and initiated:

- Processes for ensuring minimum protective measures.
- Improved reporting and data collection to more clearly determine the proportion of taxonomy-compliant activities.
- Development of strategies to strengthen the company's environmental objectives and improve taxonomy-compliance in future investments and operations.

Accounting principles

The taxonomy-compliant key figures are defined in accordance with Annex I of Art. 8 Delegated Act.

Turnover

The proportion of taxonomy-compliant economic activities of Svedbergs Group's total turnover has been calculated as
the part of net turnover that derives from products and services linked to compliant economic activities (numerator) divided by net turnover (denominator). The denominator is based on Svedbergs Group's consolidated net turnover in accordance with IAS 1.82(a), which is consistent with the consolidated income statement on page 89.

Capital expenditure

The proportion of taxonomy-compliant capital expenditure is defined as investments compatible with the taxonomy (numerator) divided by Svedbergs Group's total investments (denominator). The numerator refers to total capital expenditure of the financial year's additions of tangible and intangible fixed assets, before depreciation and any revaluations, excluding changes in fair value. The investments include additions of tangible fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16), which are presented in notes 20–22 as investments and increases through business acquisitions. Goodwill is not included.

Operating expenses

The proportion of taxonomy-compliant operating expenses is defined as operating expenses compatible with the taxonomy (numerator) divided by Svedbergs Group's total operating expenses (denominator). Total operating expenses consist of direct costs attributable to research and development, building renovation measures, short-term rentals, maintenance and repairs and all other direct expenses related to the daily servicing of property and fixed assets. Research and development expenses are found in Svedbergs Group's income statement and non-capitalized leases according to IFRS 16 are found in Note 22 Leases. Maintenance and repairs have been determined based on the costs allocated to internal cost centers. The related cost items are found in different items in Svedbergs Group's income statement.

The following pages report the share of taxonomy-applicable and compatible economic activities.

Nuclear and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Fiscal year 2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover in 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		SEK t	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of eligible taxonomy-aligned activities (A.1)		0	0%	—	—	—	—	—	—	—	—	—	—	—	—	—	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	—	—	—	—	—	—	—	0%	E	
Of which Transitional		0	0%	0%	0%	0%	0%	0%	0%								0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Sales of spare parts	CE 5.2	10,058	0.46%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Turnover from taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,058	0.46%	0%	0%	0%	0%	0.46%	0%								0%		
A. Turnover from taxonomy-eligible activities (A.1 +A.2)		10,058	0.46%	0%	0%	0%	0%	0.46%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		2,173,659	99.54%																
TOTAL		**2,183,717**	**100%**																

	Proportion of Turnover /Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.46%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Fiscal year 2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	**Absolute CapEx (3)**	**Proportion of CapEx, year 2024 (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover in 2023 (18)**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
		SEK t	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of eligible taxonomy-aligned activities (A.1)		0	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	–	–	–	–	–	–	–	0%	E	
Of which Transitional		0	0%	0%	0%	0%	0%	0%	0%								0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	216	0.35%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		216	0.35%	0%	0%	0%	0%	0.35%	0%								0%		
A. CapEx of Taxonomy-eligible actitivities (A.1 + A.2)		216	0.35%	0%	0%	0%	0%	0.35%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		60,579	99.65%																
TOTAL		**60,795**	**100%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0.35%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Fiscal year 2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	**Absolute OpEx (3)**	**Proportion of OpEx, year 2024 (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover in 2023 (18)**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
		SEK t	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of eligible taxonomy-aligned activities (A.1)		0	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	–	–	–	–	–	–	–	0%	E	
Of which Transitional		0	0%	0%	0%	0%	0%	0%	0%								0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
OpEx of Taxonomy-eligible but not environmentally sustainable activities		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		42,588	100%																
TOTAL		**42,588**	**100%**																

Financial summary

Index	Turnover	CapEx	OpEx
Total	2,183,717	60,795	42,588

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Svedbergs Group (publ.) AB, 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 2024 on pages 34–50 and that it has been prepared in accordance with the Annual Accounts Act according to the previous version applied before 1 July 2024.

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 me (us) with sufficient basis for my (our) opinion.

Opinion
A statutory sustainability report has been prepared.

Malmö, 8 April 2025

Maria Ekelund
Authorized/Approved 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 share's ISIN code is SE0000407991 and it is traded under the ticker SVED B. The market capitalisation of the share at the year-end was SEK 2,196.0 million and there were 6,673 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 33 percent. The closing price on the last trading day of the year was SEK 41.45 (31.20), corresponding to a market capitalisation of SEK 2,196.0 million (1,102.1). The highest closing price of the year, SEK 50.90, was recorded on 13 June. The lowest closing price was recorded on 5 January and was SEK 30.85.

Trading and turnover

Svedbergs Group's shares are traded on Nasdaq Stockholm's Small Cap list under the ticker SVED B. During the year, 10.0 million shares were traded at a value of SEK 416.0 million (243.4). On average, 39,919 shares (39,322) were traded at a value of SEK 1.7 million (1.0) per trading day.

Number of shares and share capital

At the end of the year, the share capital amounted to SEK 66.2 million, divided into 52,978,456 Class B shares with a quotient value of SEK 1.25. 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 0.03 percent of the total number of shares. No treasury shares were bought back during the year.

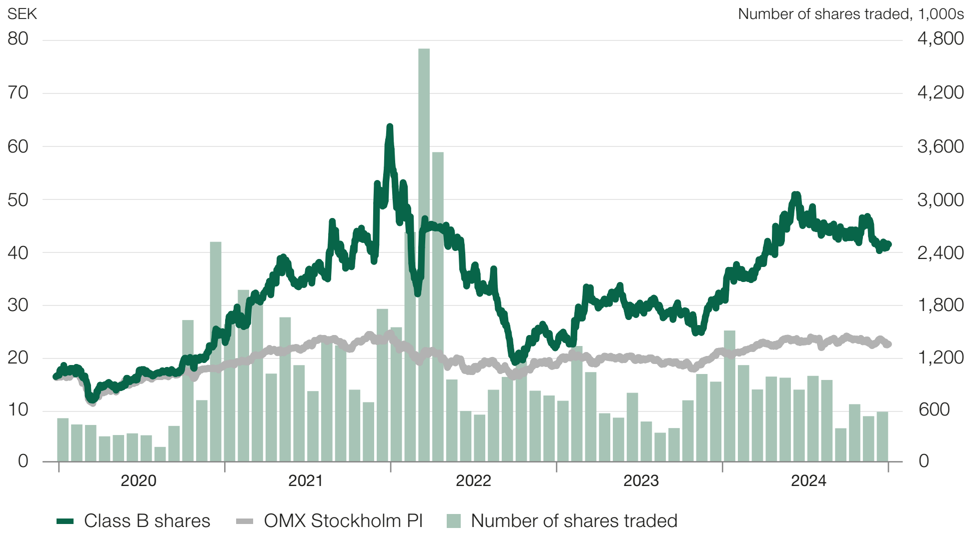
Dividend

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 1.50 (1.00) per share for 2024. The total dividend thus amounts to SEK 79.4 million (53.0). The proposed dividend represents 47.3 percent of the company's profit after tax.

Shareholders and shareholder structure

There were 6,673 (6,357) shareholders as at 31 December 2024. The ten largest shareholders accounted for 77.9 percent (77.3) of the votes and capital.



Ownership structure as at 31 December 2024

Shareholding	Number of shareholders	Shareholders, %	Number of shares	Share of votes and capital
1–500	4,300	64.44%	599,820	1.13%
501–1,000	813	12.18%	615,549	1.16%
1,001–5,000	1,210	18.13%	2,667,826	5.04%
5,001–10,000	197	2.95%	1,419,812	2.69%
10,001–20,000	77	1.15%	1,103,220	2.08%
20,001 ≤	76	1.14%	45,601,569	86.10%
Holding unknown	0	0.00%	970,660	1.80%
Total	**6,673**	**100.00%**	**52,978,456**	**100.00%**

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 2024

	Number of shares	Share of capital and votes
Stena Adactum	22,802,174	43.04%
Nordea Fonder	7,647,598	14.44%
If Skadeförsäkring AB	6,091,839	11.50%
Avanza Pension	1,469,179	2.77%
Nordnet Pensionsförsäkring	958,661	1.81%
Sune Svedberg	638,730	1.21%
Ida Svedberg Sandström	526,033	0.99%
Nordea Funds (Lux)	413,400	0.78%
Kavaljer Fonder	375,000	0.71%
Handelsbanken Fonder	334,713	0.63%
Others	11,721,129	22.12%
Total	**52,978,456**	**100.00%**

Share key figures

	2024	2023	2022	2021	2020
Share price (last trading day)	41.45	31.20	25.20	70.12	27.97
Volume-weighted average price	41.51	24.66	43.89	40.85	21.73
Average turnover per day, SEK m	1.7	1.0	2.8	2.3	0.6
Average number of shares traded per day	39,919	39,322	64,921	55,290	27,307
Number of shares (thousands)	52,978	35,324	35,324	21,200	21,200
Earnings per share, SEK	3.25	3.19	4.65	2.14	1.76
Market capitalisation, SEK m	2,196	1,102	890	1,487	593
Enterprise value, EV (market capitalisation + net debt), SEK m	2,936	2,204	1,498	2,615	781
P/E ratio	12.8	9.8	5.4	32.8	15.9
Net debt/EBITDA	2.0	3.8	2.0	7.7	1.8
EV/EBITDA	7.8	7.5	5.0	18.0	7.7
EV/Net sales	1.3	1.2	0.8	3.0	1.2

Ägarfördelning

Svenska ägare, 81%
Utländska ägare, 19%

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.

During the past financial year, Svedbergs Group has not committed any violations of the regulations at the stock exchange where its shares or depositary receipts are listed. Neither has Svedbergs Group been subject to any sanctions by the stock exchange's disciplinary committee or been the subject of any statement from the Swedish Securities Council regarding non-compliance with good market practices.

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.

Organisational structure of corporate governance

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.

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 and on the website.

For information on direct or indirect holdings in Svedbergs Group that represent at least one tenth of the voting rights for all shares in the company, please refer to the 'Share' section in this annual report.

Annual General Meeting 2024

The Annual General Meeting in Halmstad on 25 April 2024 was attended by 17 (27) shareholders, representing 64.6 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 Väliharju and Joachim Frykberg as ordinary members of the Board of Directors
- Board fees of SEK 1,980,000 for the following term of office, of which SEK 500,000 to be paid to the Chair of the Board of Directors and SEK 250,000 each to the remaining Board members who are not employed by the company
- committee fees totalling SEK 180,000 for the Audit Committee and SEK 50,000 for the Remuneration Committee
- adoption of the Board's proposal to pay a dividend of SEK 1.00 per share
- a policy on remuneration and terms of employment for senior executives, and principles for the establishment of the Nomination Committee

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 2024. 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 2024 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, 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 (33).

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
- 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

Composition of the Board of Directors and attendance at meetings

Elected by the AGM	Elected	Board meetings	Remuneration Committee	Audit Committee	Independent of the company and management	Independent of the major shareholders of the company	Total remuneration, SEK thousand
Anders Wassberg	2016	14(C)	2(C)	4(M)	Yes	No	570
Kristoffer Väliharju	2020	14(M)	–	–	Yes	Yes	250
Jan Svensson	2013	13(M)	2(M)	–	Yes	Yes	275
Susanne Lithander	2020	13(M)	–	4(C)	Yes	Yes	340
Ingrid Osmundsen	2017	14(M)	–	4(M)	Yes	Yes	295
Joachim Frykberg	2021	14(M)	–	–	Yes	No	250
Number of meetings		**14**	**2**	**4**			**1,980**

C = Chair, M = Member

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.

Committees

The Board of Directors has established two committees: an Audit Committee and a Remuneration Committee. The work of the committees is governed by the annually adopted committee instructions.

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.

The Committee held three 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 2024.

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. 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. During the year, the committee held four meetings, all of which were attended by the auditors.

The work of the Board of Directors in 2024

A total of 14 (17) 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 2024.

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.

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 25 April 2024 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 2024 to report on the scope and outcome of the audit, and four 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.

Sustainability Reporting and Financial Reporting

The company integrates sustainability aspects into its operations and reports these in accordance with applicable regulations and guidelines. Sustainability reporting is part of Svedbergs Group's overall reporting and is presented in the annual report according to applicable requirements. Sustainability is also part of the strategic decision-making and operational activities, which include:

- Governance structure and division of responsibilities where the Board, management, and brand companies ensure that sustainability issues are systematically managed
- Establishment of sustainability goals linked to the business strategy and guidelines to steer and monitor sustainability work

- Implementation of internal policies for environment, social responsibility, and corporate governance as well as ethical guidelines to ensure responsible business conduct
- Identification and management of sustainability-related risks and opportunities, including climate change, resource efficiency, and social impact
- Continuous measurement and reporting of sustainability performance
- Collaboration with investors, customers, suppliers, and other stakeholders to integrate sustainability aspects into business decisions and strengthen Svedbergs Group's long-term value creation.

