



Interim Report 2, 2023

- › **SALES** totaled SEK 23,479 (18,405) million
- › **PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 3,355 (2,453) million
(Profit after net financial items in 2022 positively affected by SEK 118 million in respect of one-off events;
SEK -114 million in the first quarter and SEK +232 million in the second quarter)
- › **PROFIT AFTER TAX** was SEK 2,597 (1,917) million
- › **EARNINGS** per share before and after dilution, based on the average number of shares outstanding during the period, were SEK 1.28 (SEK 0.93)
- › **ACQUISITION OF**
 - 65% of the shares in the Canadian stove company Miles Industries Ltd
 - 100% of the shares in the Dutch group Climate for Life
 - 83% of the shares in the Portuguese company Solzaima (July)
 - 77.5% of the shares in the Irish element company Ceramicx Ireland Ltd (July)

Strong first half of the year

Continued strong demand and clear improvement in supply chain situation.

The Group's sales for the first half of the year grew by 27.6% (25.9%), of which 22.1% (23.8%) was organic growth. The weak Swedish krona had a slightly positive effect on sales, as did the price increases we have introduced in the last 12 months in order to compensate for price increases in our supply chain. In real terms, however, organic growth was well above the target of 10%.

When comparing the first two quarters of the year with the corresponding period in the previous year, it is necessary to bear in mind that the period, fairly good growth notwithstanding, was characterized by the inability of our sub-suppliers to deliver requested quantities, while at the same time increasing their prices both frequently and steeply; increases which we were not able to immediately fully compensate for.

Demand mostly remained high, primarily due to the transition to a more sustainable society and as result of measures by end-consumers to mitigate continued expected large fluctuations in energy prices. Our sub-suppliers' delivery capacity and delivery reliability improved further in the latter part of the period. This, in turn, means that we have gradually returned to more normal delivery times and our assessment is that we will have fully restored our delivery performance in the second half of the year.

The higher rate of acquisitions is also pleasing and the completed acquisitions also give us an increased market presence, new product offerings and good insight into new business models.

Calendar

August 17, 2023

08:00 (CEST) Interim Report 2, January – June 2023

11:00 (CEST) Teleconference (in English):

Presentation of Interim Report 2, 2023 and opportunity to ask questions.

Registration on our website www.nibe.com is required in order to access the presentation images and to obtain a code to be able to ask questions.

November 15, 2023

Interim Report 3, January – September 2023

February 16, 2024

Year-end report

May 16, 2024

Interim Report 1, January – March 2024

Annual General Meeting

The business area NIBE Climate Solutions continued to report good sales growth in all targeted markets in Europe. The North American market too showed positive development, primarily as a result of the US administration's large transition program, the Inflationary Reduction Act (IRA), the aim of which is to promote sustainability in the USA. We were also very pleased to see a gradual improvement in our sub-suppliers' delivery capacity in the latter part of the period. Against this background, our assessment is that we will be able to return to a more normal delivery situation in the second half of the year.

The very extensive investment program is proceeding to plan. The aim of the investments is to meet future needs for fast and efficient product development, increased production capacity with a focus on automation, and a genuine market presence based on the best customer service.

Following the almost chaotic growth in the market for heat pumps in the last two and a half years, a number of countries, including Denmark, Italy, Poland and Germany, have entered into a much calmer growth phase, mostly because of ongoing reviews of the design of future subsidies. However, the assessment is that the slower pace in demand, which may even have given the heat pump sector essential breathing space, will be short-lived, because of the large and evident pressure to transition to sustainable climate control solutions.

Strong sales growth, combined with improved productivity and better price balance, contributed to a sharp improvement in operating profit. This, in turn, has further boosted the operating margin too. Compared to the corresponding period in the previous year, it is important to remember that the first-half operating margin in 2022 was boosted by combined non-recurring effects of SEK 118 million.

