

Interim report 2



2022

- › **SALES** totalled SEK 18,405 million (SEK 14,621 million)
- › **PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 2,453 million (SEK 2,004 million)
- › **PROFIT AFTER TAX** was SEK 1,917 million (SEK 1,557 million)
- › **EARNINGS** per share before and after dilution, based on the average number of shares outstanding during the period, were SEK 0.93 (SEK 0.76)
- › **ONE-OFF EXPENSES** of SEK 114 million from winding up Russian operations
- › **ONE-TIME GAIN** of SEK 232 million on the divestment of an additional 26% of the shares in Schulthess Maschinen AG of Switzerland
- › **ACQUISITION OF**
 - 50% of the shares in the Italian heat pump company Argoclima S.p.A.
 - an additional 41% of the shares in the Canadian stove company Pacific Energy Fireplace Products Inc. (July)

Strong first six months

Sustained strong demand but also severe materials and component shortages. One-off expenses from winding up the Russian operations and a one-time gain from the divestment of an additional 26% of the shares in Schulthess.

Consolidated sales for the first half of the year grew by 25.9% (16.3%), of which 23.8% (13.5%) was organic. The weaker Swedish krona had a positive effect on sales growth, as did the price increases introduced in both in the second half of 2021 and in the first two quarters of the current financial year. In real terms, organic growth was well above the target of 10%, however.

When we compare the first two quarters of the year with the corresponding period in the previous year, it is important to remember that the second quarter of 2021 in particular was characterised by very strong growth in sales.

As before, we primarily see three reasons for the continued strong demand in the first half of the financial year. First, our three business areas all have a clear sustainability profile, which is an advantage when more and more consumers are realising that moving away from fossil fuels is an important factor in solving the climate change issue. Second, the home refurbishment trend that was prompted by the pandemic has continued at the same intensive pace as before. The third reason is a tragic one, namely Russia's abhorrent invasion of Ukraine. Most European countries and their citizens have realised that we must completely stop our dependence on Russian oil and gas. This further drives demand for the products of our three business areas.

The supply chain, and components supply in particular, remained beset by huge problems. This has in turn reduced our delivery reliability and increased lead times for our customers, which we truly regret. Our sub-suppliers are working resolutely to try to adjust to a completely different level of demand and we are receiving some positive signals that the situation will gradually improve in the second half of the year. However, the uncertainty factor is significant because of the complex nature of the delivery problems, with semiconductor shortages, labour shortages, vulnerable supply chains and an un-

certain freight market among the problems that are most difficult to overcome. In anticipation of this expected improvement, we are doing everything in our power to help our customers by means of maximum flexibility in production, increased buffer inventories and restructuring where possible.

The Group's orders received, which were at an all-time high already at the turn of the year, therefore continued to increase sharply in the first half, which unfortunately meant even longer delivery times. Aside from our major internal frustration at not being able to live up to customers' expectations, this is also making it more difficult for us to realise our productivity growth target.

The problems with constant shortages of materials and components were further exacerbated by very sharp and frequent price increases for these items. This, in turn, has forced us to introduce price increases on our own products, which for obvious reasons have taken a little while to take effect. We estimate that in the second quarter our own prices had caught up with the price increases that we have had to absorb.

The business area NIBE Climate Solutions continues to report very strong growth in new orders, particularly in Europe, but the North American market is also showing positive development. We have already mentioned the main reasons for this in our product markets. In addition, we have also seen a very positive reception to our brand new generations of heat pumps, which feature the most advanced controls on the market, natural refrigerants, unsurpassed savings factors and even lower noise levels.

Because we are convinced that the materials and component shortages are ultimately of a transient nature and since the market is undergoing a paradigm shift in terms of the transition from oil and gas to heat pumps, we are currently undertaking a very ambitious investment programme within this business area. In the short term, our goal is to double production capacity, while the longer-term goal is to create the conditions necessary to double production yet again.

Despite the very sharp growth in sales, the underlying operating margin was just over one percentage point short of the level seen in the previous year. The difference was primarily due to our own price increases lagging behind, but this is something we expect to be able to remedy in the second half of the year. Due to the obvious decision to wind up our Russian operations following Russia's terrible invasion of Ukraine, the first quarter operating profit was burdened by a one-off expense in the form of estimated write-downs of SEK 114 million. In the second quarter we recorded a one-time gain of SEK 232 million from the divestment of an additional 26% of the shares in Schulthess.

The business area NIBE Stoves saw continued strong growth in new orders, for much the same market-related reasons as described for NIBE Climate Solutions.

Calendar

18 August 2022

08:00 (CET) Interim Report 2, January – June 2022

11:00 (CEST) Telephone conference (in English)

Presentation of Interim Report 2, 2022 and opportunity to ask questions.

Registration on our website www.nibe.com is required in order to access the presentation images during the conference. To listen by phone, call +46 8 566 427 05.

16 November 2022

Interim Report 3, January – September 2022

15 February 2023

Year-end report

16 May 2023

Interim Report 1, January – March 2023

Annual General Meeting



Gerteric Lindquist
Managing Director and CEO

Because our assessment is that this positive trend will continue, this business area too is carrying out an ambitious investment programme. In addition, we are conducting intensive production development to further improve combustion and significantly reduce particle levels. In this business area, too, the operating margin is lagging a little behind the operating margin recorded in the first half in the previous year, and action to remedy this is a priority for the business area for the rest of the year.

The business area NIBE Element saw very strong growth in new orders, for much the same reasons as the two other business areas, and also because of the strong growth in the semi-conductor industry and the strong electrification trend.

This business area too is in the middle of an ambitious investment programme to meet expected strong future growth.

It is a great source of satisfaction to us that the operating margin rose to the same level as that recorded in the corresponding period in the previous year. The main reasons for this were good sales growth, a disciplined approach to prices and strict cost control.

The level of investment in our existing businesses amounted to SEK 1,017 million in the first half of the year, double the level of investment in the previous year. Excluding leases, depreciation amounted to SEK 545 million, compared with SEK 479 million in the first half of 2021. In view of the fact that the opportunities for growth are deemed to be good in all three business areas, coupled with increased automation and rationalisation measures, as well as developments in sustainability, the rate of investment in the next three to four years will at least double. This means that our investments in increased production capacity alone will amount to just over SEK 5 billion.

The operating profit in the first half improved by 20.3% compared with the corresponding period in the previous year, but the operating margin declined from 14.3% to 13.6%. Excluding the one-off write-down of SEK 114 million in respect of our Russian operations and the one-time gain of SEK 232 million from the divestment of the shares in Schulthess, the operating profit would have increased by 14.6% and the underlying operating margin would have been 13.0%.

Profit after net financial items improved by 22.4% in the first half, while the profit margin fell to 13.3% from 13.7% in the previous year. Excluding the one-off write-down of SEK 114 million and the one-time gain of SEK 232 million, the corresponding figures would have been 16.5% and 12.7% respectively.

Outlook for 2022

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times in which we are living.
- We are well prepared to continue being proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost control measures, will ensure consistently healthy margins.
- All three business areas have a good geographical spread, which makes us less vulnerable to local downturns in demand.
- Our decentralised organisation, based on independent units, is well proven and creates the conditions for greater motivation and flexibility.
- The fact that the situation is increasingly returning to normal after the pandemic and the virus is on the way to being classed as an ordinary flu virus gives us confidence.
- The effects of political unrest, interest-rate developments and rising energy prices are, as always, difficult to predict.
- Uncertainty relating to sub-suppliers will most probably be a cause for concern for the remainder of the year.
- As is our habit, and based on experience, we nevertheless remain cautiously optimistic about our performance this year.