The reporting aims to provide a transparent view of Svedbergs Group's sustainability work, including its impacts, risks, and opportunities related to sustainability factors. For further information, please refer to the Sustainability Reporting section in this annual report.

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 information 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 (until March 2025)
- 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 pages 80–81.

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 Code of Corporate Governance 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 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, external 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 87–88.

Control activities

Control activities take place at various levels in the Group, 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.

A group-wide internal control program for key processes at both subsidiary and Group levels has been implemented. The internal control program covers essential processes and aims to ensure that appropriate controls are designed and implemented to prevent errors in financial reporting based on the risks present in the processes. The Group's reporting units conduct regular self-assessments regarding the effectiveness of internal control over financial reporting. The evaluations are reported back to the Group function, which assesses effectiveness and reviews the evaluations with the units, engaging in dialogue on how, if applicable, the internal control environment can be improved. If there are critical deviations in the self-assessments, thorough follow-up is conducted to ensure that deficiencies have not impacted financial reporting. The results are compiled and reported to the audit committee for discussion of actions and ongoing follow-up.

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 accounting principles and any changes are always communicated by direct mailing to all relevant persons in the organisation. In addition, all subsidiaries submit monthly reports on their financial status and performance.

Svedbergs Group has a whistleblowing system to increase the availability for all employees to anonymously report problems and/or irregularities within the organisation.

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.

Monitoring

Follow-up and testing of control activities are carried out continuously to ensure that risks have been considered and addressed satisfactorily. The follow-up includes both formal and informal procedures applied by managers, process owners, and control performers. Ineffective controls are remedied, meaning that actions are taken and implemented 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, 31 March 2025
Board of Directors

For the auditor's opinion on the Corporate Governance Report, see page 126.

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[1]: 124,998

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[1]: 12,498

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 Varg-porten and Osmundsen Consulting.

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[1]: 3,825

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[1]: 3,000

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 AB.

Current directorships: Chair of the Board of GoldPen Computing AB. Member of Skånes Stadsmissions Affärsråd and Godsinlösen Nordic AB.

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

Shareholding[1]: 5,748

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 S-Invest Trading AB, LifeClean International AB and Fjäråskupan AB. Board member of Alpegro.

Previous positions: Several executive positions in the JULA Group.

Shareholding[1]: 7,500

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 2024.

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.

Shareholding[1]: 155,364

Warrants: 60,000

Call options: 100,000

Ann-Sofie Davidsson

CFO

Born: 1972

Employed since: 2023

Education: Master of Social Science, in Business Administration, Lund University, 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[1]: 5,648

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.

Current directorships: Board member of Nordpeis A/S.

Shareholding[1]: 2,913

Warrants: 0

Thomas Elvlin

CEO Svedbergs i Dalstorp AB[2]

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[1]: 13,462

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[1]: 10,704

Warrants: 0

1) Refers to shareholdings, own and of related parties, as at 31 December 2024.
2) CEO of Svedbergs i Dalstorp until March 2025.

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[1]: 164,000

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[1]: 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[1]: 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. Kempenplafonds interior.

Shareholding[1]: 0

Warrants: 0

1) Refers to shareholdings, own and of related parties, as at 31 December 2024.

Financial statements

Directors' Report

The Board of Directors and the CEO of Svedbergs Group AB (publ), corporate identity number 556052-4984, hereby present the annual report and consolidated financial statements for the period 1 January–31 December 2024.

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

The 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.

Operating activities are conducted via six wholly owned subsidiaries:

- Svedbergs i Dalstorp AB, one of Scandinavia's leading manufacturers of bathroom furniture, operates in Dalstorp, Sweden, where a main part of the production takes place. Marketing and sales are under the Svedbergs brand.
- Macro Design AB, one of Scandinavia's leading manufacturers of shower enclosures and shower walls. Marketing and sales are under the Macro Design brand.
- Svedbergs Oy, sales company for Finland and the Baltic States
- Cassøe A/S, a leading company in the Danish bathroom market. Marketing and sales are under the Cassøe brand.
- Svedbergs UK Ltd, with Roper Rhodes Ltd as a wholly owned subsidiary, a leading supplier in the UK market. Marketing and sales are under the Roper Rhodes, Tavistock and R2 brands.
- Svedbergs Group NL B.V., with Thebalux Holding B.V. as a wholly owned subsidiary, a reputable supplier in the Dutch market Marketing and Sales are under the Thebalux and Primabad brands.

Svedbergs Group employed 542 people at the end of 2024 and sales amounted to SEK 2,184 million in 2024. Svedbergs Group is listed on Nasdaq OMX in Stockholm, Small Cap segment.

Significant events during 2024

- Svedbergs Group announced the final outcome of the rights issue on 25 January 2024. The outcome was approximately SEK 406 million before issue costs. The proceeds were used to settle part of the Group's indebtedness following the acquisition of Thebalux.
- In the first quarter of 2024, Svedbergs increased the number of shares and votes to 52,978,456.
- In the first quarter of 2024, Svedbergs commissioned a new edge bending machine at the Dalstorp plant.
- Svedbergs Group published its first Environmental Product Declarations in February 2024.
- In 2024, the unrest around the Red Sea had an impact on global trade, resulting in volatile freight costs.

Subsequent events

- During the first quarter of 2025, a payment of SEK 198 million was made, attributable to the additional purchase price that was agreed on the acquisition of Roper Rhodes.
- In early 2025, Svedbergs Group's emissions reduction targets were approved by the Science Based Targets initiative (SBTi). The approval means that the targets are considered compatible with the Paris Agreement and the ambition to limit global warming to a maximum of 1.5 degrees.
- On April 1, 2025, Martina Axell was appointed as the new CEO of Svedbergs i Dalstorp AB.
- After the balance sheet date, Svedbergs Group has signed a new financing agreement with Nordea, which ensures continued financial stability and supports future operations and growth.

Net sales

Net sales for the year amounted to SEK 2,184 million (1,824), an increase of 19.7 percent on the previous year. Currency had a positive impact of 1.2 percent on sales. Organic growth was –1.8 percent and acquired growth was 20.3 percent.

The Group's main geographical markets in 2024 were Sweden, Finland, Norway, Denmark, the UK and the Netherlands.

The Swedish market, which accounted for a total of 18 percent of sales in 2024, had negative growth during the year. Sales amounted to SEK 403 million, corresponding to a decrease of 16 percent.

Sales in Finland amounted to SEK 52 million, corresponding to a decrease of 20 percent.

Sales in Norway increased by 4 percent to SEK 97 million during the year. Sales in Denmark were unchanged at SEK 87 million.

Sales in the UK accounted for 49 percent of the company's total sales and amounted to SEK 1,077 million in 2024. Despite a general slowdown in the British market, we saw an increase in sales of just over 7 percent. Some of the increase is currency related, but around 5 percent is organic.

The Dutch market, which accounted for around 18 percent of sales, amounted to SEK 382 million in 2024. The acquisition of Thebalux increased the geographical spread and had a positive impact of 20 percent of sales.

In 2024, the Svedbergs Group's sales outside Sweden accounted for 82 percent (74) of total net sales.

Seasonal variations

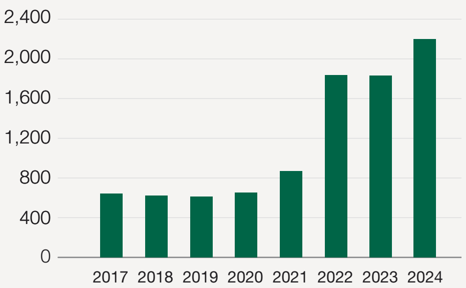
Sales have historically been subject to some seasonal variation, and this still applies in the Nordic and Dutch markets, where sales in the third quarter are lower on account of the month of holiday. There is no corresponding seasonal variation in the UK. In 2024, the distribution was 52 percent in the first half of the year and 48 percent in the second half. However, it was difficult to assess the distribution as we saw a decline in demand in some markets during the year.

Earnings

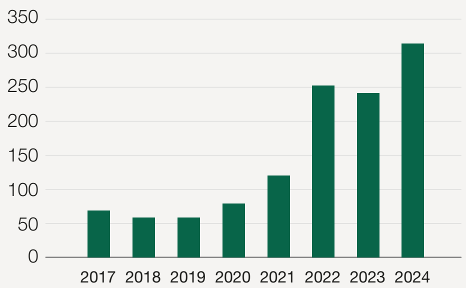
Gross profit was SEK 996 million (796), with a gross margin of 45.6 percent (43.6). The gross margin increased by 2.0 percentage points compared with the previous year, in line with expectations owing to price increases and good cost control.

Operating expenses totalled SEK –703 million (–593), of which SEK 0 million (–18) relates to items affecting comparability. EBITA were SEK 312 million (240), corresponding to an EBITA margin of 14.3 percent (13.2).

Net sales, SEK m



EBITA, SEK m



Operating profit (EBIT) was SEK 296 million (210), corresponding to a margin of 13.6 percent (11.5).

Net financial items in 2024 were SEK –67 million (–51). Financial expenses consisted mainly of interest expenses on loans and reassessment of the additional purchase price for the acquisition of Roper Rhodes.

Profit before tax amounted to SEK 229 million (160) and profit after tax amounted to SEK 168 million (119). The effective tax rate for the period was 26.6 percent (25.6) owing to the high tax rates in the UK (Roper Rhodes) and the Netherlands (Thebalux).

Cash flow

Cash flow from operating activities was SEK 189 million (196). Cash flow from investing activities amounted to SEK –60 million (–502), of which SEK –30 million (–26) relates to investments in intangible assets and property plant and equipment, mainly attributable to investments in production equipment, product development, hardware and digitalisation of operations. In addition, investment of SEK –30 million in the edge bending machine was financed by loans. In 2023, investing activities were affected by the acquisition of subsidiaries in the amount of SEK –477 million.

In total, SEK –589 million (–109) was paid off on the Group's external loans and new loans of SEK 144 million (556) were raised. In addition, lease liabilities of SEK –23 million (–23) were paid off. The Group's overdraft facility was not utilised in 2024, while SEK –40 million of it was utilised in 2023. Dividends of SEK –53 million (–53) were paid during the year. Cash flow for the year thus amounted to SEK –1 million (24).

Cash and cash equivalents and financial position

The Group's cash and cash equivalents as at 31 December 2024 amounted to SEK 236 million (217) and unutilised credit facilities to SEK 191 million (177). Net debt, including the additional purchase price for Roper Rhodes and Thebalux, amounted to SEK 740 million (1,102) at the same date. Lease liabilities of SEK 90 million (83) were included in the net debt.

As at 31 December 2024, Group equity totalled SEK 1,530 million (979), and the equity/assets ratio was 49.0 percent (33.5).

Inventory

The inventory value at year-end amounted to SEK 559 million (499). The year-on-year increase is mainly attributable to Roper Rhodes, where a strategic effort was made to improve availability and meet customer demand more effectively.

The brand companies generally worked to reduce the amount of working capital tied up, which is crucial for improving liquidity and efficiency. The focus during the year was on improving purchasing processes and renegotiating favourable payment terms and discounts. The forecasts from sales and marketing are essential for planning purchases and production, and communication with customers.

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 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 30 million (23) for research and development. In addition, SEK 7 million (11) in development 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 2.8.4 and 20 contain more information about product development expenditure.

Employees

The average number of employees in the Group during the year was 532 (442). The increase was mainly due to the acquisition of Thebalux.

Statutory sustainability and Corporate Governance Reports

In accordance with Chapter 6, Section 11, of the Swedish Annual Accounts Act, Svedbergs Group has chosen to prepare the statutory sustainability and corporate governance reports as separate reports from the statutory annual report. The sustainability report, the contents of which are listed in the table of contents, is available on pages 36–66 of this document. The Corporate Governance Report is on pages 72–81.

Parent company

The parent company's activities mainly concern group-wide management and financing. Apart from the Group's CEO, the company has three employees.

In 2023, the operating activities of the parent company were separated and transferred to one of the Group's subsidiaries. This means that the parent company's earnings for the first five months of 2023 are included in operating activities.

Parent company net sales amounted to SEK 21 million (257). The profit after financial items amounted to SEK 172 million (113). The parent company equity/assets ratio was 55.0 percent (36.8) as at 31 December 2024.

Shares and shareholders

Svedbergs' Class B shares are listed on Nasdaq Small Cap. At the year-end, the share capital amounted to SEK 66 million, divided into 52,978,456 shares. Three shareholders have more than 10 percent of the votes in Svedbergs: Stena Adactum 43.0 percent, Nordea Fonder 14.4 percent and If Skadeförsäkring 11.5 percent. For more information about the shares and the shareholders, see pages 69–70.