The business area NIBE Stoves reported continued good growth in the wood-fired products category in Europe, while both gas-fired products and pellet stoves recorded weaker development. Demand in North America has returned to pre-pandemic levels. The delivery situation for wood-fired products has remained strained due to shortages of a number of critical input goods. However, the situation improved in the latter part of the period and we, therefore, estimate that we will be able to return to a normal delivery situation in the second half of the year.

An ambitious investment programme is underway in this business area too, the aim of which is to secure future needs for capacity as well as efficient, highly automated production.

In terms of development, we continue to focus fully on reducing particle emissions from our future wood-fired products, and we believe the Contura Zero concept will provide a significant opportunity for growth in the future.

Our operating profit improved thanks to increased sales, better price balance and good control of fixed costs. Despite changes in the demand mix, which in turn necessitated organizational adaptations, the operating margin remained at the same level as in the previous year.

The business area NIBE Element also recorded mostly strong demand, particularly in product areas associated with sustainability, energy efficiency, electrification and electricity generation. We see continued good performance in these market segments, which is why we are continuously making significant investments in the development of these areas. However, the performance of pure consumer goods remained significantly weaker due to higher interest rates, which have led to a decrease in consumption. Demand in the semiconductor industry was also down, primarily due to US trade restrictions in respect of high-tech exports to China. However, demand is expected to increase again next year as semiconductor production capacity in both North America and Europe is currently being expanded.

In the same way as in our other two business areas, delivery disruptions among our subcontractors have caused a lot of problems for a long time, but we are seeing a clear improvement in this area too. Against this background, our assessment is that we will be able to return to more normal delivery stability in the second half.

Our large product range has enabled us to offset downturns in some product segments with growth in others, meaning that growth overall has been good.

Our rapid adaptability notwithstanding, both our operating profit and operating margin declined due to rapid changes in demand in the various product segments. A further contributing factor were the large ongoing development costs relating to our extensive future-oriented projects.

Investments

Investments in our existing activities in the first half amounted to SEK 1,382 million, compared to SEK 1,017 million in the corresponding period of the previous year. Excluding leases, depreciation amounted to SEK 579 million, compared to SEK 545 million for the first half of the previous year. In view of the expected continued good market conditions in all three business areas, together with further automation, rationalizations and sustainable development, the rate of investment in our existing businesses will remain high. In the next three to four years alone, accumulated investments are expected to amount to around SEK 10 billion, of which around half will comprise of increased production capacity.

Profit

Operating profit for the first half-year improved by 43.5% compared to the corresponding period in the previous year and the operating margin rose from 13.6% to 15.3%.

Profit after net financial items improved by 36.8% in the first half and the profit margin rose to 14.3% from 13.3% in the previous year.

Excluding the one-off effect of write-downs of SEK 114 million in respect of our Russian operations in the first quarter of 2022, and the one-off gain of SEK 232 million on the sale of our shares in Schultess in the second quarter of 2022, the operating margin in the first six months of 2022 would have been 13.0% and the profit margin 12.7%.



Gerteric Lindquist
Managing Director and CEO

Outlook for 2023

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times because the transition to a fossil-free society is considered to be irrevocable.
- We are well prepared to continue being proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost control, 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 pandemic effects are continuing to fade, which is a very significant and positive factor.
- The problems relating to sub-suppliers are expected to gradually improve over the year.
- The effects of the war in Ukraine, general political unrest, interest rate developments and high energy prices are factors that are difficult to predict, however.
- However, as is our habit, and based on experience, we remain cautiously optimistic about our full-year performance.