Markaryd, Sweden, 18 August 2022

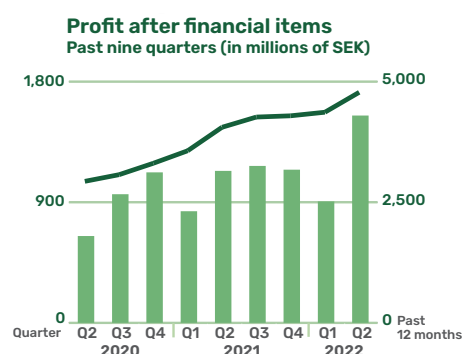
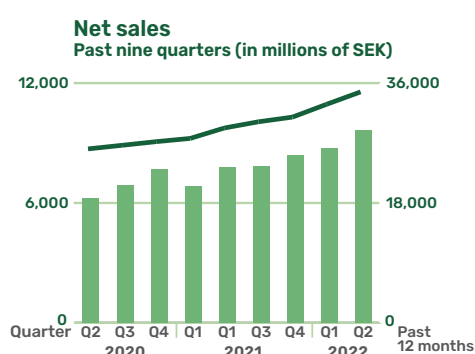
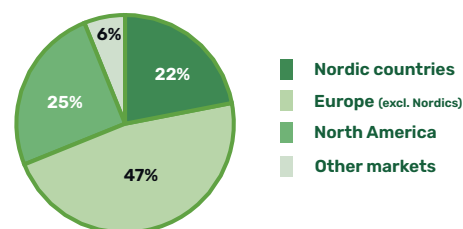
Gerteric Lindquist
Managing Director and CEO

NIBE Group

| Key ratios | | Q1-Q2 2022 | Q1-Q2 2021 | Past 12 months | Full year 2021 |
|----------------------------------|-------|------------|------------|----------------|----------------|
| Net sales | SEK m | 18,405 | 14,621 | 34,616 | 30,832 |
| Growth | % | 25.9 | 16.3 | 18.6 | 13.6 |
| of which acquired | % | 2.1 | 2.8 | 1.5 | 1.8 |
| Operating profit | SEK m | 2,510 | 2,087 | 4,891 | 4,468 |
| Operating margin | % | 13.6 | 14.3 | 14.1 | 14.5 |
| Profit after net financial items | SEK m | 2,453 | 2,004 | 4,767 | 4,318 |
| Profit margin | % | 13.3 | 13.7 | 13.8 | 14.0 |
| Equity/assets ratio | % | 50.0 | 47.2 | 50.0 | 49.9 |
| Return on equity* | % | 16.2 | 17.3 | 17.2 | 17.2 |

* The key ratio has been calculated excluding revaluation of additional considerations

Group sales by geographical region



Sales

Consolidated net sales totalled SEK 18,405 million (SEK 14,621 million). This corresponds to growth of 25.9%. Of the increase in sales of SEK 3,784 million, acquired sales amounted to SEK 307 million, which means that organic sales increased by 23.8%.

Profit

Profit after net financial items for the period was SEK 2,453 million. This equates to a 22.4% increase in earnings compared with 2021. In 2021, profit after net financial items amounted to SEK 2,004 million. The profit for the period includes a one-off item in the form of estimated write-downs of the Group's operations in Russia totalling SEK 114 million. At the end of June, we sold an additional 26% of the shares in Schulthess, resulting in a capital gain of SEK 232 million. Because our outstanding holding comprises just 25% of the shares, Schulthess will now be accounted for as an associate. Profit for the period was charged with acquisition expenses of SEK 7 million (SEK 6 million). Return on equity, excluding revaluation of additional considerations, was 16.2% (17.3%).

Acquisitions

At the end of May, we concluded an agreement on the acquisition of 50% of the shares in the Italian company Argoclima S.p.A., a venerable manufacturer and distributor of heat pumps and air conditioning products. There is an agreement to acquire the remaining shares within a five-year period. The company, which has sales of approximately SEK 100 million, was consolidated into the NIBE Climate Solutions business area as of 1 June 2022. The acquisition value is still provisional.

Significant events after the end of the period

On 6 July we acquired an additional 41% of the shares in the Canadian stove company Pacific Energy Fireplace Products Inc., which takes our total holding to 51% of the shares and therefore majority ownership. The remaining

49% of the shares will be acquired in the first half of 2023. The company, which develops and manufactures stove products for wood and gas, has sales of around CAD 50 million and will be consolidated into the NIBE Stoves business area with effect from 1 July 2022.

Investments

In the period, the Group made investments totalling SEK 2,013 million (SEK 688 million). A total of SEK 996 million (SEK 183 million) of the investments relates to acquisitions of operations. The remaining SEK 1,017 million (SEK 505 million) is mainly investments in machinery and equipment in existing operations. The investment amount relating to acquisitions is based on both initial considerations and an estimate of additional considerations to be paid.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 2,311 million (SEK 2,350 million). Cash flow after changes in working capital amounted to SEK -265 million (SEK 1,363 million). The decrease was primarily due to build-up of input materials inventory ahead of the peak season.

Interest-bearing liabilities at the end of the period amounted to SEK 10,847 million, compared with SEK 10,320 million at the start of the year. At the end of the period, the Group had cash and cash equivalents of SEK 4,195 million, compared with SEK 5,208 million at the start of the year. The equity/assets ratio at the end of the period was 50.0%, compared with 49.9% at the start of the year and 47.2% at the corresponding time last year.

Parent

Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the period totalled SEK 25 million (SEK 17 million) and the company recorded a deficit after financial items of SEK -373 million (SEK 473 million).