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 2024, 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 Group's 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.

Proposed appropriation of profits in the parent company

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

SEK	
Share premium reserve	840,155,864
Profit brought forward	150,230,649
Profit for the year	156,040,274
Total	**1,146,426,787**

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

SEK	
Dividend of SEK 1.50 per share paid to shareholders[1)]	79,446,143
To be carried forward	1,066,980,644
Total	**1,146,426,787**

1) Dividend calculated on the total number of outstanding shares as at 31/03/2025.

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 operations 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.

Guidelines for remuneration of senior executives

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 25 April 2024. 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 fitting business 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_2 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.

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 88 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 pandemics, 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:

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

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, the UK or the Netherlands.

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

The bridge financing raised in connection with the acquisition of Thebalux was repaid in early 2024. Svedbergs Group's liquidity risk thus decreased during 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.

Supplier dependency (business-related risk)

There are alternative suppliers for goods and components that Svedbergs Group purchases. Reducing dependence on suppliers has been particularly important in connection with the war in Ukraine, where the company has historically had one supplier. The company has also been continuously following the unrest around the Red Sea, where the availability of containers and the price of transport has affected the business-related risk of cost control. Furthermore, the ongoing debate on the imposition of tariffs on purchases from China poses a significant risk as it may increase the cost of both goods and components and negatively affect pricing. Tariffs may also create uncertainty around supply chains and make long-term planning difficult, especially if tariff levels change over time. Despite this, the Group is not considered to be seriously harmed by the inability of a single supplier to meet its requirements, thanks to alternative suppliers and the company's strategy of diversifying its purchasing channels.

Functioning, efficient IT systems (business-related risk)
Svedbergs Group takes an active approach to IT security and has taken significant 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 risk)
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 most recent 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.

Risk and sensitivity analysis

Type of risk	Risk	Probability (1–5)	Impact (1–5)	Risk minimisation
Market-related	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
Business-related	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
Legal	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
Sustainability-related	Climate change	3	3	Reduction plans exist for each company in the Group. Continuity plans have been drawn up, alternative transport routes have been identified.
	Pollution	2	2	Optimisation of logistics and transportation
	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.
	Resource use and 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.
	Employees in the value chain	2	4	Supplier audits, systematic evaluation of suppliers, signing of the Code of Conduct.
	Impacted communities	2	2	Active community engagement through local collaborations and investments. Supplier audits, signing of the Code of Conduct.
	Consumers and end-users	3	2	Eco-design of products, life cycle analyses, and recycling goals.
	Responsible business conduct	3	4	Supplier audits, signing of the Code of Conduct. Training in the Code of Conduct.
Finance-related	Currency	4	4	Reducing exposure
	Liquidity	3	4	Bank contracts, cash flow monitoring
	Compliance with rules	3	3	Procedures, monitoring

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

Consolidated income statement

SEK thousand	Note	2024	2023
Net sales	4	2,183,717	1,823,705
Cost of goods sold		–1,187,767	–1,028,171
Gross profit		**995,950**	**795,534**
Selling expenses		–519,791	–440,374
Administrative expenses		–148,604	–104,049
Research and development expenses		–30,368	–23,244
Other operating income	6	2,747	7,526
Other operating expenses	5, 6	–3,714	–24,962
Operating profit	7–12	**296,219**	**210,432**
Financial income	14	33,766	14,957
Financial expenses	14	–101,105	–65,657
Net financial items		**–67,338**	**–50,701**
Profit before tax		**228,881**	**159,731**
Income tax	16	–60,790	–40,835
Profit for the year		**168,090**	**118,896**
Profit attributable to:			
Svedbergs Group AB's shareholders		168,090	118,896
Non-controlling interests		–	–
Earnings per share before dilution, SEK	18	3.25	3.19
Earnings per share after dilution, SEK	18	3.25	3.19
Avg. number of shares, thousands		51,669	37,268

Consolidated statement of comprehensive income

SEK thousand	Note	2024	2023
Profit for the year		168,090	118,896
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translation of foreign operations		41,609	–22,466
Total comprehensive income for the year		**209,699**	**96,430**
Total comprehensive income for the year attributable to:			
Svedbergs Group AB's shareholders		209,699	96,430
Non-controlling interests		–	–

Consolidated balance sheet

SEK thousand	Note	2024	2023
ASSETS			
Intangible assets	20	1,444,520	1,381,027
Property, plant and equipment	21	421,827	378,707
Right-of-use assets	22	88,045	82,245
Financial assets		4,858	2,880
Total non-current assets		**1,959,249**	**1,844,859**
Inventories	27	558,534	498,550
Accounts receivable – trade	28	294,688	296,067
Current tax assets		38,023	20,651
Derivative instruments	29	–	13,106
Other receivables		5,635	5,964
Prepaid expenses	30	29,209	24,505
Cash and cash equivalents	31	235,501	216,946
Total current assets		**1,161,590**	**1,075,790**
TOTAL ASSETS		**3,120,840**	**2,920,649**

SEK thousand	Note	2024	2023
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	32		
Share capital		66,223	44,155
Other contributed capital		840,156	467,940
Reserves		46,607	4,999
Accumulated profit, including profit for the year		576,639	461,511
Total equity		**1,529,625**	**978,604**
Non-current liabilities			
Interest-bearing liabilities	33	644,962	673,658
Lease liabilities	22	60,738	63,683
Other provisions	37	5,485	2,976
Deferred tax liabilities	17	193,918	174,437
Total non-current liabilities		**905,104**	**914,754**
Current liabilities			
Interest-bearing liabilities	33	233,392	575,569
Non-interest-bearing liabilities	34	–	5,955
Lease liabilities	22	28,776	18,830
Accounts payable – trade		182,505	161,333
Current tax liabilities		2,382	3,933
Derivative instruments	29	8,123	–
Other liabilities		45,968	60,041
Accrued expenses and deferred income	36	179,977	196,961
Other provisions	37	4,988	4,669
Total current liabilities		**686,111**	**1,027,291**
Total liabilities		**1,591,214**	**1,942,045**
TOTAL EQUITY AND LIABILITIES		**3,120,840**	**2,920,649**

Consolidated statement of changes in equity

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

SEK thousand	Note	Share capital	Other contributed capital	Reserves	Accumulated profit, incl. profit for the year	Total equity
Opening equity, 1 January 2024		**44,155**	**467,940**	**4,999**	**461,511**	**978,604**
Profit for the year		–	–		168,090	168,090
Other comprehensive income		–	–	41,609	–	41,609
Total comprehensive income		**–**	**–**	**41,609**	**168,090**	**209,699**
Transactions with shareholders in their capacity as owners:						
Dividend	19	–	–	–	–52,963	–52,963
New share issue (after deduction of issue costs and tax)	32	22,068	372,216	–	–	394,285
Total transactions with shareholders recognised directly in equity		**22,068**	**372,216**	**–**	**–52,963**	**341,322**
Closing equity, 31 December 2024		**66,223**	**840,156**	**46,607**	**576,639**	**1,529,625**

Consolidated cash flow statement

SEK thousand	Note	2024	2023
OPERATING ACTIVITIES			
Operating profit		296,219	210,432
Adjustment for items not included in cash flow			
Depreciation, amortisation and impairment		78,188	63,274
Other		7,049	–2,933
Total		**381,456**	**270,773**
Interest received		6,580	7,401
Interest paid		–57,412	–45,798
Tax paid		–66,095	–49,389
Cash flow from operating activities before changes in working capital		**264,529**	**182,988**
Cash flow from changes in working capital			
Increase (–)/decrease (+) in inventories		–36,144	35,632
Decrease (+) in operating receivables		12,880	16,504
Decrease (–) in operating liabilities		–52,515	–39,481
CASH FLOW FROM OPERATING ACTIVITIES		**188,749**	**195,643**
INVESTING ACTIVITES			
Acquisition of subsidiaries	39	—	–476,647
Capitalised development expenditure	20	–6,640	–11,165
Acquisition of other intangible assets	20	–2,639	–2,695
Acquisition of property, plant and equipment	21	–51,517	–11,844
Sale of property, plant, and equipment		493	—
CASH FLOW FROM INVESTING ACTIVITIES		**–60,302**	**–502,351**

SEK thousand	Note	2024	2023
FINANCING ACTIVITIES	35		
Loans raised		143,534	555,560
Repayment of loans		–588,457	–109,427
Repayment of lease liability	22	–22,683	–23,115
Reduction in overdraft facilities		—	–39,603
New share issue		391,230	—
Dividend paid to parent company shareholders		–52,963	–52,964
CASH FLOW FROM FINANCING ACTIVITIES		**–129,338**	**330,450**
CASH FLOW FOR THE YEAR		**–890**	**23,742**
Cash and cash equivalents at beginning of the year		216,946	200,329
Exchange difference in cash and cash equivalents		19,445	–7,125
CASH AND CASH EQUIVALENTS AT YEAR-END	31	**235,501**	**216,946**
Consolidated unutilised credit facilities	33	191,243	176,999

Parent company's income statement

SEK thousand	Note	2024	2023
Net sales	4	**21,222**	**257,443**
Cost of goods sold		—	–138,292
Gross profit		**21,222**	**119,152**
Selling expenses		—	–46,367
Administrative expenses		–43,072	–47,950
Research and development expenses		—	–5,960
Other operating income	6	333	1,594
Other operating expenses	5, 6	–7	–6,441
Operating profit	7–12	**–21,524**	**14,027**
Profit from participations in Group companies	13	151,648	100,829
Interest income and similar profit items	14	118,326	74,155
Interest expense and similar items	14	–76,822	–76,160
Net financial items		**193,152**	**98,823**
Profit after financial items		**171,627**	**112,850**
Appropriations	15	–14,784	7,945
Tax on profit for the year	16	–803	–4,233
Profit for the year		**156,040**	**116,562**

Parent company's balance sheet

SEK thousand	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	20	644	843
Property, plant and equipment	21	12,383	13,588
Financial assets	17, 24	673,990	672,033
Receivables from Group companies	8	1,211,875	1,143,819
Total non-current assets		**1,898,893**	**1,830,283**
Current receivables			
Receivables from Group companies	8	198,154	110,112
Tax assets		19,500	8,079
Derivative instruments	29	–	13,106
Other receivables		438	5
Prepaid expenses	30	3,212	5,620
Total current receivables		**221,304**	**136,922**
Cash and bank balances	31	130,824	45,841
Total current assets		**352,127**	**182,763**
TOTAL ASSETS		**2,251,020**	**2,013,046**

SEK thousand	Note	2024	2023
EQUITY AND LIABILITIES			
Equity	32		
Restricted equity			
Share capital		66,223	44,155
Statutory reserve		5,300	5,300
Total restricted equity		**71,523**	**49,455**
Non-restricted equity			
Share premium reserve		840,156	467,940
Retained earnings		150,231	86,631
Profit for the year		156,040	116,562
Total non-restricted equity		**1,146,427**	**671,133**
Total equity		**1,217,950**	**720,588**
Untaxed reserves	15	**26,599**	**24,755**
Provisions			
Other provisions	37	4,910	2,976
Total provisions		**4,910**	**2,976**
Non-current liabilities			
Interest-bearing liabilities	33	578,370	465,553
Total non-current liabilities		**578,370**	**465,553**
Current liabilities			
Interest-bearing liabilities	33	22,987	571,195
Non-interest-bearing liabilities	34	—	5,955
Accounts payable – trade		3,870	8,479
Liabilities to Group companies	8	379,482	203,948
Derivative instruments	29	8,123	—
Other liabilities		276	1,967
Accrued expenses and deferred income	36	8,453	7,630
Total current liabilities		**423,192**	**799,174**
TOTAL EQUITY AND LIABILITIES		**2,251,020**	**2,013,046**

Parent company's statement of changes in equity

SEK thousand	Note	Restricted equity: Share capital	Restricted equity: Statutory reserve	Non-restricted equity: Share premium reserve	Non-restricted equity: Retained earnings	Non-restricted equity: Profit for the year	Total equity
Opening equity, 1 January 2023		**44,155**	**5,300**	**467,940**	**83,646**	**55,949**	**656,990**
Distribution of previous year's profit		—	—	—	55,949	–55,949	—
Profit for the year		—	—	—	—	116,562	116,562
Dividend	19	—	—	—	–52,964	—	–52,964
Closing equity, 31 December 2023		**44,155**	**5,300**	**467,940**	**86,631**	**116,562**	**720,588**

SEK thousand	Note	Restricted equity: Share capital	Restricted equity: Statutory reserve	Non-restricted equity: Share premium reserve	Non-restricted equity: Retained earnings	Non-restricted equity: Profit for the year	Total equity
Opening equity, 1 January 2024		**44,155**	**5,300**	**467,940**	**86,631**	**116,562**	**720,588**
Distribution of previous year's profit		—	—	—	116,562	–116,562	—
Profit for the year		—	—	—	—	156,040	156,040
Dividend	19	—	—	—	–52,963	—	–52,963
New share issue (after deduction of issue costs and tax)	32	22,068	—	372,216	—	—	394,285
Closing equity, 31 December 2024		**66,223**	**5,300**	**840,156**	**150,231**	**156,040**	**1,217,950**