Markaryd, August 17, 2023

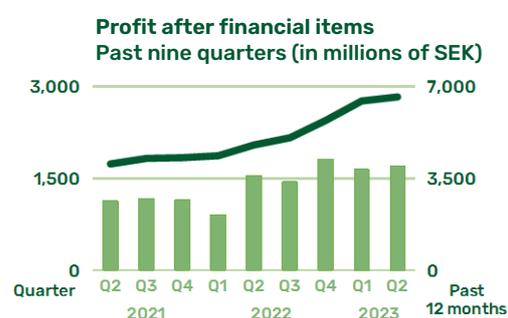
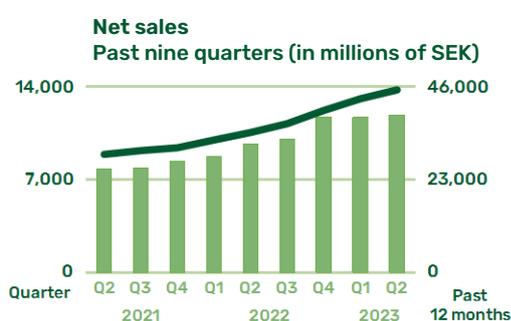
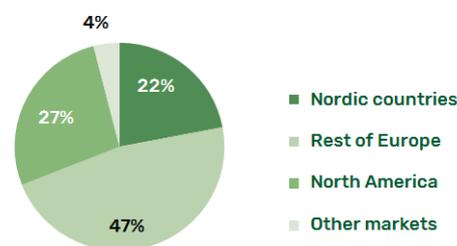
A handwritten signature in blue ink, appearing to read 'Gerteric Lindquist'. The signature is fluid and cursive, written over a faint grid or background.

Gerteric Lindquist
Managing Director and CEO

NIBE Group

| Key figures | | Q1-Q2 2023 | Q1-Q2 2022 | Past 12 months | Full year 2022 |
|----------------------------------|-------|---------------|---------------|-------------------|----------------------|
| Net sales | SEK m | 23,479 | 18,405 | 45,145 | 40,071 |
| Growth | % | 27.6 | 25.9 | 30.4 | 30.0 |
| of which acquired | % | 5.5 | 2.1 | 5.2 | 3.5 |
| Operating profit | SEK m | 3,602 | 2,510 | 6,955 | 5,863 |
| Operating margin | % | 15.3 | 13.6 | 15.4 | 14.6 |
| Profit after net financial items | SEK m | 3,355 | 2,453 | 6,577 | 5,675 |
| Profit margin | % | 14.3 | 13.3 | 14.6 | 14.2 |
| Equity/assets ratio | % | 51.3 | 50.0 | 51.3 | 51.8 |
| Return on equity | % | 17.7 | 16.2 | 18.9 | 18.1 |

Group sales by geographical region



Sales

The Group's net sales totaled 23,479 million (SEK 18,405 million). This corresponds to growth of 27.6%. Of the total increase in sales of SEK 5,074 million, acquired sales amounted to SEK 1,017 million, which means that organic sales increased by 22.1%.

Profit

Profit after net financial items for the period was SEK 3,355 million. This equates to a 36.8% increase in earnings compared with 2022. In 2022 profit after net financial items amounted to SEK 2,453 million. Net financial items amounted to SEK -247 million at the end of the period, an increase of SEK 190 million compared with the same period in the previous year. The increase in net financial costs was due the general interest rate situation because the Group's credit facilities mostly have variable interest rates. Profit for the period was burdened by acquisition costs of SEK 40 (7) million. Return on equity, was 17.7% (16.2%).

Acquisitions

At the beginning of January 2023, we acquired 65% of the shares in the Canadian stove company Miles Industries Ltd, which has sales of around CAD 75 million. We have an agreement to acquire the outstanding shares not later than in 2026. The company was consolidated into NIBE Stoves as of January 2023. The acquisition balance sheet is still provisional. In June, we entered into an agreement to acquire all shares in the Dutch group Climate for Life, which has sales of around EUR 221 million. The Netherlands Competition Authority approved the acquisition in July. The company will form part of NIBE Climate Solutions and will be consolidated into the group with effect from August 2023.

Significant events after the end of the period

At the beginning of July, we signed an agreement to acquire 83% of the shares in the Portuguese stove company Solzaima. The company has sales of around EUR 20 million. Solzaima will form part of NIBE Stoves and will be consolidated with effect from August 2023.

In July, we also concluded an agreement to acquire 77.5% of the shares in the Irish elements company Ceramicx Ireland Limited, which has sales of around EUR 10 million. We have an agreement to acquire the outstanding shares in 2025. The company will form part of NIBE Element and will be consolidated with effect from August 2023.