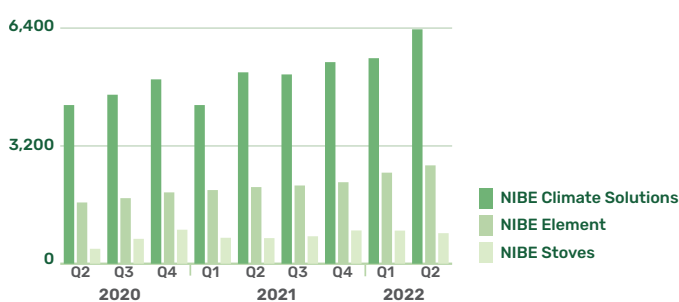
Business area trends

Quarterly data

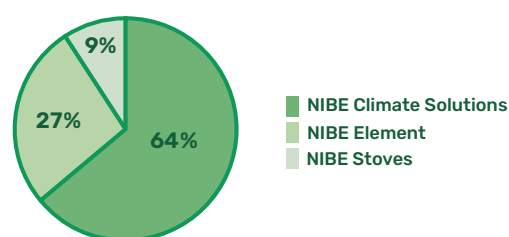
| Consolidated income statement (SEK million) | 2022 | | 2021 | | | | 2020 | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | Q1 | Q2 | Q1 | Q2 | Q3 | Q4 | Q2 | Q3 | Q4 |
| Net sales | 8,749 | 9,656 | 6,831 | 7,790 | 7,823 | 8,388 | 6,227 | 6,889 | 7,685 |
| Operating expenses | -7,808 | -8,087 | -5,966 | -6,568 | -6,621 | -7,209 | -5,545 | -5,853 | -6,161 |
| Operating profit | 941 | 1,569 | 865 | 1,222 | 1,202 | 1,179 | 682 | 1,036 | -1,524* |
| Net financial items | -35 | -22 | -32 | -51 | -31 | -36 | -34 | -76 | -48 |
| Profit after net financial items | 906 | 1,547 | 833 | 1,171 | 1,171 | 1,143 | 648 | 960 | -1,476* |
| Tax | -226 | -310 | -188 | -259 | -260 | -233 | -156 | -192 | -247 |
| Net profit | 680 | 1,237 | 645 | 912 | 911 | 910 | 492 | 768 | 1,229* |
| Net sales, business areas | | | | | | | | | |
| NIBE Climate Solutions | 5,583 | 6,367 | 4,310 | 5,199 | 5,142 | 5,476 | 4,310 | 4,591 | 5,008 |
| NIBE Element | 2,474 | 2,672 | 2,001 | 2,082 | 2,125 | 2,214 | 1,664 | 1,781 | 1,938 |
| NIBE Stoves | 900 | 830 | 705 | 696 | 746 | 904 | 406 | 676 | 924 |
| Elimination of Group transactions | -208 | -213 | -185 | -187 | -190 | -206 | -153 | -159 | -185 |
| Group total | 8,749 | 9,656 | 6,831 | 7,790 | 7,823 | 8,388 | 6,227 | 6,889 | 7,685 |
| Operating profit, business areas | | | | | | | | | |
| NIBE Climate Solutions | 612 | 1,204 | 579 | 900 | 907 | 852 | 585 | 807 | 849 |
| NIBE Element | 250 | 299 | 216 | 223 | 213 | 224 | 117 | 173 | 190 |
| NIBE Stoves | 103 | 95 | 85 | 82 | 103 | 143 | 1 | 78 | 160 |
| Elimination of Group transactions | -24 | -29 | -15 | 17 | -21 | -40 | -21 | -22 | 325* |
| Group total | 941 | 1,569 | 865 | 1,222 | 1,202 | 1,179 | 682 | 1,036 | -1,524* |

* Includes income of SEK 353 million from revaluation of additional considerations

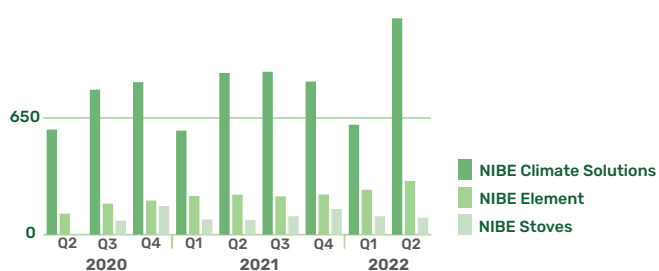
Sales per business area, last nine quarters (SEK million)



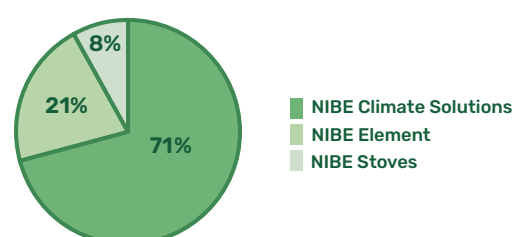
Each business area's share of total sales (Q1-Q2, 2022)



Operating profit per business area, last nine quarters (SEK million)



Each business area's share of total profit (Q1-Q2, 2022)



NIBE Climate Solutions business area

| Key ratios | | Q1-Q2 2022 | Q1-Q2 2022 | Past 12 months | Full year 2021 |
|-----------------------------------|-------|------------|------------|----------------|----------------|
| Net sales | SEK m | 11,950 | 9,509 | 22,568 | 20,127 |
| Growth | % | 25.7 | 14.0 | 18.1 | 12.2 |
| of which acquired | % | 2.7 | 3.3 | 1.7 | 1.9 |
| Operating profit | SEK m | 1,816 | 1,479 | 3,575 | 3,238 |
| Operating margin | % | 15.2 | 15.6 | 15.8 | 16.1 |
| Assets | SEK m | 30,378 | 25,966 | 30,378 | 27,972 |
| Liabilities | SEK m | 5,769 | 4,215 | 5,769 | 4,437 |
| Investments in non-current assets | SEK m | 680 | 322 | 1,104 | 746 |
| Amortisation/Depreciation | SEK m | 425 | 434 | 799 | 808 |

Sales and profit

Sales for the period totalled SEK 11,950 million, compared with SEK 9,509 million for the corresponding period in the previous year. Of the increase in sales of SEK 2,441 million, acquired sales accounted for SEK 255 million, which means that organic growth was 23.0%.

Operating profit for the period totalled SEK 1,816 million, compared with SEK 1,479 million the previous year. This equates to an operating margin of 15.2%, compared with 15.6% for the previous year. The operating margin for the past 12 months is thus 15.8%. Profit for the period was weighed down by SEK 114 million for the write-down of the Russian operations. On the other hand, the profit includes a one-off gain of SEK 232 million in respect of the divestment of an additional 26% of the shares in Schulthess. Excluding these two one-off items, the operating margin for the period would have been 14.2%.

Market

The transition to a fossil-free society is continuing apace, with heat pumps an important part of the solution. The Russian invasion of Ukraine has further raised awareness in Europe about the need to find fossil-free alternatives to fuels such as natural gas and oil. As a result of this, we are continuing to see very strong demand for all our heat pump solutions. The North American market has also been influenced by the development in Europe, and this is boosting demand for alternatives to current fossil climate control products.

Our delivery capacity continues to be impeded by the external environment, due to the current global components shortage and war situation in Europe. This is very frustrating both for us and for our customers.



Many people had been looking forward to visiting the largest meeting place for the construction sector in the Nordic countries – **NORDBYGG**. This was apparent from the level of interest and engagement among both visitors and exhibitors.

The discussion around climate change has been slightly overshadowed by the current political situation but governments in a growing number of countries, both in Europe and North America, are continuing to put significant efforts into trying to solve the climate change issue. To speed up the transition to a more sustainable society, products that use the fossil fuels oil and gas are, among others, to be phased out in the long term, which is something that benefits our sector both in the short and long term.

In Europe, all our targeted markets continue to show good growth. In the Netherlands, which has made a lot of progress in the transition to fossil-free fuels, the market development for heat pumps remains strong. The German market, which is important to us, is also showing very strong growth. This is an effect both of favourable state subsidies, offered in return for energy-efficient and sustainable heat pumps, and the urgent need to become less dependent on Russian oil and gas. The British market is also growing rapidly, thanks to the special subsidies introduced to aid the transition to fossil-free heating. All the Nordic markets are also growing, which benefits us as the market leader in all the Nordic countries.

All our units in Eastern Europe are also reporting good expansion. The Polish market, where we are well represented both through our own production of water heaters and sales of heat pumps, is growing particularly rapidly.

The strong rate of growth in the Swedish domestic market for heat pumps has slowed down a little, primarily because of the reduced delivery capacity with regard to heat pumps. There is still underlying demand as a result of a growing replacement market and because of new construction of single family houses. We have a continued strong market position in both segments, which means we can adapt to changes in the market.

The North American heat pump market for single-family houses also performed well, mainly as a result of significant tax credits for private individuals who install geothermal heat pumps, but also because the economy is recovering after the pandemic.

Both the US and Canadian markets for climate control products for commercial properties have recovered after the sharp fall in demand

Natural refrigerant R290 launched at NORDBYGG

More climate-friendly than ever

This year we presented our most efficient geothermal heat pump to date. Our visitors were also introduced to a new generation of exhaust air heat pumps: S735, with a low noise level and large hot water capacity, and S2125, a powerful and quiet air/water heat pump. All these



pumps feature the natural refrigerant R290, which has a GWP (Global Warming Potential) of just 3. Also on show was a new ventilation product featuring a rotating heat exchanger. All products are part of the S series of products and the digital platform that provides new opportunities for lower energy consumption without compromising on comfort.