Parent company's cash flow statement

SEK thousand	Note	2024	2023
OPERATING ACTIVITIES			
Operating profit		–21,524	14,027
Adjustment for items not included in cash flow			
Depreciation		1,403	4,833
Other		335	–2,410
Total		**–19,786**	**16,450**
Interest received		6,087	6,904
Interest paid		–60,474	–43,524
Tax paid		–12,731	–18,355
Cash flow from operating activities before change in working capital		**–86,903**	**–38,525**
Cash flow from changes in working capital			
Decrease (+)/Increase (–) in inventories		–	–5,563
Decrease (+)/Increase (–) in operating receivables		4,877	–17,693
Increase (+) in operating liabilities		137,389	182,894
CASH FLOW FROM OPERATING ACTIVITIES		**55,362**	**121,113**

SEK thousand	Note	2024	2023
INVESTING ACTIVITES			
Acquisition of subsidiaries	24	–	–292,552
Acquisition of intangible and tangible fixed assets	20, 21	–	–2,666
Dividends from subsidiaries		151,648	100,829
Loans to subsidiaries		–	–295,603
CASH FLOW FROM INVESTING ACTIVITIES		**151,648**	**–489,992**
FINANCING ACTIVITIES	35		
Reduction in overdraft facilities		–	–39,603
Loans raised		100,000	555,560
Repayment of loans		–571,155	–71,071
New share issue		391,230	–
Dividend paid to parent company shareholders		–52,963	–52,964
CASH FLOW FROM FINANCING ACTIVITIES		**–132,887**	**391,923**
CASH FLOW FOR THE YEAR		**74,123**	**23,044**
Cash and cash equivalents at beginning of the year		45,841	22,797
Exchange difference, cash and cash equivalents		10,860	–
CASH AND CASH EQUIVALENTS AT YEAR-END	31	**130,824**	**45,841**
Parent company's unutilised credit	33	191,243	176,999

Notes

All Amounts in SEK thousand unless specified otherwise.

Note 1 General information

Svedbergs Group AB (publ), with corporate identity number 556052-4984, is a limited company. Its shares are traded on Nasdaq OMX Stockholm in the Small Cap segment and the Construction and Materials sector. Svedbergs Group AB (publ) is the ultimate parent company of the Group and has its head office in Halmstad, Sweden. The address of the head office is Kristian IV:s väg 3, 301 18 Halmstad, Sweden.

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

On 31 March 2025, the Board of Directors approved this annual report and these consolidated financial statements for publication.

Note 2 Summary of significant accounting policies

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's accounts have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the parent company applies all IFRS standards and statements adopted by the EU for the legal entity in the annual report as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation.

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 2024:

- Classification of liabilities as current or non-current and Non-current liabilities with covenants – Amendments to IAS 1,
- Lease liability in a sale and leaseback transaction – Amendments to IFRS 16, and
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7.

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 2025 and have not been applied prematurely in the preparation of these financial statements.

Apart from what is explained below, 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.

- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for financial years beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help achieve comparability of performance reporting for similar entities and provide users with more relevant information and transparency. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, its effects on presentation and disclosures are expected to be pervasive, in particular those related to the income statement and to management-defined performance measures.

Management is currently evaluating the exact consequences of applying the new standard to the consolidated financial statements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required and therefore comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

2.2 Consolidated financial statements

The acquisition method is used to recognise the Group's business combinations.

The consideration for the acquisition of a subsidiary comprises the fair value of the assets and liabilities transferred and the shares issued by the Group. The consideration also includes the fair value of all assets or liabilities resulting from a contingent consideration agreement. Where all or part of a consideration is deferred, the future payments are discounted to present value at the acquisition date. A contingent consideration is classified as a financial liability and remeasured to fair value in each period. Any remeasurement gains and losses are recognised in profit or loss.

Companies acquired during the year are included in the consolidated financial statements with amounts relating to the period after the acquisition. Acquisition-related expenses are expensed as incurred and recognised in other operating expenses in the income statement.

The accounting policies of subsidiaries have been adjusted, where appropriate, to ensure consistent application of the Group's policies.

Note 2 Summary of significant accounting policies, cont.

2.3 Translation of foreign currencies

2.3.1 Functional and reporting currencies

Items included in the financial statements of the different entities in the Group are measured in their respective functional currencies (none of the entities has a hyperinflationary currency as its 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 and the parent company'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 monetary assets and liabilities denominated in foreign currencies at closing day rates 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 that have a functional currency other than the reporting currency are translated to the Group's reporting currency as follows:

a) assets and liabilities of each of the balance sheets are translated at the closing rate of exchange;
b) 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.

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

Segment disclosures are presented in a manner consistent with the internal reporting provided to the chief operating decision maker, the CEO. In Svedbergs Group, each brand company is reported as a segment, which is in line with how operations are monitored and evaluated and corresponds to the company's internal structure for governance and reporting.

The items recognised in the earnings, assets and liabilities of the operating segments are presented on the basis of how they are monitored by the company's CEO and by the respective brand company managers. The operating segments' earnings, assets and liabilities include directly attributable items. Unallocated items are attributed to Svedbergs Group's overall management and financing. To the extent that transactions occur between different operating segments, market prices are applied.

2.5 Revenue recognition

The Group's sales relate to product sales, and revenue is generated from the sale of goods from the product range offered to customers. 28 percent of the product range consists of self-produced products and 72 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 from product sales is recognised when control of the product is transferred to the customer. In most cases, this is when delivery has been made to the customer and the title has been transferred. Revenue is measured on the basis of the consideration specified in the contract with the customers.

Where a contract contains several separate performance obligations, the transaction price is allocated to each performance obligation based on their standalone sales prices.

Svedbergs Group's payment terms are generally 30–45 days. Although there may be exceptional cases of extended payment terms, payment terms never exceed 12 months.

The Group's obligation to provide refunds for defective products in accordance with normal warranty rules is recognised as a provision in connection with the sale of the products. The Group does not have any contracts in which extended warranties are offered to customers. The provision is based on anticipated contractual obligations and is determined on the basis of historical statistics on the cost of remedies, etc. See Note 37.

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

2.6 Income taxes

Income taxes recognised include tax payable or receivable in respect of the current year, adjustments to prior years' current tax and changes in deferred tax.

All tax liabilities/receivables are measured at nominal amounts according to the tax rules and tax rates that have been enacted or advised and are highly certain to be enacted.

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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax system.

2.7 Leases

The Group's leases consist mainly of right-of-use assets relating to buildings, premises and vehicles (see Note 22). Leases are recognised as right-of-use assets with a corresponding lease liability on the date on which the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset has a low value are excluded.

The lease payments are discounted using the implicit rate of the lease if that rate can easily be determined, otherwise using the Group's marginal borrowing rate.

Payments for leases with a term of less than 12 months and for low-value leases are recognised as an expense in the income statement on a straight-line basis. Low-value leases include IT equipment and small office equipment. Svedbergs Group has assessed that leases below SEK 50 thousand are to be regarded as low-value leases.

2.8 Intangible assets

2.8.1 Goodwill

Goodwill represents the amount by which cost of acquisition exceeds the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an intangible asset.

Goodwill is tested annually for impairment and is recognised at cost less accumulated impairment. Goodwill impairment is not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

2.8.2 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.

2.8.3 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.

Note 2 Summary of significant accounting policies, cont.

2.8.4 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 applicable criteria in IAS 38 are met. The expenses include employee benefit expenses for internal development work, external expenses and a reasonable proportion of indirect expenses.

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.

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.

2.8.5 Impairment

Assets with a definite useful life are estimated in respect of impairment whenever events or changes in conditions indicate that the carrying amount may not be recoverable. Impairment is by the amount by which the asset's carrying amount exceeds its recoverable amount. For the assessment of any need for impairment, assets are grouped at the lowest levels on which there are essentially independent cash flows. Assets 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.

Goodwill and other assets with indefinite useful lives are recognised in accordance with IAS 36. 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.

2.9 Property, plant, and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of an asset.

Depreciation is based on original cost and the estimated useful life of the assets as follows:

Land	–
Buildings	10–25 years
Machinery	5–10 years
Computers	3–5 years
Other equipment	5 years

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.

2.10 Financial instruments

Financial instruments recognised in the consolidated balance sheet include, on the asset side, accounts receivable, derivatives and cash and cash equivalents. Liabilities include accounts payable, borrowing, additional purchase prices and derivatives.

Financial instruments are initially recognised at cost, corresponding to the fair value of the instrument plus transaction costs for all financial instruments, except those classified as financial assets, which are recognised at fair value through profit or loss. They are then recognised depending on how they are classified as follows.

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the company 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.

The Group's financial assets are classified in the following two categories, which are based on the Group's business model and the contractual cash flows of the asset:

- financial assets recognised at fair value through profit or loss, and
- financial assets recognised at amortised cost.

Financial assets measured at 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.

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.

Financial assets measured at 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. The carrying amount of these assets is adjusted for any recognised expected credit losses.

For accounts receivable, the Group applies the simplified approach to the allowance for credit losses, i.e. the allowance will correspond to the expected loss over the life of the account receivable. To measure the expected credit losses, accounts receivable have been grouped based on allocated credit risk characteristics and days past due. The Group uses forward-looking variables for expected credit losses. Expected credit losses are recognised in the consolidated statement of comprehensive income under selling expenses.

Cash and cash equivalents are also within the scope of impairment; however, the impairment that would be considered has been deemed immaterial.

2.11 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. In 2024 and 2023, 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.

2.12 Inventories

Inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method. Net realisable value is the estimated sales price in operating activities less applicable variable selling expenses. 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 (based on normal production capacity). Borrowing costs are not included.

An estimate of the need to impair inventories is made continuously during the year. The value of inventories is adjusted by an estimated depreciation of discontinued items and items with a low turnover rate (obsolescence ladder). Additional manual impairment for obsolescence is also possible for products for which further impairment is required.

Note 2 Summary of significant accounting policies, cont.

2.13 Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost.

Utilised overdraft facilities are recognised as borrowing in current interest-bearing liabilities. At the balance sheet date the overdraft facility was not utilised.

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.

2.14 Provisions

In the balance sheet, pension obligations and warranty obligations are recognised as provisions, which are reviewed at each balance sheet date.

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.

2.15 Employee benefits

2.15.1 Pension obligations

Group companies have different post-employment, defined benefit and defined contribution pension plans. 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 2024 and 2023, 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 rule in IAS 19.

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.

2.15.2 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 issue, to subscribe for 1.25 B shares at a price of SEK 44.75 per share during the period from 1 June 2024 to 31 May 2026, 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.

2.16 Equity

2.16.1 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.

2.16.2 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.

2.17 Cash flow statement

The cash flow statement is prepared using the indirect method. The cash flow recognised only includes transactions that result in incoming and outgoing payments.

Note 3 Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The resulting accounting estimates may differ from the actual outcome. Management also makes 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 in the following notes.

Estimates and assessments	Note
Impairment testing of goodwill and brands with indefinable useful lives and capitalised development expenditure	Note 20 Intangible assets
Recognition of leases	Note 22 Leases
Recognition of conditional additional purchase price	Note 33 Interest-bearing liabilities, Note 34 Non-interest-bearing liabilities

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 (28) of the product range consists of self-produced products and 72 percent (72) 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.