Investments

The Group invested a total of SEK 2,144 (2,013) million in the period. Of the investments, SEK 762 (996) million relates to acquisitions of business operations. The remaining SEK 1,382 (1,017) million mainly comprised of investments in machinery and equipment and buildings in existing operations. The investment amounts relating to acquisitions comprise of both initial considerations and estimated additional considerations to be paid.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 3,081 (2,311) million. Cash flow after changes in working capital amounted to SEK 1,423 (265) million. The increase in working capital was primarily due to stockbuilding ahead of the peak season.

Interest-bearing liabilities at the end of the period amounted to SEK 13,278 million. At the start of the year, the corresponding figure was SEK 11,357 million. The increase in liabilities since the beginning of the year was due to investments in the Group's production facilities and business acquisitions. The equity/assets ratio at the end of the period was 51.3%, compared with 51.8% at the start of the year and 50.0% at the corresponding time of the previous year.

Parent

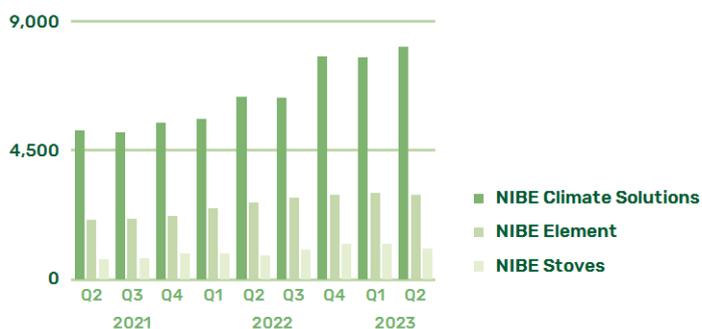
Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the year totaled SEK 27 (25) million and profit after financial items was SEK 838 (373) million.

Business area trends

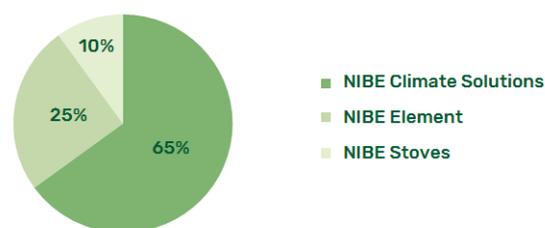
Quarterly data

| Consolidated income statement (SEK million) | 2023 | | 2022 | | | | 2021 | | |
|--|---------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| | Q1 | Q2 | Q1 | Q2 | Q3 | Q4 | Q2 | Q3 | Q4 |
| Net sales | 11,646 | 11,833 | 8,749 | 9,656 | 9,999 | 11,667 | 7,790 | 7,823 | 8,388 |
| Operating expenses | -9,891 | -9,986 | -7,808 | -8,087 | -8,534 | -9,779 | -6,568 | -6,621 | -7,209 |
| Operating profit | 1,755 | 1,847 | 941 | 1,569 | 1,465 | 1,888 | 1,222 | 1,202 | 1,179 |
| Net financial items | -101 | -146 | -35 | -22 | -14 | -117 | -51 | -31 | -36 |
| Profit after net financial items | 1,654 | 1,701 | 906 | 1,547 | 1,451 | 1,771 | 1,171 | 1,171 | 1,143 |
| Tax | -380 | -378 | -226 | -310 | -343 | -401 | -259 | -260 | -233 |
| Net profit | 1,274 | 1,323 | 680 | 1,237 | 1,108 | 1,370 | 912 | 911 | 910 |
| Net sales, business areas | | | | | | | | | |
| NIBE Climate Solutions | 7,736 | 8,122 | 5,583 | 6,367 | 6,344 | 7,782 | 5,199 | 5,142 | 5,476 |
| NIBE Element | 3,013 | 2,957 | 2,474 | 2,672 | 2,842 | 2,937 | 2,082 | 2,125 | 2,214 |
| NIBE Stoves | 1,250 | 1,086 | 900 | 830 | 1,042 | 1,239 | 696 | 746 | 904 |
| Elimination of Group transactions | -353 | -332 | -208 | -213 | -229 | -291 | -187 | -190 | -206 |
| Group total | 11,646 | 11,833 | 8,749 | 9,656 | 9,999 | 11,667 | 7,790 | 7,823 | 8,388 |
| Operating profit, business areas | | | | | | | | | |
| NIBE Climate Solutions | 1,353 | 1,538 | 612 | 1,204 | 1,022 | 1,500 | 900 | 907 | 852 |
| NIBE Element | 280 | 243 | 250 | 299 | 325 | 249 | 223 | 213 | 224 |
| NIBE Stoves | 165 | 101 | 103 | 95 | 137 | 216 | 82 | 103 | 143 |
| Elimination of Group transactions | -43 | -35 | -24 | -29 | -19 | -77 | 17 | -21 | -40 |
| Group total | 1,755 | 1,847 | 941 | 1,569 | 1,465 | 1,888 | 1,222 | 1,202 | 1,179 |