Sustainable refrigerants are not new to us. We have had experience of these since the late 1990s and they are already used in our dependable exhaust air heat pumps F370/F470.

Energy-efficient

The trend towards more energy-efficient system solutions for apartment blocks, retirement homes and other commercial properties remains strong. With this market in mind, we exhibited tailored complete solutions featuring heat pumps in smart combinations with solar power, ventilation, cooling and high hot water capacity, which are increasingly sought after and contribute to better cost-effectiveness and better comfort. They also feature 24/7 connection to cloud services for full control.

Our new solar panels are even better than before, as well as cheaper, and the green tax deduction of 15% gives us new opportunities to offer our solar panels as systems together with one or more heat pumps, thus helping our customers to further reduce the amount of purchased energy.

for new construction and renovation projects during the pandemic. In Europe, too, demand for energy-efficient product solutions for commercial properties is increasing. We are well established in North America and have created an initial platform in Europe. Our immediate focus is therefore on expanding and further strengthening our position in the European market in this segment.

Operations

The components shortage in several sub-supplier segments continued in the second quarter of the financial year. Our full focus has been on trying to secure access to raw materials and components, while also increasing capacity in our production units. Despite this, delivery capacity has in some cases deteriorated further because of missing key components needed to maintain production. In North America, low unemployment is another challenge because of the need to find and retain workers for production, in particular.

To meet strong demand, we are carrying out large investments in capacity at several of our European operations. New heat pump plants are under construction in both Sweden and Germany as the first step in a plan to double heat pump manufacturing capacity.

In parallel with the capacity increase, we are focusing major resources on product development and the introduction of new high-performance products in all fields of application. This is one of the basic requirements for continued expansion. In Markaryd, which is the hub of our operations, construction is currently underway of a brand new innovation centre which is intended to safeguard the quality of future product development and attract new development engineers.

Marketing activities have resumed in both Europe and North America. Our successful mobile launch campaign continued in prioritised markets in Europe, where we present entirely new products featuring environmentally-friendly refrigerants and unique opportunities for connectivity and intelligent control. Following a forceful representation at the important trade fair AHR in the USA at the beginning of the

year, in the second quarter we launched yet a few new, energy-efficient and even better performing products as well as the R290 refrigerant with low GWP at Nordbygg, the largest trade fair in the Nordic countries.

NIBE Climate Solutions also actively contributes both knowledge and products in the ongoing transition to energy-efficient climate control solutions that is being implemented in the Group's operations worldwide. The goal is to reduce our own climate impact and achieve our sustainability targets in respect of both good working conditions and reduced energy consumption and lower carbon dioxide emissions.

The natural decision for us to completely withdraw from Russia after its invasion of Ukraine has meant that we have commenced liquidation processes for both Ceteherm LLC and JSC Evan, and these processes are now in full swing.

At the end of May, we acquired 50 % of Argoclima of Italy, a manufacturer and distributor of heat pumps and air conditioning products. The acquisition gives us a much stronger position in the rapidly growing Italian market and a stronger position in southern Europe generally. The company has annual sales of approximately EUR 100 million and 200 employees.

Shortly before the end of June, we divested an additional 26% of the shares in Schulthess Maschinen AG. The transaction is entirely in line with the divestment process started in 2019, which entails a gradual divestment of the entire washing machine and tumble drier operations.

Overall, the turbulent external environment has meant that the operating margin so far this year is lower than in the previous year, despite stronger growth. By implementing price increases and taking a prudent approach to fixed costs throughout the organisation, we have to a large extent been able to compensate for the sharp increases in the price of materials and transport that occurred at short notice, but we are making intensive efforts to be able to compensate for these in full.

NIBE Stoves business area

| Key ratios | | Q1-Q2 2022 | Q1-Q2 2022 | Past 12 months | Full year 2021 |
|-----------------------------------|-------|---------------|---------------|-------------------|-------------------|
| Net sales | SEK m | 1,730 | 1,401 | 3,380 | 3,051 |
| Growth | % | 23.5 | 43.1 | 12.6 | 18.3 |
| of which acquired | % | 0.0 | 1.1 | 0.4 | 0.9 |
| Operating profit | SEK m | 198 | 167 | 444 | 413 |
| Operating margin | % | 11.4 | 11.9 | 13.1 | 13.5 |
| Assets | SEK m | 4,327 | 3,671 | 4,327 | 3,938 |
| Liabilities | SEK m | 691 | 641 | 691 | 617 |
| Investments in non-current assets | SEK m | 45 | 49 | 98 | 101 |
| Amortisation/Depreciation | SEK m | 66 | 67 | 132 | 132 |

Sales and profit

Sales for the period totalled SEK 1,730 million, compared with SEK 1,401 million for the corresponding period in the previous year. The increase in sales of SEK 329 million was entirely organic, which means that organic growth was 23.5%.

Operating profit for the period totalled SEK 198 million, compared with SEK 167 million the previous year. This equates to an operating margin of 11.4% compared with 11.9% for the previous year. The operating margin for the past 12 months is thus 13.1%.

Market

The very strong demand for stove products at the beginning of the year continued undiminished in the second quarter, which is traditionally the weakest quarter for our industry. The worrying political development in the surrounding world has created a lot of uncertainty around energy supply and sharply rising energy prices. This, combined with long delivery times, has driven up demand for wood-fired products in Europe to levels never seen before. Demand for gas-fired products and electric stoves has fallen slightly, however.

In Scandinavia, demand so far this year has increased sharply, and because this market is dominated by wood-fired products, the aforementioned factors are having a big impact on general demand. Other factors are the continued high level of interest in home refurbishment, together with large production of new detached and semi-detached homes.

The German market has shown the strongest growth so far this year. The country's high dependence on gas from Russia, combined with sharply rising energy prices, has caused demand for alternative heat sources to increase drastically. Demand is also driven by government requirements that mean old products that do not meet applicable Ecodesign requirements must be phased out.

The UK, which is a major market for gas-fired products and electric stoves, has seen weaker development in these product segments compared with the same period in the previous year, primarily due to a sharp increase in gas and electricity prices. Conversely, demand for



Contura Connect makes it easier to achieve environmentally-friendly and efficient combustion. The stove automatically ensures optimal combustion to minimise emissions. Digital technology helps control oxygen supply, increases energy efficiency and contributes to cost-effective heating. It is quite simply a more environmentally appropriate stove that helps users to achieve better combustion.

wood-fired products has increased sharply as consumers increasingly try to reduce their heating costs. In addition, there is growing interest in replacing older products with new, modern and more efficient stoves on the market, labelled "Ecodesign ready".

In France, demand is continuing to increase sharply for both wood-fired and pellet-fired products, for the same reasons as in other markets.

General demand for stove products in North America remained strong but as before, development varied between the different product segments. Demand for wood-fired products increased because a wood-fired product is a secure spare source of heating in an unstable world and also helps to reduce heating costs as energy prices rise. Demand for electric stoves is also increasing, although these are mostly used for decoration. Demand for gas-fired products, which account for the largest share of the North American market, has been slightly weaker so far this year, which is due to rising gas prices but also partly to the fact that most manufacturers suffered from supply chain disruption affecting components.