	Svedbergs		Macro Design		Cassøe		Roper Rhodes		Thebalux		Segment total		Other and eliminations		Group	
SEK m	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External net sales	393.2	480.4	165.0	163.4	86.5	87.9	1,138.4	1,062.2	400.6	29.7	**2,183.7**	**1,823.7**	—	—	**2,183.7**	**1,823.7**
Internal net sales	7.9	23.8	4.7	6.2	0.0	1.3	0.0	0.0	0.0	—	**12.6**	**31.4**	–12.6	–31.4	**—**	**—**
Total net sales	**401.1**	**504.3**	**169.7**	**169.7**	**86.5**	**89.2**	**1,138.5**	**1,062.2**	**400.6**	**29.7**	**2,196.3**	**1,855.2**	**–12.6**	**–31.4**	**2,183.7**	**1,823.7**
EBITA, SEK m	16.8	58.6	16.1	12.1	16.6	17.8	213.7	178.9	89.4	1.0	**352.5**	**268.4**	–40.3	–28.4	**312.2**	**240.0**
EBITA margin, %	4.3	12.2	9.8	7.4	19.1	20.1	18.8	16.8	22.3	3.3	**16.1**	**14.7**	—	—	**14.3**	**13.2**

	Svedbergs		Macro Design		Cassøe		Roper Rhodes		Thebalux		Segment total		Other and eliminations		Group	
SEK m	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total assets	375.9	350.9	244.6	234.9	139.3	143.3	1,777.4	1,595.7	1,445.4	1,029.2	**3,982.7**	**3,354.0**	–861.8	–433.4	**3,120.8**	**2,920.6**
of which goodwill	26.8	26.8	89.1	89.1	53.5	51.7	490.7	452.4	225.9	218.3	**886.0**	**838.3**	—	—	**886.0**	**838.3**
Total liabilities	291.6	291.9	117.4	107.2	22.9	31.4	549.2	472.8	408.6	221.7	**1,389.7**	**1,125.0**	201.5	817.1	**1,591.2**	**1,942.0**
Investments	39.9	11.2	1.2	2.7	0.1	0.0	14.7	11.4	4.9	0.3	**60.8**	**25.6**	—	0.1	**60.8**	**25.7**
Depreciation, amortisation and impairment	–18.9	–20.0	–5.4	–5.9	–6.0	–5.9	–27.5	–28.3	–18.3	–2.3	**–76.1**	**–62.4**	–2.1	–0.9	**–78.2**	**–63.3**

Breakdown of income by geographical area

	Svedbergs		Macro Design		Cassøe		Roper Rhodes		Thebalux		Group		Parent company[1]	
SEK m	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Sweden	298.6	371.8	104.4	106.6	0.1	0.3	—	—	—	—	**403.1**	**478.7**	7.7	201.8
Norway	36.1	36.2	55.9	51.3	4.6	5.1	—	—	—	—	**96.5**	**92.6**	—	16.7
Denmark	7.1	7.5	—	—	79.3	79.1	0.1	—	—	—	**86.5**	**86.6**	0.7	4.3
Finland	50.9	63.6	0.9	0.9	—	—	—	—	—	—	**51.8**	**64.5**	—	25.4
UK	0.0	—	—	—	—	—	1,077.1	1,009.9	—	—	**1,077.1**	**1,009.9**	9.2	7.3
The Netherlands	—	—	—	—	—	—	—	—	382.3	29.7	**382.3**	**29.7**	3.6	—
Other exports	0.5	1.3	3.8	4.6	2.5	3.4	61.2	52.3	18.2	—	**86.3**	**61.7**	—	2.1
Total	**393.2**	**480.4**	**165.0**	**163.4**	**86.5**	**87.9**	**1,138.4**	**1,062.2**	**400.6**	**29.7**	**2,183.7**	**1,823.7**	**21.2**	**257.4**

1) The parent company's activities mainly concern group-wide management and financing. In the previous year, the operating activities of the parent company were separated and transferred to one of the Group's subsidiaries. This means that the parent company's earnings for the first five months of 2023 are included in operating activities.

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	
	2024	2023	2024	2023
Restructuring costs	—	–7,643	—	–1,200
Acquisition-related costs	–379	–10,743	—	–2,300
Total	**–379**	**–18,386**	**—**	**–3,500**

Note 6 Other operating items

	Group		Parent company	
	2024	2023	2024	2023
Other operating income				
Exchange gains	2,544	5,862	268	1,549
Other items	203	1,664	65	45
Total	**2,747**	**7,526**	**333**	**1,594**
Other operating expenses				
Capital losses on non-current assets	–9	—	—	—
Exchange loss	–3,326	–6,575	–7	–2,940
Restructuring costs	—	–7,643	—	–1,200
Acquisition-related costs	–379	–10,743	—	–2,300
Total	**–3,714**	**–24,962**	**–7**	**–6,441**

Note 7 Expenses broken down by type of expense

	Group		Parent company	
	2024	2023	2024	2023
Expenses for purchasing and handling materials	–995,407	–894,502	—	–107,627
Expenses for remuneration to employees (Note 9)	–405,432	–328,859	–16,673	–56,906
Depreciation, amortisation and impairment (Notes 20, 21, 22)	–78,188	–63,274	–1,403	–4,833
Restructuring costs	—	–7,643	—	–1,200
Acquisition-related costs	–379	–10,743	—	–2,300
Carriage	–154,975	–135,341	—	–15,072
Other external expenses	–255,863	–180,439	–25,004	–57,072
Total cost of goods sold, selling expenses, administrative expenses and research and development expenses	**–1,890,245**	**–1,620,800**	**–43,080**	**–245,010**

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 company 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	2024		2023	
Parent company	Sales	Purchases	Sales	Purchases
Svedbergs i Dalstorp AB	6,191	–1,754	10,202	—
Svedbergs Oy	—	—	4,462	–3,202
Cassøe A/S	687	—	607	—
Macro Design AB	1,554	—	5,772	–478
Roper Rhodes Ltd	9,236	—	7,281	—
Svedbergs Group NL B.V.	297	—	8,485	—
Thebalux Holding B.V.	3,258	—	–	—
Total	**21,222**	**–1,754**	**36,809**	**–3,680**

Financial income and expenses	2024		2023	
Parent company	Income	Expense	Income	Expense
Svedbergs i Dalstorp AB	6,405	—	4,642	—
Svedbergs Oy	—	–115	—	—
Cassøe A/S	—	–262	—	—
Macro Design AB	2,102	—	556	—
Svedbergs UK Ltd	59,719	—	54,983	—
Roper Rhodes Ltd	—	–3,785	—	–1,256
Svedbergs Group NL B.V.	18,338	—	2,000	—
Thebalux Holding B.V.	—	–1,939	—	—
Total	**86,564**	**–6,100**	**62,181**	**–1,256**

Receivables and liabilities	2024		2023	
Parent company	Receivables	Liabilities	Receivables	Liabilities
Svedbergs i Dalstorp AB	142,694	–42,332	142,694	–46,860
Svedbergs Oy	—	–6,325	—	–6,005
Cassøe A/S	—	–12,482	—	–20,078
Macro Design AB	34,253	–10,616	34,253	–3,642
Svedbergs UK Ltd	912,717	—	785,452	—
Roper Rhodes Ltd	—	–152,136	—	–127,363
Svedbergs Group NL B.V.	320,365	–155,592	291,532	—
Total	**1,410,029**	**–379,482**	**1,253,932**	**–203,948**

Note 9 Remuneration of employees

	Group		Parent company	
	2024	2023	2024	2023
Salaries and other remuneration	316,749	254,179	10,981	39,379
Social security contributions	65,698	54,575	5,566	17,439
Pension expenses	23,607	20,034	1,433	3,419
Total	**406,054**	**328,788**	**17,980**	**60,237**

Salaries, other remuneration and social security expenses

	2024			2023		
	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	1,980	564	(0)	1,815	515	(0)
Management	18,983	10,727	(3,312)	18,282	9,874	(3,585)
Other employees	295,786	78,013	(20,295)	234,082	64,220	(16,449)
Group total	**316,749**	**89,305**	**(23,607)**	**254,179**	**74,609**	**(20,034)**

Average number of employees

	Group				Parent company			
	2024		2023		2024		2023	
	Total	Of whom men	Total	Of whom men	Total	Of whom men	Total	Of whom men
Sweden	178	115	187	121	4	1	4	2
UK	231	161	208	144	—	—	—	—
The Netherlands	92	79	16[1)]	14	—	—	—	—
Denmark	17	14	16	12	—	—	—	—
Finland	6	3	7	5	—	—	—	—
Norway	6	6	6	6	—	—	—	—
Ireland	1	1	1	1	—	—	—	—
Group total	**532**	**379**	**442**	**303**	**4**	**1**	**4**	**2**

1) 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

The vast majority of 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 23,607 thousand (20,034).

Related party transactions

There were no significant transactions with related key individuals during the period January to December 2024. 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, recalculated after issue, to acquire 1.25 B shares at a price of SEK 44.75 per share during the period from 1 June 2024 to 31 May 2026, 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

2024	Basic salary/ Board fees	Committee fees	Variable remuneration	Other benefits[1]	Pension expenses	Total
Anders Wassberg, Chair	500	70	–	–	–	**570**
Susanne Lithander, Member	250	90	–	–	–	**340**
Jan Svensson, Member	250	25	–	–	–	**275**
Ingrid Osmundsen, Member	250	45	–	–	–	**295**
Kristoffer Väliharju, Member	250	–	–	–	–	**250**
Joachim Frykberg, Member	250	–	–	–	–	**250**
Total, Board of Directors	**1,750**	**230**	**–**	**–**	**–**	**1,980**
Per-Arne Andersson, CEO	3,158	–	1,440	150	935	**5,682**
Management excl. CEO (8 people)	16,390	–	2,860	1,476	2,487	**23,213**
Total	**21,298**	**230**	**4,300**	**1,626**	**3,422**	**30,875**

1) Other benefits refer mainly to car benefits.

2023	Basic salary/ Board fees	Committee fees	Variable remuneration	Other benefits[1]	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**
Total, Board of Directors	**1,645**	**170**	**–**	**–**	**–**	**1,815**
Per-Arne Andersson, CEO	2,832	–	1,416	183	1,117[2]	**5,548**
Management excl. CEO (8 people)	10,213	–	2,241	801	2,045	**15,300**
Total	**14,690**	**170**	**3,657**	**984**	**3,162**	**22,663**

1) Other benefits refer mainly to car benefits.

2) 2023 includes adjustments for pension contributions relating to 2021 and 2022.

Gender distribution in the group

	2024		2023	
	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	9	7
Group total	**15**	**11**	**15**	**11**

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 of 2023. For the members of Group management, see pages 80–81.

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 25 April 2024, 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 25 April 2024, the Board of Directors has held 14 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 29 April 2025.

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 2024, the variable remuneration for the CEO corresponded to 46 percent of basic salary (50) and for senior executives 17 percent (22).

Defined benefit/defined contribution pension plans

The Group has both defined contribution and defined benefit pension plans. See Note 2.15.1. 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 2024 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	
	2024	2023	2024	2023
Deloitte AB				
Audit engagement	1,373	1,134	975	684
Audit activities in addition to the audit engagement	400	678	400	674
Deloitte, Denmark				
Audit engagement	157	158	—	—
Audit activities in addition to the audit engagement	46	50	—	—
Evelyn Partners, UK				
Audit engagement	2,061	1,846	—	—
Finchtree, Netherlands				
Audit engagement	693	—	—	—
Moore MKW, Netherlands				
Audit engagement	164	410	—	—
Other accounting firms				
Audit engagement	205	183	—	—
Total cost of remuneration of auditors	**5,100**	**4,460**	**1,375**	**1,358**

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	
	2024	2023	2024	2023
By function				
Cost of goods sold	–24,351	–18,190	—	–2,412
Selling expenses	–30,526	–29,046	—	–1,085
Administrative expenses	–22,448	–15,099	–1,403	–1,294
Research and development expenses	–863	–938	–	–42
Total	**–78,188**	**–63,274**	**–1,403**	**–4,833**
By asset class				
Customer relations	–15,595	–11,222	—	—
Capitalised development expenditure	–6,347	–6,964	—	—
Right-of-use assets	–23,870	–23,358	—	—
Software	–5,266	–5,468	–198	–1,432
Buildings	–6,662	–4,860	–1,191	–1,333
Machinery and equipment	–20,448	–11,401	–14	–2,067
Total	**–78,188**	**–63,274**	**–1,403**	**–4,833**

Note 13 Profit from participations in Group companies

	Parent company	
	2024	2023
Dividends from subsidiaries	151,648	100,829
Total	**151,648**	**100,829**

Note 14 Profit from financial items

	Group		Parent company	
	2024	2023	2024	2023
Interest income	6,700	7,401	92,275	67,618
Exchange differences	26,167	7,555	25,151	6,537
Other financial income	900	—	900	—
Financial income	**33,766**	**14,957**	**118,326**	**74,155**
Interest expenses	–65,778	–49,831	–56,604	–42,345
Exchange differences	–19,700	–14,616	–18,588	–32,624
Other financial expenses	–15,626	–1,210	–1,630	–1,191
Financial expenses	**–101,105**	**–65,657**	**–76,822**	**–76,160**

Note 15 Appropriations and untaxed reserves

	Parent company	
	2024	2023
Appropriations		
Difference between taxable depreciation and depreciation according to plan	–90	14,645
Change in tax allocation reserve	–1,754	–6,700
Group contribution paid	–12,940	—
Total	**–14,784**	**7,945**
Untaxed reserves		
Difference between taxable depreciation and depreciation according to plan:		
Machinery and equipment	145	55
Tax allocation reserve, 2022 fiscal year	18,000	18,000
Tax allocation reserve, 2023 fiscal year	5,854	6,700
Tax allocation reserve, 2024 fiscal year	2,600	—
Total	**26,599**	**24,755**

Deferred tax liabilities related to untaxed reserves amount to SEK 5,479 thousand (5,100).