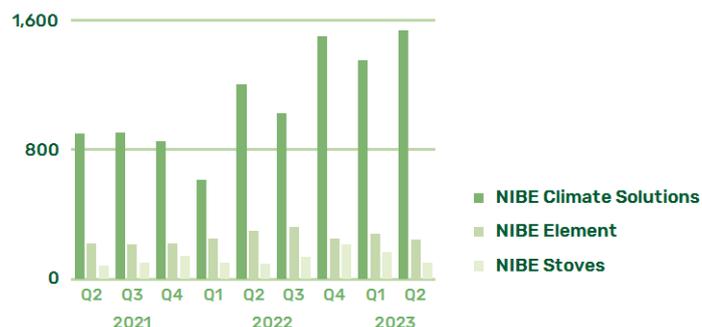
Sales per business area, last nine quarters (SEK million)



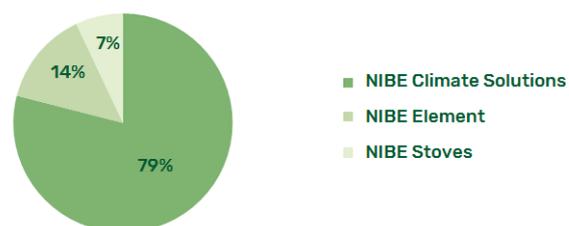
Each business area's share of total sales (Q1-Q2, 2023)



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



Each business area's share of total profit (Q1-Q2, 2023)



Business area NIBE Climate Solutions

| Key figures | | Q1-Q2 2023 | Q1-Q2 2022 | Past 12 months | Full year 2022 |
|-----------------------------------|-------|---------------|---------------|-------------------|----------------------|
| Net sales | SEK m | 15,858 | 11,950 | 29,984 | 26,076 |
| Growth | % | 32.7 | 25.7 | 32.9 | 29.6 |
| of which acquired | % | 4.2 | 2.7 | 4.4 | 3.7 |
| Operating profit | SEK m | 2,891 | 1,816 | 5,413 | 4,338 |
| Operating margin | % | 18.2 | 15.2 | 18.1 | 16.6 |
| Assets | SEK m | 37,127 | 30,378 | 37,127 | 33,813 |
| Liabilities | SEK m | 7,102 | 5,769 | 7,102 | 6,504 |
| Investments in non-current assets | SEK m | 1,024 | 680 | 1,780 | 1,436 |
| Amortisation/Depreciation | SEK m | 455 | 425 | 905 | 875 |

Sales and profit

Sales for the period totaled SEK 15,858 million, compared with SEK 11,950 million in the corresponding period of the previous year. Of the increase in sales of SEK 3,908 million, acquired sales accounted for SEK 507 million, which means that organic growth was 28.5%.

Operating profit for the period amounted to SEK 2,891 million, compared with SEK 1,816 million in the corresponding period in the previous year. This equates to an operating margin of 18.2%, compared with 15.2% in the previous year. This means the operating margin for the past 12 months is 18.1%.