Operations

Despite significant disruption in our supply chains, so far this year we have managed to increase production capacity at our production plants but even so we are currently not close to being able to meet the very large demand for wood-fired products that we are currently seeing in all markets. This, in turn, means continued long delivery times for our end consumers and even if we use all available means to continue to increase the rate of production, we are facing a challenging situation before we get back to normal. Our delivery capacity with regard to gas-fired and electric products has gradually improved and in future we will be able to maintain delivery times in line with the market for these product segments.

Thanks to significant investments in product development, we are able to continuously launch products under the business area's various brands. In June, we presented, among other things, a brand new, wood-fired stove developed by us which features automated control of the combustion air supply and which has been named Contura Connect 556. New digital technology facilitates handling by users to achieve optimum combustion and thereby reduced particle emissions. All functions can also be controlled via mobile phone. The Contura Connect 556 will be launched in the Swedish market in the autumn and in other markets next year.

The operating margin has been adversely affected by the time lag that occurs between the immediate materials price increases we have been hit by and our own price increases having an effect on profit or loss. However, we have been able to maintain our operating margin at a level just below the previous year, thanks to a clear increase in sales volume and a prudent approach to fixed costs.

NIBE Element business area

| Key ratios | | Q1-Q2 2022 | Q1-Q2 2022 | Past 12 months | Full year 2021 |
|-----------------------------------|-------|---------------|---------------|-------------------|-------------------|
| Net sales | SEK m | 5,146 | 4,083 | 9,486 | 8,422 |
| Growth | % | 26.0 | 14.7 | 21.6 | 15.7 |
| of which acquired | % | 1.3 | 1.7 | 1.4 | 1.6 |
| Operating profit | SEK m | 549 | 439 | 986 | 876 |
| Operating margin | % | 10.7 | 10.7 | 10.4 | 10.4 |
| Assets | SEK m | 12,930 | 10,153 | 12,930 | 11,043 |
| Liabilities | SEK m | 2,339 | 1,726 | 2,339 | 1,889 |
| Investments in non-current assets | SEK m | 303 | 135 | 536 | 368 |
| Amortisation/Depreciation | SEK m | 211 | 178 | 389 | 356 |

Sales and profit

Sales for the period totalled SEK 5,146 million, compared with SEK 4,083 million for the corresponding period in the previous year. Of the increase in sales of SEK 1,063 million, acquired sales accounted for SEK 52 million, which means that organic sales increased by 24.7%.

Operating profit for the period totalled SEK 549 million, compared with SEK 439 million the previous year. This means the operating margin remained at 10.7%, unchanged compared with the previous year. The operating margin for the past 12 months is thus 10.4%.

Market

Demand in the majority of the business area's market segments was good in the first half of the year. However, both demand and deliveries continued to be severely affected by the various disruptions in global supply chains. This development has a significant impact on us and requires significant flexibility and preparedness, as well as gradual adaptation of operations.

In addition to the generally strong demand, we saw a strong increase in several of our market segments, particularly products linked to sustainability, renewable energy and energy-efficient solutions for climate control, such as heat pumps. This applies both to products for private and commercial use.

The ambition to reduce greenhouse gas emissions also means that the number of industrial projects based on electric heating is growing steadily. Demand for various kinds of energy storage solutions is also growing. The majority of these solutions involve some form of electric heating and control.

Demand for products in the consumer segment, such as domestic appliances and direct electric heating, declined towards the end of the period. There is a risk that reduced demand in the consumer segment will result in reduced inventories at domestic appliance manufacturers, following their earlier build-up of inventories in response to the components shortage. At the same time we are seeing that demand for products manufactured in Asia is being transferred to traditional domestic appliance manufacturers in Europe because of sharply rising transport costs and long lead times.

The market for commercial products, for example catering equipment and commercial coffee machines, reported a gradual improvement in demand as the world reopened again after the pandemic.

The automotive industry is generally seeing reduced demand due to the major shortage of components for manufacture of both vehicles running on traditional fuels and recently launched electric vehicles. However, electrification of vehicles means new business opportunities for NIBE Element, both as regards passenger cars and commercial vehicles.

The semiconductor industry continued to report very strong growth with demand driven primarily by the rollout of 5G, the transition in the automotive industry towards increased electrification and greater demand for data storage. This has resulted in an acute shortage of semiconductors across the entire market, contributing in turn to a much higher level of investment in semiconductor production. Several countries are also conducting a strategic review of the need for investment in local semiconductor production to secure future supplies of this important component. This benefits us as a supplier of heating and control equipment, but unfortunately deliveries in this segment, too, are hampered by the components shortage.

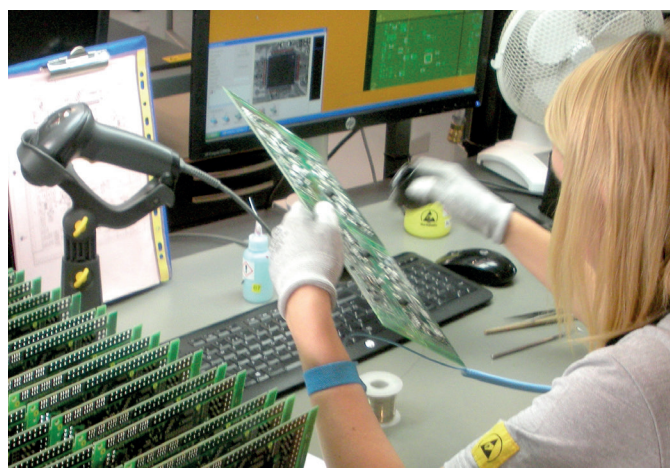
Operations

We have continued to increase production capacity at our units both through recruitment and investments in capacity, particularly in segments which are linked to renewable energy and are seeing strong organic growth. We are also establishing new production units in order to meet the sharp increase in demand in the semiconductor industry. In parallel with this, we have implemented additional investments in robotics and automation as well as productivity improvement measures in order to maintain competitiveness and keep the operating margin at the target level of 10%.

Sharp increases in the price of materials, services and energy, as well as rising freight costs, have also forced us to introduce successive price rises of our own to compensate for this development. Overall, our customers have been understanding and have accepted these price adjustments.

Exchange rates remain volatile, with a considerable effect on pricing and competitiveness. In this situation, our globalisation and having production units in different currency zones gives us a clear advantage. In the first half of the year our operations were less affected by the effects of the pandemic, but we are still seeing labour shortages in many of the countries where we have production units.

Despite a turbulent delivery situation, the operating margin remained just above the target level, thanks to good control of fixed costs and rapid adjustment of each business area to the prevailing demand and delivery situation.



In several countries, the need for local semiconductor production has led to a strategic review of the need for investment to secure future supplies of this important component. As a supplier of heating and control equipment, this benefits us.