Note 16 Income tax

	Group		Parent company	
	2024	2023	2024	2023
Current tax	–48,561	–42,487	–1,804	–4,172
Adjustments for previous years	–1,986	–20	541	18
Deferred tax	–10,243	1,672	460	–79
Income tax	**–60,790**	**–40,835**	**–803**	**–4,233**

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	
	2024	2023	2024	2023
Profit before tax	228,881	159,731	156,843	120,795
Tax at Swedish tax rate, 20.6% (20.6)	–47,149	–32,905	–32,310	–24,884
Difference in foreign tax rates	–6,414	–4,592	—	—
Adjustments for previous year	–1,986	–20	541	18
Tax effect of non-deductible/non-taxable items	–5,242	–3,562	30,965	20,633
Other changes	—	243	—	—
Income tax	**–60,790**	**–40,836**	**–803**	**–4,233**
Average effective tax rate	26.6%	25.6%	0.5%	3.5%

Note 17 Deferred tax liability

	Group		Parent company	
Deferred tax assets (–) and liabilities (+)	2024	2023	2024	2023
Product development	6,229	5,858	—	—
Goodwill	18,705	16,452	—	—
Customer relations	42,123	43,141	—	—
Brands	83,709	78,433	—	—
Inventories	1,643	1,587	—	—
Untaxed reserves	15,408	15,589	—	—
Pension obligations	–1,195	–613	–1,073	–613
Leases	–496	–66	—	—
Intra-Group profit in stock	–89	–72	—	—
Tax deficits	–699	—	—	—
Tangible fixed assets	28,580	14,128	–235	–235
Total	**193,918**	**174,437**	**–1,308**	**–848**

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
As at 1 January 2023	**100,680**	**18,169**	**—**	**–679**	**13,795**	**131,965**
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**
As at 31 December 2023	**143,884**	**15,589**	**—**	**–613**	**15,577**	**174,437**
Reclassification	—	—	–181	—	—	**–181**
Recognised in the income statement	–1,080	–181	–514	–582	12,601	**10,243**
Exchange differences	7,962	—	–3	–	1,460	**9,419**
As at 31 December 2024	**150,766**	**15,408**	**–699**	**–1,195**	**29,639**	**193,918**

Deferred tax recognised in equity in 2023 relates to deferred tax on acquired surplus values and fair value adjustment in Thebalux according to the preliminary acquisition analysis. See also Note 39.

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.

	2024	2023
Net profit/loss for the period	168,090	118,897
Average number of shares (thousands)	51,669	37,268
Earnings per share (SEK)	**3.25**	**3.19**

The number of historical shares has been recalculated taking into account the bonus issue element in the completed new issue in 2024 and is used in all key ratio calculations for SEK/share. The conversion factor is 1.06. There was no dilution effect during the period.

Note 19 Dividend per share and proposed appropriation of profits in the parent company

Dividends paid in 2024 totalled SEK 52,963 thousand (SEK 1.00 per share) and in 2023 SEK 52,964 thousand (SEK 1.50 per share).

A dividend of SEK 1.50 per share for the 2024 financial year, totalling SEK 79,446 thousand[1], will be proposed at the Annual General Meeting on 29 April 2025. 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	990,387
Profit for the year	156,040
Total profits	**1,146,427**
The Board of Directors proposes that the profits be appropriated as follows:	
A dividend of SEK 1.50 per share[1] to be paid to shareholders	79,446
To be carried forward	1,066,981
	1,146,427

1) Dividend calculated on the total number of outstanding shares as at 31 March 2025.

Note 20 Intangible assets

Group	Goodwill	Customer relations	Brands	Capitalised development work	Software	Total
As at 1 January 2023						
Cost	613,659	134,802	234,894	101,460	55,808	**1,140,623**
Accumulated depreciation and impairment	—	–20,124	—	–78,913	–40,259	**–139,296**
Carrying amount	**613,659**	**114,678**	**234,894**	**22,547**	**15,550**	**1,001,327**
2023 financial year						
Opening carrying amount	613,659	114,678	234,894	22,547	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**
Closing carrying amount	**838,277**	**174,010**	**328,820**	**26,667**	**13,253**	**1,381,027**
As at 31 December 2023						
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**
Carrying amount	**838,277**	**174,010**	**328,820**	**26,667**	**13,253**	**1,381,027**
2024 financial year						
Opening carrying amount	838,277	174,010	328,820	26,667	13,253	**1,381,027**
Investments	—	—	—	6,640	2,639	**9,278**
Reclassifications	—	—	—	—	1,151	**1,151**
Exchange differences	47,705	10,379	21,080	769	337	**80,272**
Impairment	—	—	—	–154	—	**–154**
Depreciation	—	–15,595	—	–6,193	–5,266	**–27,053**
Closing carrying amount	**885,983**	**168,795**	**349,900**	**27,728**	**12,113**	**1,444,520**
As at 31 December 2024						
Cost	885,983	216,272	349,900	106,887	62,735	**1,621,777**
Accumulated depreciation and impairment	—	–47,476	—	–79,160	–50,622	**–177,257**
Carrying amount	**885,983**	**168,795**	**349,900**	**27,728**	**12,113**	**1,444,520**

Note 20 Intangible assets, cont.

Parent company	Goodwill	Software	Total
As at 1 January 2023			
Cost	51,039	41,246	**92,285**
Accumulated depreciation and impairment	–51,039	–31,881	**–82,920**
Carrying amount	**–**	**9,366**	**9,366**
2023 financial year			
Opening carrying amount	–	9,366	**9,366**
Investments	–	74	**74**
Reclassifications	–	–614	**–614**
Sales/disposals	–	–6,549	**–6,549**
Depreciation	–	–1,432	**–1,432**
Closing carrying amount	**–**	**843**	**843**
As at 31 December 2023			
Cost	51,039	992	**52,031**
Accumulated depreciation and impairment	–51,039	–149	**–51,188**
Carrying amount	**–**	**843**	**843**
2024 financial year			
Opening carrying amount	–	843	**843**
Depreciation	–	–198	**–198**
Closing carrying amount	**–**	**644**	**644**
As at 31 December 2024			
Cost	51,039	992	**52,031**
Accumulated depreciation and impairment	–51,039	–349	**–51,388**
Carrying amount	**–**	**644**	**644**

The income statement includes amortisation and impairment of SEK 6,614 thousand (7,526) in cost of goods sold, SEK 18,245 thousand (14,256) in selling expenses and SEK 2,349 thousand (1,872) in administrative expenses.

In 2024, total research and development expenses in the parent company amounted to SEK 0.0 million (6.0), of which SEK 0.0 million (2.7) was capitalised in the Group. Total expenditure during the year for research and development amounted to SEK 37.0 million (34.4) 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:

	2024	2023
Svedbergs	26,757	26,757
Macro Design	89,099	89,099
Cassøe	53,493	51,721
Roper Rhodes	490,690	452,438
Thebalux	225,944	218,263
Total	**885,983**	**838,277**

The Group's brands with indefinable useful lives are attributable to the following cash-generating units:

	2024	2023
Macro Design	15,900	15,900
Cassøe	18,170	17,568
Roper Rhodes	221,602	204,326
Thebalux	94,229	91,026
Total	**349,900**	**328,820**

The Group's brands with indefinable useful lives are attributable to the Macro Design, Cassøe, Roper Rhodes, Tavistock, R2, Thebalux and Primabad brands, which are included in the Macro Design, Cassøe, Roper Rhodes and Thebalux cash-generating units. The carrying amount totals SEK 349,900 thousand (328,820).

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 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

Note 20 Intangible assets, cont.

growth rate of 2.0 percent (2.0), which is lower than the historical 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 24 percent (20) for Svedbergs, 28 percent (25) for Macro Design, 23 percent (22) for Cassøe, 31 percent (29) for Roper Rhodes and 52 percent for Thebalux. The required return (WACC) before tax varies between 10.2 percent (10.1) and 13.4 percent (12.7) 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 2.8.5. The recoverable amount of the Group's cash-generating units, Svedbergs, Macro Design, Cassøe, Roper Rhodes and Thebalux, has been determined by calculating the value in use. For these calculations, certain assumptions 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 assess 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.

To support the impairment test, an analysis has been conducted on the sensitivity of the variables used in the model. A deterioration in each of the significant assumptions included in the calculation of the value in use shows that the recoverable amount exceeds the carrying amount for all cash-generating units. The analysis has considered a change of 1 percentage point in the discount rate and a change of 1–2 percentage points in the EBITDA margin. Based on these sensitivity analyses, management's assessment is that no reasonably possible changes in key assumptions in the impairment assessment of the cash-generating units would result in the recoverable amounts falling below the carrying amounts of goodwill and brands with indefinite useful lives.

The company capitalises expenses associated with the development of products when the criteria in IAS 38 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. During the year, this impairment testing resulted in impairment of SEK –154 thousand (–807).

Note 21 Property, plant and equipment

Group	Land and buildings	Machinery and equipment in production	Other equipment	Total
As at 1 January 2023				
Cost	329,090	150,349	71,382	**550,821**
Accumulated depreciation and impairment	–88,617	–118,592	–55,073	**–262,282**
Carrying amount	**240,473**	**31,757**	**16,309**	**288,540**
2023 financial year				
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**
Closing carrying amount	**313,209**	**30,039**	**35,458**	**378,707**
As at 31 December 2023				
Cost	423,825	154,180	143,868	**721,873**
Accumulated depreciation and impairment	–110,615	–124,142	–108,410	**–343,168**
Carrying amount	**313,209**	**30,039**	**35,458**	**378,707**
2024 financial year				
Opening carrying amount	313,209	30,039	35,458	**378,707**
Investments	6,292	32,631	12,593	**51,517**
Reclassifications	–4,277	12,838	–9,712	**–1,151**
Sales/disposals	—	–502	–1,051	**–1,553**
Exchange differences	19,669	—	1,749	**21,418**
Depreciation	–6,082	–11,612	–9,416	**–27,110**
Closing carrying amount	**328,811**	**63,394**	**29,621**	**421,827**
As at 31 December 2024				
Cost	446,342	228,985	120,552	**795,878**
Accumulated depreciation and impairment	–117,530	–165,590	–90,931	**–374,052**
Carrying amount	**328,811**	**63,394**	**29,621**	**421,827**
Assessed value of Swedish properties:				
Buildings	29,175			
Land	6,229			
Total	**35,404**			

Note 21 Property, plant and equipment, cont.

Parent company	Land and buildings	Machinery and equipment in production	Other equipment	Total
As at 1 January 2023				
Cost	91,187	138,593	9,605	**239,385**
Accumulated depreciation and impairment	–79,041	–111,552	–8,812	**–199,405**
Carrying amount	**12,145**	**27,041**	**793**	**39,978**
2023 financial year				
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**
Closing carrying amount	**13,550**	**—**	**37**	**13,588**
As at 31 December 2023				
Cost	93,925	—	5,281	**99,206**
Accumulated depreciation and impairment	–80,375	—	–5,243	**–85,618**
Carrying amount	**13,550**	**—**	**37**	**13,588**
2024 financial year				
Opening carrying amount	13,550	—	37	**13,588**
Depreciation	–1,191		–14	**–1,205**
Closing carrying amount	**12,359**	**—**	**24**	**12,383**
As at 31 December 2024				
Cost	93,925	—	5,281	**99,206**
Accumulated depreciation and impairment	–81,566	—	–5,257	**–86,822**
Carrying amount	**12,359**	**—**	**24**	**12,383**
Assessed value of Swedish properties:				
Buildings	14,024			
Land	2,630			
Total	**16,654**			

Note 22 Leases

The following amounts related to leases are recognised in the balance sheet:

	Group		Parent company	
Right-of-use assets	**2024**	**2023**	**2024**	**2023**
At start of year	82,245	28,461	—	4,015
Additional leases in connection with acquisitions	—	52,310	—	—
Additional leases	27,602	20,680	—	—
Terminated leases	–301	–1,678	—	–4,015
Depreciation	–23,870	–23,358	—	—
Translation difference	2,369	5,831	—	—
At year-end	**88,045**	**82,245**	**—**	**—**
Buildings	52,786	59,124	—	—
Production machinery	3,160	—	—	—
Vehicles	31,852	22,790	—	—
Other equipment	247	332	—	—
Total	**88,045**	**82,245**	**—**	**—**
Lease liabilities				
Current	28,776	18,830	—	—
Non-current	60,738	63,683	—	—
Total	**89,514**	**82,513**	**—**	**—**

The Group's weighted average marginal borrowing rate was 4.10 percent (3.42).