Market

We are seeing large international and growing interest in heat pumps in order to bring forward the transition to more energy-efficient and environmentally friendly climate control in both small and large buildings. Our order backlog remains high and, thanks to a significant improvement in delivery performance, our delivery times are expected to gradually return to more reasonable levels in the second half of the year.

Heat pumps are rapidly becoming the solution of choice when it comes to reducing energy consumption related to the climate control of buildings and for reducing carbon dioxide emissions throughout Europe. We continue to see good demand for all our heat pump solutions. The market in North America is also starting to show positive development thanks to the transition programs relating to sustainability that have been introduced by the US government and because of increased awareness among end-consumers about the need to find sustainable alternatives to current indoor climate control solutions, which are primarily based on fossil fuels



Employees from different parts of Europe congregated in Markaryd, Sweden, for NIBE's marketing event. "It felt very inspiring to be able to get together, particularly now, when Europe too has realized that heat pumps are a perfect part of the solution when it comes to creating a fossil-free society based on sustainable energy solutions. It was a good opportunity to share competence and experience as we continue to grow in the European market", said Andreas Johnsson, Head of Marketing at NIBE Energy Systems.

To solve the climate change issue, in which climate control of buildings is a major factor, in a growing number of countries the clear objective is to phase out products that use the fossil fuels oil and gas over time, which will benefit our industry both in the short and long term. Most of our targeted markets, therefore, continue to show very good growth. Some markets have seen a slight drop-off in demand, primarily due to lack of political clarity. For example, in Germany, Italy, Poland and Denmark there is uncertainty relating to the design of future subsidies and the dates when they will be introduced, which is dampening demand in the short term.

In the Netherlands, which has made a lot of progress in the transition to fossil-free fuels, the market for heat pumps remains strong. The German market, which is important to us, has so far recorded extremely strong growth, partly thanks to favorable state subsidies for replacing existing oil and gas boilers with heat pumps, and partly due to the urgent need to end reliance on Russian oil and gas. However, an intense political debate is currently underway about the size and time-frame of future subsidies, and this is expected to temporarily dampen demand until the authorities provide clarity in these matters during the fall.

All the Nordic markets are also growing, which benefits us as the market leader in all the Nordic countries.

Our units in Eastern Europe, with the exception of Poland, are also reporting strong expansion. Several of these markets, where we are well represented both through our own production of water heaters and sales of heat pumps, are growing very rapidly as result of efforts to reduce reliance on coal, gas and oil. The main thing holding back sales in Poland is the ongoing political debate around the design of continued subsidies.

The rate of growth in the Swedish domestic market for heat pumps was good, as the industry's delivery capacity in respect of heat pumps has improved. Underlying demand remains strong in the replacement products market, while new production of single-family houses has continued to slow down markedly. We have a strong market position in both segments, which enables us to adapt to changes in the market.

Sweden, an example of how heat pumps make a difference

During Sweden's presidency of the Council of the European Union, RISE Research Institutes of Sweden, the Museum of Technology, KTH Royal Institute of Technology and NIBE held a heat pump conference in Stockholm together aimed at promoting heat pumps. Both the IEA and the EU have identified heat pumps as a key technology for the RePower EU project and for reducing carbon dioxide emissions caused by the climate control of buildings worldwide. Leading decision-makers, researchers and industry representatives gave presentations on how Sweden has minimized carbon dioxide emissions in the building stock over two decades, what the current perception of heat pumps is and what the future opportunities are. The conference motto was 'Working together to realize the sustainable energy solutions of tomorrow'.



The conference offered several opportunities for networking.



The extensive program included some fifteen internationally renowned speakers and interesting panel discussions.

Operations

We remained fully focused on sharply increasing our production capacity in the first half of the year. This, combined with a sharp increase in capacity among the sub-suppliers that supply our most critical components, meant that we have begun to be able to offer a completely different level of stability in our delivery commitments. We have also seen a positive change in North America, where low unemployment has been a challenge when it comes to finding and retaining workers.