Condensed income statement

| (SEK million) | Group | | | | | | Parent | |
|--|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|
| | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Past 12 months | Full year 2021 | Jan-Jun 2022 | Jan-Jun 2021 |
| Net sales | 9,656 | 7,790 | 18,405 | 14,621 | 34,616 | 30,832 | 25 | 17 |
| Cost of goods sold | -6,631 | -5,175 | -12,804 | -9,776 | -23,656 | -20,628 | 0 | 0 |
| Gross profit | 3,025 | 2,615 | 5,601 | 4,845 | 10,960 | 10,204 | 25 | 17 |
| Selling expenses | -1,203 | -1,007 | -2,368 | -1,983 | -4,595 | -4,210 | 0 | 0 |
| Administrative expenses | -632 | -500 | -1,226 | -988 | -2,256 | -2,018 | -68 | -46 |
| Other operating income | 379 | 114 | 503 | 213 | 782 | 492 | 0 | 0 |
| Operating profit | 1,569 | 1,222 | 2,510 | 2,087 | 4,891 | 4,468 | -43 | -29 |
| Net financial items | -22 | -51 | -57 | -83 | -124 | -150 | 416 | 502 |
| Profit after net financial items | 1,547 | 1,171 | 2,453 | 2,004 | 4,767 | 4,318 | 373 | 473 |
| Tax | -310 | -259 | -536 | -447 | -1,029 | -940 | 0 | -1 |
| Net profit | 1,237 | 912 | 1,917 | 1,557 | 3,738 | 3,378 | 373 | 472 |
| Net profit attributable to Parent shareholders | 1,216 | 899 | 1,878 | 1,533 | 3,665 | 3,320 | 373 | 472 |
| Net profit attributable to non-controlling interests | 21 | 13 | 39 | 24 | 73 | 58 | 0 | 0 |
| Net profit | 1,237 | 912 | 1,917 | 1,557 | 3,738 | 3,378 | 373 | 472 |
| Includes amortisation/depreciation according to plan as follows: | 357 | 350 | 702 | 679 | 1,320 | 1,297 | 0 | 0 |
| Net profit per share before and after dilution, SEK | 0.60 | 0.45 | 0.93 | 0.76 | 1.82 | 1.65 | 0 | 0 |

Statement of comprehensive income

| | | | | | | | | |
|---|--------------|-------------|--------------|--------------|--------------|--------------|------------|------------|
| Net profit | 1,237 | 912 | 1,917 | 1,557 | 3,738 | 3,378 | 373 | 472 |
| Other comprehensive income | | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | | |
| Actuarial gains and losses in retirement benefit plans | 57 | 90 | 57 | 90 | 96 | 129 | 0 | 0 |
| Tax | -12 | -19 | -12 | -19 | -19 | -26 | 0 | 0 |
| | 45 | 71 | 45 | 71 | 77 | 103 | 0 | 0 |
| Items that may be reclassified to profit or loss | | | | | | | | |
| Cash flow hedges | -15 | 8 | 3 | -5 | -4 | -12 | 0 | 0 |
| Hedging of net investment | -17 | 6 | -22 | -10 | -26 | -14 | 0 | 0 |
| Exchange differences on translation of foreign operations | 1,736 | -358 | 2,172 | 516 | 3,016 | 1,360 | 0 | 0 |
| Tax | -141 | 28 | -173 | -45 | -239 | -111 | 0 | 0 |
| | 1,563 | -316 | 1,980 | 456 | 2,747 | 1,223 | 0 | 0 |
| Total other comprehensive income | 1,608 | -245 | 2,025 | 527 | 2,824 | 1,326 | 0 | 0 |
| Total comprehensive income | 2,845 | 667 | 3,942 | 2,084 | 6,562 | 4,704 | 373 | 472 |
| Comprehensive income attributable to Parent shareholders | 2,820 | 655 | 3,896 | 2,059 | 6,468 | 4,631 | 373 | 472 |
| Comprehensive income attributable to non-controlling interest | 25 | 12 | 46 | 25 | 94 | 73 | 0 | 0 |
| Total comprehensive income | 2,845 | 667 | 3,942 | 2,084 | 6,562 | 4,704 | 373 | 472 |

Condensed balance sheet

| (SEK million) | Group | | | Parent | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
| Intangible assets | 21,375 | 19,355 | 20,363 | 0 | 0 | 0 |
| Property, plant and equipment | 6,773 | 5,599 | 6,131 | 0 | 0 | 0 |
| Financial assets | 904 | 658 | 629 | 16,749 | 16,669 | 16,428 |
| Total non-current assets | 29,052 | 25,612 | 27,123 | 16,749 | 16,669 | 16,428 |
| Inventories | 8,689 | 5,274 | 6,584 | 0 | 0 | 0 |
| Current receivables | 7,186 | 4,975 | 4,941 | 114 | 64 | 264 |
| Investments in securities, etc. | 181 | 208 | 224 | 0 | 0 | 0 |
| Cash and bank balances | 3,619 | 4,275 | 4,522 | 0 | 96 | 99 |
| Total current assets | 19,675 | 14,732 | 16,271 | 114 | 160 | 363 |
| Total assets | 48,727 | 40,344 | 43,394 | 16,863 | 16,829 | 16,791 |
| Equity | 24,358 | 19,039 | 21,657 | 8,441 | 9,105 | 9,076 |
| Non-current liabilities and provisions, non-interest-bearing | 5,631 | 4,741 | 5,252 | 1,248 | 532 | 542 |
| Non-current liabilities and provisions, interest-bearing | 7,212 | 7,522 | 7,505 | 5,500 | 5,501 | 5,500 |
| Current liabilities and provisions, non-interest-bearing | 7,891 | 5,732 | 6,165 | 74 | 191 | 73 |
| Current liabilities and provisions, interest-bearing | 3,635 | 3,310 | 2,815 | 1,600 | 1,500 | 1,600 |
| Total equity and liabilities | 48,727 | 40,344 | 43,394 | 16,863 | 16,829 | 16,791 |

Key ratios

| | | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--|------------|----------------|---------------|----------------|
| Growth | % | 25.9 | 16.3 | 13.6 |
| Operating profit | SEK m | 2,510 | 2,087 | 4,468 |
| Operating margin | % | 13.6 | 14.3 | 14.5 |
| Profit margin | % | 13.3 | 13.7 | 14.0 |
| Investments in non-current assets, including acquisitions | SEK m | 2,013 | 688 | 1,790 |
| Available cash and equivalents | SEK m | 4,195 | 4,877 | 5,208 |
| Working capital, incl. cash and bank balances as share of net sales | SEK m % | 11,784 34.0 | 9,000 30.8 | 10,106 32.8 |
| Working capital, excl. cash and bank balances as share of net sales | SEK m % | 7,984 23.1 | 4,517 15.5 | 5,360 17.4 |
| Interest-bearing liabilities/Equity | % | 44.5 | 56.9 | 47.7 |
| Equity/assets ratio | % | 50.0 | 47.2 | 49.9 |
| Return on capital employed | % | 15.1 | 16.8 | 15.2 |
| Return on capital employed, excluding revaluation of additional considerations | % | 15.1 | 15.4 | 15.1 |
| Return on equity | % | 16.2 | 19.0 | 17.3 |
| Return on equity, excluding revaluation of additional considerations | % | 16.2 | 17.3 | 17.2 |
| Net debt/EBITDA | times | 1.1 | 1.1 | 1.0 |
| Net debt/EBITDA, excluding revaluation of additional considerations | times | 1.1 | 1.1 | 1.0 |
| Interest coverage ratio | times | 13.8 | 13.8 | 16.6 |

Data per share

| | | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|---|-----|--------------|--------------|----------------|
| Net earnings per share (total 2,016,066,488 shares) | SEK | 0.93 | 0.76 | 1.65 |
| Equity per share | SEK | 12.07 | 9.36 | 10.63 |
| Closing day share price | SEK | 76.80 | 90.02 | 136.75 |

Sales by geographical region

| (SEK million) | NIBE Climate Solutions | NIBE Element | NIBE Stoves | Eliminations | Total |
|------------------------------|------------------------|--------------|--------------|--------------|---------------|
| Nordic region | 3,029 | 746 | 479 | -255 | 3,999 |
| Europe (excl. Nordic region) | 6,210 | 1,747 | 853 | -152 | 8,658 |
| North America | 2,356 | 1,993 | 338 | -14 | 4,673 |
| Other countries | 355 | 660 | 60 | 0 | 1,075 |
| Total | 11,950 | 5,146 | 1,730 | -421 | 18,405 |

Time of accounting for sales

| (SEK million) | NIBE Climate Solutions | NIBE Element | NIBE Stoves | Eliminations | Total |
|--|------------------------|--------------|--------------|--------------|---------------|
| Deliverables taken up as revenue once | 11,708 | 5,146 | 1,730 | -421 | 18,163 |
| Deliverables taken up as revenue gradually | 242 | 0 | 0 | 0 | 242 |
| Total | 11,950 | 5,146 | 1,730 | -421 | 18,405 |

SERVICE CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign one-year service contracts, under which NIBE undertakes to perform maintenance service and remedy certain defects that are not covered by the warranty provided. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers annually in advance, so deferred income will be taken up as revenue gradually over the coming 12-month period.