The following amounts related to leases are recognised in the income statement:

	Group		Parent company	
	2024	2023	2024	2023
Depreciation amounts for right-of-use assets	–23,870	–23,358	–667	—
Interest expenses for lease liabilities	–3,065	–1,437	–47	—
Lease expenses attributable to short-term leases and low-value leases	–5,132	–1,525	—	—

Cash flows for leases

The total cash flow for leases in 2024 was SEK 22.7 million (23.1) 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 assessment of the lease term is based primarily on historical lease terms and the costs and business interruptions required to replace the leased asset. The majority of the renewal options relating to leases of premises have been recognised in

Note 22 Leases, cont.

the lease liability as management considers it reasonably certain that the lease will be renewed. The majority of the renewal options relating to vehicle leases have not been recognised in the lease liability as the Group can replace the assets without significant cost. Historically, the majority of renewal options for vehicle leases have not been exercised and new contracts have been signed at the end of the lease.

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.

These significant estimates and assumptions affect the size of the carrying amounts of right-of-use assets and lease liabilities.

Note 23 Non-current assets by country

	Group	
Total non-current assets by country	**2024**	**2023**
UK	1,069,696	982,927
The Netherlands	524,643	517,739
Sweden	264,194	240,841
Denmark	98,913	100,834
Finland	1,804	2,694
Total	**1,959,249**	**1,845,036**

Note 24 Participations in Group companies

	Parent company	
	2024	**2023**
Opening value	668,790	376,222
Capital contributions	–	15
Acquisition of subsidiaries	–	292,552
Closing value	**668,790**	**668,790**

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	120
Svedbergs i Dalstorp AB	Dalstorp, Sweden	559097-7848	100%	100%	5,000	2,484
Macro Design AB	Laholm, 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
Total						**668,790**

Shares held by subsidiaries	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 Prima B.V.	Veghel, Netherlands	16052225	100%
Primabad B.V.	Veghel, Netherlands	16080992	100%

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
Market risk – currency risk	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
Market risk – interest rate risk	Variable rate borrowing	Sensitivity analysis	Interest rate derivatives, when they are deemed to reduce the Group's interest expense
Credit risk	Cash and cash equivalents, accounts receivable – trade and derivative instruments	Age analysis Credit rating	Credit limits
Liquidity risk	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.

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:

	31 December 2024				
Exposure	**GBP**	**USD**	**CNY**	**EUR**	**DKK**
Cash and cash equivalents	164,327	1,278	5,131	212,279	8,652
Accounts receivable – trade	161,566	–	–	40,264	9,873
Bank loans	–458,757	–	–	–27,268	–
Additional purchase price	–197,743	–	–	–23,579	–
Accounts payable – trade	–42,419	–15,145	–36,300	–50,724	–3,365
Derivative instruments	–280,837	–	–	–279,528	–

	31 December 2023				
Exposure	**GBP**	**USD**	**CNY**	**EUR**	**DKK**
Cash and cash equivalents	148,899	1,998	4,225	136,127	20,061
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	–

Sensitivity – translation exposure

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 2024 would have been SEK 29.9 million (28.2) 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 2024 would have been SEK 34.4 million (13.0) higher/lower.

Sensitivity – transaction exposure

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 2024 would have been SEK 11.1 million (8.4) 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 2024 would have been SEK 9.5 million (12.0) 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 2024 would have been SEK 12.2 million (10.1) 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 2024 would have been SEK 2.1 million (0.1) 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 2024 would have been SEK 1.1 million (1.0) 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

Note 25 Financial risk management, cont.

may be used to minimise the Group's interest expenses. For 2024 and 2023, it was assessed that the utilisation of interest rate derivatives would not materially reduce the Group's interest expenses. The Group's exposure, in terms of borrowing, to changes in interest rates amounts to SEK 665 million (1,065) at the end of the reporting period.

Sensitivity
If interest rates on borrowing in 2024 had been one percentage point higher/lower, with all other variables constant, profit before tax for the financial year would have been SEK 6.5 million (6.1) lower/higher.

If SEK had weakened/strengthened by 5 percent in relation to GBP in 2024, with all other variables constant, profit before tax for the financial year would have been SEK 1.6 million (1.3) 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 15 percent (12). All borrowing is through the parent company's finance function. As at 31 December 2024, the Group had a liquidity of SEK 235.5 million (216.9). The Group has an approved overdraft facility of SEK 100.0 million (100.0), of which SEK 0.0 million (0.0) has been utilised.

Loan covenants
Under the terms of the Group's credit facility, which has a carrying amount of SEK 601 million (487), the Group is obliged to fulfil certain financial loan covenants at the end of each annual and interim period.

The Group fulfilled the loan covenants throughout the period. As at 31 December 2024, the ratio of net debt to EBITDA was 2.0 percent (3.8) and the equity/assets ratio was 49.0 percent (33.5). There are no indications that the Group will have difficulties fulfilling the covenants when they are next tested at the interim reporting date of 31 March 2025.

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.

To repay part of the Group's debt, a new share issue of approximately SEK 406 million was carried out in the first quarter of 2024.

Maturity analysis of financial liabilities

Group 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank financing	35,649	591,032	19,122	11,230
Accounts payable – trade	182,505	–	–	–
Lease liabilities	28,776	16,387	18,212	26,139
Additional purchase price	197,743	23,579	–	–
Total	**444,673**	**630,997**	**37,334**	**37,369**

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
Additional purchase price	5,955	162,792	21,244	–
Total	**761,687**	**650,216**	**45,763**	**41,235**

Parent company 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank financing	22,987	578,370	–	–
Accounts payable – trade (incl. intra-group)	4,119	–	–	–
Total	**27,105**	**578,370**	**–**	**–**

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 (incl. intra-group)	10,035	–	–	–
Additional purchase price	5,955	–	–	–
Total	**587,185**	**465,553**	**–**	**–**

Note 25 Financial risk management, cont.

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 2024 and 2023 was as follows:

	Note	2024	2023
Interest-bearing liabilities	33	886,478	1,249,227
Lease liabilities	22	89,514	82,513
Interest-bearing receivables	29	–	–13,106
Less cash and cash equivalents	31	–235,501	–216,946
Net debt		**740,490**	**1,101,688**
Total equity		1,529,625	978,604
Total capital		**2,270,116**	**2,080,292**
Net debt/equity ratio		48%	113%

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 2024:

31 December 2024	Note	Level 1	Level 2	Level 3	Total
Derivative instruments	29	–	8,123	–	**8,123**
Additional purchase price	33	–	–	221,322	**221,322**
Total liabilities		**–**	**8,123**	**221,322**	**229,445**

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**
Total assets		**–**	**13,106**	**–**	**13,106**
Additional purchase price	33, 34	–	–	189,992	**189,992**
Total liabilities		**–**	**–**	**189,992**	**189,992**

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 2024	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortised cost	Total
Financial assets			
Accounts receivable – trade	–	294,688	**294,688**
Cash and cash equivalents	–	235,501	**235,501**
Total financial assets	**–**	**530,189**	**530,189**
Financial liabilities			
Bank financing	–	657,033	**657,033**
Additional purchase price	221,322	–	**221,322**
Derivative instruments	8,123	–	**8,123**
Lease liabilities	–	89,514	**89,514**
Accounts payable – trade	–	182,505	**182,505**
Total financial liabilities	**229,445**	**929,051**	**1,158,496**

Group 2023	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortised cost	Total
Financial assets			
Accounts receivable – trade	–	296,067	**296,067**
Derivative instruments	13,106	–	**13,106**
Cash and cash equivalents	–	216,946	**216,946**
Total financial assets	**13,106**	**513,014**	**526,120**
Financial liabilities			
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**
Total financial liabilities	**189,992**	**1,309,036**	**1,499,028**

Parent company 2024	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortised cost	Total
Financial assets			
Loan receivable, Group companies	–	1,211,875	**1,211,875**
Accounts receivable – trade, Group companies	–	309	**309**
Cash and cash equivalents	–	130,824	**130,824**
Total financial assets	**–**	**1,343,007**	**1,343,007**
Financial liabilities			
Bank financing	–	601,357	**601,357**
Derivative instruments	8,123	–	**8,123**
Accounts payable – trade	–	3,870	**3,870**
Accounts payable – trade, Group companies	–	248	**248**
Total financial liabilities	**8,123**	**605,475**	**613,599**

Parent company 2023	Financial instruments measured at fair value through profit or loss	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**
Total financial assets	**13,106**	**1,192,268**	**1,205,374**
Financial liabilities			
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**
Total financial liabilities	**5,955**	**1,046,783**	**1,052,738**

The maximum credit risk exposure on financial instruments as at 31 December 2024 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 2024	Group 2023
Raw materials and consumables	163,541	133,504
Products in progress	15,021	12,193
Finished goods and goods for resale	379,972	352,853
Total	**558,534**	**498,550**

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 negative effect of SEK –1,057 thousand (5,809) on the Group's profit and SEK 0 thousand (2,490) on the parent company's profit.

Note 28 Receivables

	Group 2024	Group 2023
Accounts receivable – trade	304,792	304,415
Provisions for expected credit losses	–10,103	–8,348
Carrying amount	**294,688**	**296,067**

The fair value is deemed to correspond to the carrying amount on account of the short maturity. As at 31 December 2024, the provisions for expected credit losses in the Group amounted to SEK 10,103 thousand (8,348).

As at 31 December 2024, accounts receivable – trade amounting to SEK 28,847 thousand (24,631) were past due in the Group. The age analysis of these is shown below.

	Group 2024	Group 2023
1–30 days	7,809	3,444
31–90 days	11,969	12,585
91–180 days	5,500	5,254
>180 days	3,569	3,348
Total overdue accounts receivable – trade	**28,847**	**24,631**

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.

Note 28 Receivables, cont.

Changes in provisions for expected credit losses	Group 2024	Group 2023
As at 1 January	–8,348	–2,511
Opening value, company acquisitions	—	–384
Provisions for expected credit losses	–1,315	–8,156
Established losses	144	2,568
Currency translation differences	–584	136
As at 31 December	**–10,103**	**–8,348**

Carrying amount by currency	Group 2024	Group 2023
SEK	68,774	74,834
GBP	161,566	155,939
DKK	9,873	12,176
NOK	24,314	21,223
EUR	40,264	40,243
Total	**304,792**	**304,415**

Note 29 Derivative instruments

	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Forward exchange contracts – assets	—	13,106	—	13,106
Forward exchange contracts – liabilities (Note 33)	8,123	—	8,123	—

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 560,364 thousand (555,592) as at 31 December 2024. Losses on forward exchange contracts have been recognised in the income statement under financial expenses. Realised and unrealised forward exchange contracts had an effect of SEK –33,872 thousand (–3,687) on the Group's operating profit in 2024.

The Group does not apply hedge accounting to existing forward contracts.

Note 30 Prepaid expenses and accrued income

	Group		Parent company	
	2024	2023	2024	2023
Insurance	7,012	4,101	573	549
IT expenses	7,955	4,232	1,705	202
Marketing expenses	325	4,521	—	—
Rental expenses	1,354	747	107	105
Issue costs	—	3,811	—	3,811
Supplier bonus	3,032	1,878	—	—
Advances for goods	1,327	2,690	—	—
Other	8,204	2,524	826	953
Total	**29,209**	**24,505**	**3,212**	**5,620**

Note 31 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement include the following:

	Group		Parent company	
	2024	2023	2024	2023
Cash and bank balances	235,501	216,946	130,824	45,841
Total	**235,501**	**216,946**	**130,824**	**45,841**

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. As at 31 December 2024, the overdraft facility was not utilised.

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 Group's 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	
	2024	2023	2024	2023
Equity	1,529,625	978,604	1,217,950	720,588
Adjusted equity	—	—	1,239,069	740,243
Equity/assets ratio, %	49.0%	33.5%	55.0%	36.8%
Return on equity, %	12.2%	12.0%	12.8%	16.2%

Share capital	Number of shares	Share capital	Other contributed capital	Total
As at 1 January 2023	35,323,758	44,155	467,940	512,095
–	—	—	—	—
As at 31 December 2023	**35,323,758**	**44,155**	**467,940**	**512,095**
New share issue	17,654,698	22,068	372,216	394,285
As at 31 December 2024	**52,978,456**	**66,223**	**840,156**	**906,380**

Acquisition and holding of own shares

Svedbergs Group's holding of own shares at the year-end amounted to 14,361 shares, corresponding to 0.03 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 2024 was 52,978,456 (35,323,758).