EXTENDED WARRANTY PERIOD CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign contracts for warranty periods that exceed those provided as standard. Standard warranty periods depend both on the type of product and the market in question. The longest contracts expire within six years. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers on delivery of goods. Deferred income will be taken up as revenue gradually over the coming six-year period.

Financial instruments measured at fair value

| (SEK million) | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|---|-------------|-------------|-------------|
| Current receivables | | | |
| Currency futures | 5 | 9 | 0 |
| Commodity futures | 0 | 0 | 2 |
| Total | 5 | 9 | 2 |
| Current liabilities and provisions, non-interest-bearing | | | |
| Currency futures | 0 | 0 | 0 |
| Commodity futures | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

No instruments have been offset in the statement of financial position, so all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 29 in the Annual Report for 2021. For other consolidated financial assets and liabilities, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 29 in the Annual Report for 2021.

Condensed cash flow statement

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|---|--------------|--------------|----------------|
| Cash flow from operating activities | 2,311 | 2,350 | 4,749 |
| Change in working capital | -2,046 | -987 | -1,486 |
| Investing activities | -1,228 | -1,122 | -2,011 |
| Financing activities | -273 | -635 | -1,502 |
| Exchange difference in cash and equivalents | 290 | 83 | 202 |
| Change in cash and equivalents | -946 | -311 | -48 |

Change in equity – summaries

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--------------------------------------|---------------|---------------|----------------|
| Opening equity | 21,657 | 17,737 | 17,737 |
| Shareholders' dividend | -1,008 | -781 | -781 |
| Dividend to non-controlling interest | -1 | -1 | -3 |
| Change in non-controlling interest | -232 | 0 | 0 |
| Comprehensive income for the period | 3,942 | 2,084 | 4,704 |
| Closing equity | 24,358 | 19,039 | 21,657 |

Alternative performance measures

Alternative performance measures are financial measures that are used by the company's management and by investors to evaluate the Group's profit and financial position using calculations that cannot be directly derived from the financial statements. The alternative performance measures provided in this report may be calculated using methods that differ from those used to produce similar measures that are used by other companies.

Net investments in non-current assets

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--|--------------|--------------|----------------|
| Acquisition of non-current assets | 2,021 | 695 | 1,825 |
| Disposal of non-current assets | -8 | -7 | -35 |
| Net investments in non-current assets, including acquisitions | 2,013 | 688 | 1,790 |

Available cash and equivalents

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|---------------------------------------|--------------|--------------|----------------|
| Cash and bank balances | 3,619 | 4,275 | 4,522 |
| Investments in securities, etc. | 181 | 208 | 224 |
| Unutilised overdraft facilities | 395 | 394 | 462 |
| Available cash and equivalents | 4,195 | 4,877 | 5,208 |

Working capital, including cash and bank balances

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|---|---------------|--------------|----------------|
| Total current assets | 19,675 | 14,732 | 16,271 |
| Current liabilities and provisions, non-interest-bearing | -7,891 | -5,732 | -6,165 |
| Working capital including cash and bank balances | 11,784 | 9,000 | 10,106 |
| Net sales past 12 months | 34,616 | 29,195 | 30,832 |
| Working capital, including cash and bank balances, in relation to net sales, % | 34.0 | 30.8 | 32.8 |

Working capital, excluding cash and bank balances

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--|--------------|--------------|----------------|
| Inventories | 8,689 | 5,274 | 6,584 |
| Current receivables | 7,186 | 4,975 | 4,941 |
| Current liabilities and provisions, non-interest-bearing | -7,891 | -5,732 | -6,165 |
| Working capital, excluding cash and bank balances | 7,984 | 4,517 | 5,360 |
| Net sales, past 12 months | 34,616 | 29,195 | 30,832 |
| Working capital excluding cash and bank balances relative to net sales, % | 23.1 | 15.5 | 17.4 |

Return on capital employed

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--|--------------|--------------|----------------|
| Profit after net financial items, past 12 months | 4,767 | 4,440 | 4,318 |
| Financial expenses, past 12 months | 312 | 451 | 276 |
| Profit before financial expenses | 5,079 | 4,891 | 4,594 |
| Revaluation of additional considerations | 7 | -390 | -30 |
| Profit, excluding revaluation of additional considerations | 5,086 | 4,501 | 4,564 |
| Capital employed at start of period | 31,977 | 28,396 | 28,396 |
| Capital employed at end of period | 35,206 | 29,871 | 31,977 |
| Average capital employed | 33,591 | 29,134 | 30,187 |
| Return on capital employed, % | 15.1 | 16.8 | 15.2 |
| Operating profit, excluding revaluation of additional considerations, % | 15.1 | 15.4 | 15.1 |

Return on equity

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--|--------------|--------------|----------------|
| Profit after net financial items, past 12 months | 4,767 | 4,440 | 4,318 |
| Standard tax rate, % | 20.6 | 20.6 | 20.6 |
| Profit after net financial items, after tax | 3,785 | 3,525 | 3,428 |
| Of which attributable to Parent shareholders | 3,712 | 3,468 | 3,370 |
| Equity at start of period | 21,438 | 17,588 | 17,588 |
| Equity at end of period | 24,326 | 18,865 | 21,438 |
| Average equity | 22,882 | 18,227 | 19,513 |
| Return on equity, % | 16.2 | 19.0 | 17.3 |

Return on equity, excluding revaluation of additional considerations

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|--|--------------|--------------|----------------|
| Profit after net financial items, past 12 months | 4,767 | 4,440 | 4,318 |
| Revaluation of additional considerations | 7 | -390 | -30 |
| Profit, excluding revaluation of additional considerations | 4,774 | 4,050 | 4,288 |
| Standard tax rate, % | 20.6 | 20.6 | 20.6 |
| Profit after net financial items, after tax | 3,791 | 3,216 | 3,405 |
| Of which attributable to Parent shareholders | 3,718 | 3,159 | 3,347 |
| Equity at start of period | 21,438 | 17,588 | 17,588 |
| Equity at end of period | 24,326 | 18,865 | 21,438 |
| Average equity | 22,882 | 18,227 | 19,513 |
| Return on equity, excluding revaluation of additional considerations, % | 16.2 | 17.3 | 17.2 |

Net debt/EBITDA

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|---|--------------|--------------|----------------|
| Non-current liabilities and provisions, interest-bearing | 7,212 | 7,522 | 7,505 |
| Current liabilities and provisions, interest-bearing | 3,635 | 3,310 | 2,815 |
| Cash and bank balances | -3,619 | -4,275 | -4,522 |
| Investments in securities, etc. | -181 | -208 | -224 |
| Net debt | 7,047 | 6,349 | 5,574 |
| Operating profit, past 12 months | 4,891 | 4,647 | 4,468 |
| Depreciation/amortisation and impairment, past 12 months | 1,434 | 1,283 | 1,297 |
| EBITDA | 6,325 | 5,930 | 5,765 |
| Revaluation of additional considerations | 7 | -390 | -30 |
| EBITDA, excluding revaluation of additional considerations | 6,332 | 5,540 | 5,735 |
| Net debt/EBITDA, multiple | 1.1 | 1.1 | 1.0 |
| Net debt/EBITDA, excluding revaluation of additional considerations, multiple | 1.1 | 1.1 | 1.0 |

Interest coverage ratio

| (SEK million) | Jan-Jun 2022 | Jan-Jun 2021 | Full year 2021 |
|-----------------------------------|--------------|--------------|----------------|
| Profit after net financial items | 2,453 | 2,004 | 4,318 |
| Financial expenses | 192 | 156 | 276 |
| Profit before financial expenses | 2,645 | 2,160 | 4,594 |
| Interest coverage ratio, multiple | 13.8 | 13.8 | 16.6 |

Accounting policies

NIBE Industrier's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the second quarter of 2022 has been drawn up in accordance with IAS 34 'Interim Financial Reporting'. Disclosures in accordance with IAS 34 16A are presented in the financial statements and related note information as well as in other parts of the interim report.

For the Group, the same accounting policies as those adopted for this report are described on pages 100-136 of the company's Annual Report for 2021.

Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ('Reporting for Legal Entities').

Related party transactions have taken place to the same extent as in the previous year and the same accounting policies have been applied as those described on page 101 of the company's Annual Report for 2021.

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to several business and financial risks. Risk management is, therefore, an important process relative to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2021.

The information in this report has not been reviewed by the company's auditors.

For further information on definitions, please refer to the company's Annual Report for 2021.

NIBE Industrier AB is obliged by Swedish law (the Securities Market Act and/or the Financial Instruments Trading Act) to publish the information in this interim report. This information was made available to the media for publication at 08:00 (CET) on 18 August 2022.

Please email any questions to:
Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se
Hans Backman, CFO, hans.backman@nibe.se

This interim report provides an accurate picture of the business activities, financial position and earnings of the Parent and the Group, and describes any significant risks and uncertainties faced by the Parent and the companies that comprise the Group.

Markaryd, Sweden, 18 August 2022

Hans Linnarson
Chairman of the Board

Georg Brunstam
Director

Eva Karlsson
Director

Jenny Larsson
Director

Gerteric Lindquist
Managing Director and
CEO

Anders Pålsson
Director

Eva Thunholm
Director

NIBE shares

NIBE shares, Q2

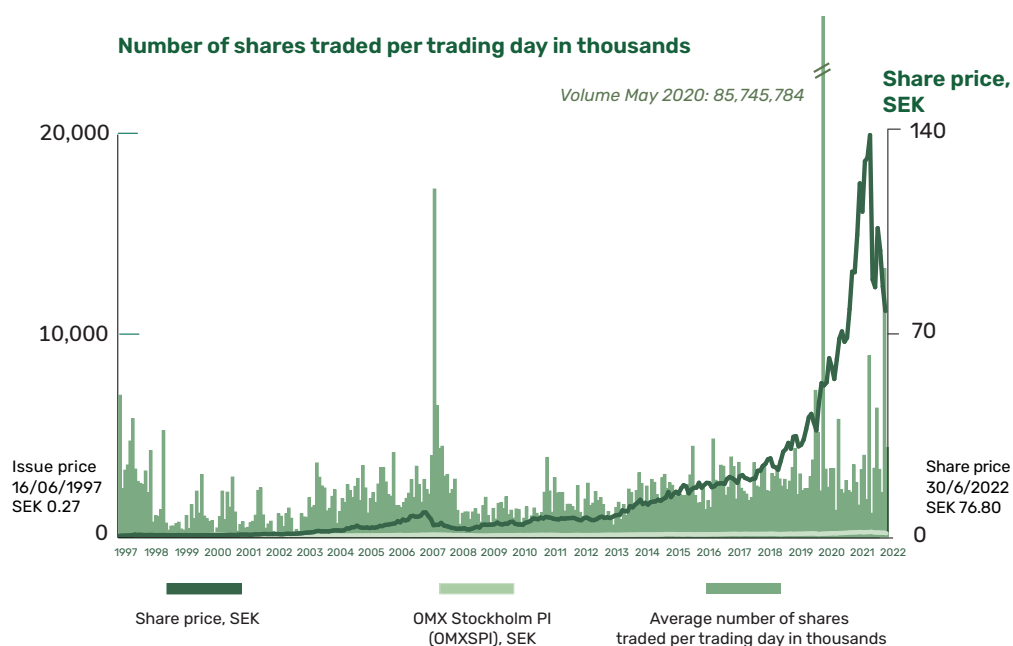
NIBE's class B shares are listed on the NASDAQ Nordic Large Cap list in Stockholm, with a secondary listing on the SIX Swiss Exchange in Zurich. The NIBE share's closing price on 30 June 2022 was SEK 76.80.

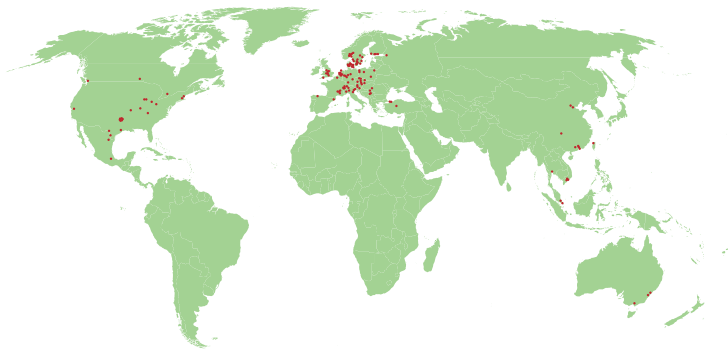
In the first half of 2022, NIBE's share price fell by 43.8%, from SEK 136.75 to SEK 76.80. In the same period, the OMX Stockholm PI (OMXSPI) fell by 28.2%.

This means that, at the end of June 2022 the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 154,834 million.

A total of 425,960,475 NIBE shares were traded, which corresponds to a share turnover of 42.3% in the first half of 2022.

All figures were recalculated following the 4:1 splits implemented in 2003, 2006, 2016 and May 2021, and the dilution effect of the preferential rights issue in October 2016.





NIBE Group

– a global Group with companies and a presence world-wide

NIBE Group is a global organisation that contributes to a lower carbon footprint and better utilisation of energy. In our three business areas – Climate Solutions, Element and Stoves – we develop, manufacture and market a wide range of environmentally-friendly, energy-efficient solutions for indoor climate comfort in all types of properties, plus components and solutions for intelligent heating and control in industry and infrastructure.

Since its beginnings in the town of Markaryd in the province of Småland 70 years ago, NIBE has grown into a global Group with 20,400 (18,700) employees on average and a global presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for corporate social responsibility. Its success factors are long-term investments in sustainable product development and strategic acquisitions. Combined, these factors have brought about strong, targeted growth, which generated sales of just over SEK 30 billion (SEK 27 billion) in 2021.

NIBE has been listed under the name NIBE Industrier AB on the Nasdaq Nordic Large Cap list since 1997, with a secondary listing on the SIX Swiss Exchange since 2011.

NIBE

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