Reserves	Currency translation	Total
As at 1 January 2023	27,465	27,465
Translation of foreign subsidiaries	–22,465	–22,465
As at 31 December 2023	**4,999**	**4,999**
Translation of foreign subsidiaries	41,609	41,609
As at 31 December 2024	**46,607**	**46,607**

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

	Group		Parent company	
Non-current interest-bearing liabilities	**2024**	**2023**	**2024**	**2023**
Bank loans	621,384	489,621	578,370	465,553
Additional purchase price	23,579	184,036	—	—
Total	**644,962**	**673,658**	**578,370**	**465,553**

	Group		Parent company	
Current interest-bearing liabilities	**2024**	**2023**	**2024**	**2023**
Bank loans	35,649	575,569	22,987	571,195
Additional purchase price	197,743	—	—	—
Forward exchange contracts (Note 29)	8,123	—	8,123	—
Total	**241,515**	**575,569**	**31,110**	**571,195**

The maturity structure of interest-bearing liabilities at the end of the reporting period was as follows:

	Group		Parent company	
	2024	**2023**	**2024**	**2023**
3 months or less	213,095	556,392	12,186	555,299
Between 3 months and 1 year	28,420	19,177	18,924	15,896
Between 1 and 2 years	614,610	632,720	578,370	465,553
Between 2 and 5 years	19,122	28,599	—	—
More than 5 years	11,230	12,339	—	—
Total	**886,478**	**1,249,227**	**609,480**	**1,036,748**

In 2023, the financing agreement with the bank was renewed. The agreement concerns a credit facility of SEK 750,000 thousand and GBP 6,225 thousand that runs until 31 March 2026. The terms of the credit facility are based on the development of net debt in relation to EBITDA, and on the equity/assets ratio. The Group fulfilled all covenants related to the bank loans in 2024 and 2023. See Note 25.1.4 for details. Interest rates on bank loans are variable and linked to STIBOR and SONIA. The average interest rate in 2024 was 6.94 percent (5.71).

At the year-end, the Group's unutilised credit facilities amounted to SEK 191,243 thousand (176,999).

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.

Important estimates and assessments

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 acquisition, 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 14 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 since the acquisition 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 34 Non-interest-bearing liabilities

	Group		Parent company	
Current non-interest-bearing liabilities	**2024**	**2023**	**2024**	**2023**
Additional purchase price	—	5,955	—	5,955
Total	**—**	**5,955**	**—**	**5,955**

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 amounted to a maximum of DKK 6 million, was based on annual milestones during the period 2021–2023. Based on the company's performance since the acquisition, management estimated that the additional purchase price would be DKK 4 million, which was paid in 2024.

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			Parent company		
Group	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total
As at 1 January 2023	**728,628**	**88,909**	**817,538**	**526,231**	**72,809**	**599,041**
Changes affecting cash flow:						
Changes related to business combinations	–	550,000	**550,000**	–	550,000	**550,000**
Changes in other liabilities	–82,982	–60,488	**–143,470**	–44,626	–60,488	**–105,114**
Changes in lease liability	–	–23,115	**–23,115**	–	–	**–**
Changes not affecting cash flow:						
Changes related to business combinations	101,805	3,947	**105,752**	–	–	**–**
Changes in other liabilities	–16,097	11,906	**–4,191**	–20,885	11,906	**–8,979**
Changes in lease liability	5,413	19,171	**24,584**	–1,198	–2,815	**–4,013**
Exchange differences	573	4,069	**4,642**	6,031	–217	**5,814**
As at 31 December 2023	**737,341**	**594,399**	**1,331,740**	**465,553**	**571,195**	**1,036,749**
Changes affecting cash flow:						
Changes in other liabilities	98,120	–543,043	**–444,923**	78,845	–550,000	**–471,155**
Changes in lease liability	–	–22,683	**–22,683**	–	–	**–**
Changes not affecting cash flow:						
Changes in other liabilities	–161,205	183,979	**22,774**	–	–	**–**
Changes in lease liability	–2,946	32,629	**29,683**	–	–	**–**
Exchange differences	34,391	16,886	**51,277**	33,972	1,792	**35,764**
As at 31 December 2024	**705,700**	**262,168**	**967,868**	**578,370**	**22,987**	**601,358**

The tables below present the components of financing activities.

Group	2024	2023
Bank loans	621,384	489,621
Additional purchase price, interest-bearing	23,579	184,036
Lease liabilities	60,738	63,683
Total non-current liabilities	**705,700**	**737,341**
Bank loans	35,649	575,569
Additional purchase price, interest-bearing	197,743	–
Lease liabilities	28,776	18,830
Total current liabilities	**262,168**	**594,399**
Closing balance	**967,868**	**1,331,740**

Parent company	2024	2023
Bank loans	578,370	465,553
Total non-current liabilities	**578,370**	**465,553**
Bank loans	22,987	571,195
Total current liabilities	**22,987**	**571,195**
Closing balance	**601,358**	**1,036,749**

Note 36 Accrued expenses and deferred income

	Group		Parent company	
	2024	2023	2024	2023
Holiday pay liability	20,274	20,384	1,356	1,397
Social security contributions	11,630	10,195	1,586	887
Bonus to employees	17,836	37,995	2,350	1,708
Bonus to customers	94,762	89,423	—	—
Other items	35,476	38,963	3,161	3,637
Total	**179,977**	**196,961**	**8,453**	**7,630**

Note 37 Other provisions

	Group		Parent company	
	2024	2023	2024	2023
Pension obligations (non-current)	5,485	2,976	4,910	2,976
Warranty provision (current)	4,988	4,669	—	—
Total	**10,473**	**7,645**	**4,910**	**2,976**

Pension obligations

The provision for pension obligations consists of the obligation for future pension commitments (including special payroll tax) attributable to the Swedish companies in the Group. 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	
	2024	2023	2024	2023
Pledged assets				
Net assets in Group companies	735,016	691,080	—	—
Property mortgages	29,139	29,139	4,439	4,439
Company mortgages	15,000	15,000	—	—
Shares in Group companies	—	—	6,818	6,818
Contingent liabilities	**—**	**—**	**—**	**—**

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 Svedbergs 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, a new share issue with preferential rights for existing shareholders of SEK 406 million was held 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 has carried out a final acquisition analysis in which surplus values have been 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 market position in the relevant geographical area. 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 final 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
Total purchase price	**620.7**

Note 39 Business combinations, cont.

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
Total net assets identifiable	**257.0**	**131.1**	**388.1**
Goodwill	—	232.6	232.6
Net assets acquired	**257.0**	**363.7**	**620.7**

Purchase price – cash outflow	
Cash purchase price	598.2
Cash and cash equivalents acquired	–131.7
Net outflow of cash and cash equivalents	**466.6**

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

During the first quarter of 2025, a payment of SEK 198 million was made, attributable to the additional purchase price that was agreed on the acquisition of Roper Rhodes.

Svedbergs Group has signed a new financing agreement with Nordea, which ensures continued financial stability and supports future operations and growth.

On April 1, 2025, Martina Axell took office as the new CEO of Svedbergs i Dalstorp AB.

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, 31 March 2025

Anders Wassberg
Chair of the Board of Directors

Susanne Lithander
Member of the Board of Directors

Jan Svensson
Member of the Board of Directors

Kristoffer Väliharju
Member of the Board of Directors

Ingrid Osmundsen
Member of the Board of Directors

Joachim Frykberg
Member of the Board of Directors

Per-Arne Andersson
President and CEO

Our auditor's report was submitted on 8 April 2025
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 report and consolidated financial statements

Opinions

We have audited the annual accounts and consolidated accounts of Svedbergs Group AB (publ) for the financial year 2024-01-01–2024-12-31. The annual accounts and consolidated accounts of the company are included on pages 82–122 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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. 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 are those matters that, in our professional judgement, were of most significance in our audit of the annual report and consolidated financial statements for the current period. These matters were addressed in the context of our audit of, and our opinion on, the annual report and consolidated financial statements as a whole, but we do not provide a separate opinion on these matters.

Key audit matter
Recognition of business combinations

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.

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, 2024 intangible assets with an indefinite useful life of SEK 1 236 million. The value of these assets is dependent on future returns and profitability in the cash-generating units and these assets are tested for impairment at least annually, in accordance with IAS 36, Impairments of assets. 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 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 procedures: includes, but are not limited to, 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 has 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 1–81 and 127–130. The other information also includes the Remuneration Report that we obtained before the date of this audit report. 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 Accounting Standards 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 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 2024-01-01–2024-12-31 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 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 report, cont.

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/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor´s report.

Auditor's opinion on 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 2024-01-01–2024-12-31.

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 XHMTL 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 2024-04-25 and has been the company's auditor since 2021-04-28.

Malmö, 8 April 2025
Deloitte AB

Maria Ekelund
Authorised Public Accountant

The auditors' 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 2024-01-01–2024-12-31 on pages 72–81 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.

Opinion
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, 8 April 2025
Deloitte AB

Maria Ekelund
Authorised Public Accountant

Other

Five-year review, key ratios

Group	2024	2023	2022	2021	2020
Net sales, SEK m	2,183.7	1,823.7	1,832.9	868.7	649.4
EBITA, SEK m	312.2	240.0	251.1	119.3	78.2
Operating profit (EBIT), SEK m	296.2	210.4	234.4	95.1	66.2
Profit before tax, SEK m	228.9	159.7	206.0	79.4	62.1
Profit for the year, SEK m	168.1	118.9	165.5	58.6	48.2
EBITA margin, %	14.3	13.2	13.7	13.7	12.0
Operating margin (EBIT), %	13.6	11.5	12.8	10.9	10.2
Profit margin, %	10.5	8.8	11.2	9.1	9.6
Free cash flow, SEK m	158.4	169.9	202.6	80.7	9.7
Cash flow for the year, SEK m	–0.9	23.7	–131.4	261.1	22.1
Intangible assets, SEK m	1,444.5	1,381.0	1,001.3	971.4	260.0
Property, plant and equipment, SEK m	421.8	378.7	288.5	282.5	71.5
Right-of-use assets, SEK m	88.0	82.2	28.5	39.9	9.3
Financial assets, SEK m	4.9	2.9	1.5	–	–
Inventories, SEK m	558.5	498.6	444.4	325.6	129.9
Current receivables, SEK m	367.6	360.3	326.3	389.2	145.3
Cash and cash equivalents/investments in securities, etc., SEK m	235.5	216.9	200.3	319.9	58.4
Total assets, SEK m	**3,120.8**	**2,920.6**	**2,290.9**	**2,328.4**	**674.4**
Equity, SEK m	1,529.6	978.6	935.1	266.8	227.5
Interest-bearing liabilities (incl. additional purchase price), SEK m	967.9	1,331.7	808.6	1,431.7	246.2
Non-interest-bearing liabilities and provisions, SEK m	623.3	610.3	547.2	629.9	200.8
Total equity and liabilities, SEK m	**3,120.8**	**2,920.6**	**2,290.9**	**2,328.4**	**674.5**
Capital employed, SEK m	2,300.3	1,878.6	1,730.3	1,698.5	498.2
Investments, SEK m	60.8	25.7	37.7	15.5	27.2
Equity/assets ratio, %	49.0	33.5	40.8	11.5	33.7
Capital turnover rate	0.7	0.7	0.8	0.6	1.1
Return on total assets, %	7.6	6.5	9.0	5.3	10.2
Return on capital employed, %	15.7	13.9	14.2	12.1	16.8
Return on equity, %	12.2	12.0	27.5	23.7	23.7
Average number of employees	532	442	447	263	231
– of whom in Sweden	178	187	209	216	213
– of whom outside Sweden	354	254	238	47	18
Sales per employee, SEK thousand	4,106	4,128	4,100	3,303	2,811
Operating profit per employee, SEK thousand	557	476	524	362	287
Foreign share of invoicing, %	82	74	78	22	22

Data per share	2024	2023	2022	2021	2020
Number of shares at the end of the period – outstanding, thousands	52,964	35,310	35,310	21,146	21,146
Number of shares in own custody, thousands	14	14	14	54	54
Number of shares at the end of the period – total issued, thousands	52,978	35,324	35,324	21,200	21,200
Average number of shares[1], thousands	51,669	37,268	35,628	27,429	27,429
Share price at year-end, per share	41.45	31.20	25.20	70.12	27.97
Market capitalisation at year-end, SEK m	2,196	1,102	890	1,487	593
Earnings per share, SEK	3.25	3.19	4.65	2.14	1.76
P/E ratio	12.8	9.8	5.4	32.8	15.9
Equity per share, SEK	29.60	26.26	26.25	9.73	8.29
Free cash flow, per share	3.07	4.56	5.69	2.94	0.35
Dividend (2024 refers to the Board's proposal), per share	1.50	1.00	1.50	–	1.25
Dividend yield, %	3.6	3.2	6.0	–	4.5
Dividend payout ratio, %	46.2	31.3	32.3	–	71.1
Dividend/free cash flow, %	48.9	21.9	26.4	–	353.5

1) The number of historical shares has been recalculated taking into account the bonus issue element in the completed new issue in 2024 and is used in all key ratio calculations for SEK/share. The conversion factor is 1.06.

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, www.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.

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.

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.

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.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) Operating income 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.

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.

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.

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	29 April 2025
Annual General Meeting	29 April 2025
Interim report Q2	18 July 2025
Interim report Q3	29 October 2025

Annual General Meeting 2025

The Annual General Meeting of Svedbergs Group AB (publ) will take place at 15:00 on 29 April 2025 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 11 March 2025.

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.

The website also offers a subscription service which allows subscribers to follow press releases, financial reports and other current information.

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