Large investments in capacity are being implemented at several of our European operations. At NIBE in Markaryd, Sweden our investment in an additional production line for air to water heat pumps has enabled us to double our production capacity in this sharply growing segment in Europe. The brand new factory for heat pump production was ready at the end of June and production will be fully under way in the fourth quarter. Enertech/CTC in Ljungby, Sweden is also expanding its production capacity and is in the process of moving into the acquired neighboring property. In Germany, AIT has started production in a new heat pump facility in order to meet demand for production capacity. In parallel with this, we are also expanding our production capacity of pressure vessels, which are an important component of heat pump installations.

We are continuing to implement large-scale international marketing campaigns. Both the EU and the IEA (International Energy Agency) have identified heat pumps as a key technology in the transition to renewable energy sources and consequently in reducing carbon dioxide emissions. Because Sweden has led the way in the transition from fossil fuels to heat pumps, in May, during Sweden's Presidency of the Council of the European Union, we arranged a well attended international heat pump conference in Stockholm, Sweden together with RISE, the Museum of Technology and KTH Royal Institute of Technology. The theme was 'Decarbonization of the European Heating Sector' and the keynote speakers were Sweden's Energy Minister and the IEA's Director of Sustainability.

We are continuously focusing major resources on product development and the introduction of high-performance products in all application areas. This is one of the basic requirements for continued expansion. We are at the vanguard and have already launched the natural refrigerant R290 for two of our three heat pump families, which means we are ahead of EU requirements.

Our brand new innovation center in Markaryd, Sweden has partially come on stream and the remaining parts will be ready for occupancy in the fall. The center will enable us to safeguard the quality of our future product development and attract new development engineers.

The acquisition of the Dutch group Climate for Life means that, together, we will be one of the major suppliers of climate control solutions in Europe and it also gives us wide geographical coverage. Our product ranges complement each other and there is significant potential in certain segments in which NIBE Climate Solutions was previously underrepresented. The acquisition also gives us good insight into new business models.

Operating profit improved sharply as a result of volume growth and improved materials supply, together with a continued cautious approach to fixed costs. Exchange rates also had a slightly positive impact, while our own price increases have now taken almost full effect. Overall, this meant that the first-half operating margin improved significantly compared with the corresponding period in the previous year.

Business area NIBE Stoves

| Key figures | | Q1-Q2 2023 | Q1-Q2 2022 | Past 12 months | Full year 2022 |
|-----------------------------------|-------|---------------|---------------|-------------------|----------------------|
| Net sales | SEK m | 2,336 | 1,730 | 4,617 | 4,011 |
| Growth | % | 35.0 | 23.5 | 36.6 | 31.5 |
| of which acquired | % | 20.9 | 0.0 | 15.6 | 5.4 |
| Operating profit | SEK m | 266 | 198 | 619 | 551 |
| Operating margin | % | 11.4 | 11.4 | 13.4 | 13.7 |
| Assets | SEK m | 6,622 | 4,327 | 6,622 | 5,000 |
| Liabilities | SEK m | 1,162 | 691 | 1,162 | 1,042 |
| Investments in non-current assets | SEK m | 137 | 45 | 215 | 123 |
| Amortisation/Depreciation | SEK m | 83 | 66 | 166 | 150 |

Sales and profit

Sales for the period totaled SEK 2,336 million, compared with SEK 1,730 million in the corresponding period of the previous year. Of the increase in sales of SEK 606 million, acquired sales accounted for SEK 362 million, which means that organic growth was 14.1%.

Operating profit for the period totaled SEK 266 million, compared with SEK 198 million the previous year. This means the operating margin was 11.4%, unchanged compared with the previous year. This means that the operating margin for the past 12 months is 13.4%.

Market

Sales of wood-fired stove products in Europe remain at a high level after more than a year of very strong demand, which is primarily due to Russia's invasion of Ukraine and the subsequent turbulent external environment. During this period, many consumers have chosen to invest in a secondary source of heating to safeguard future heat supply. Following an extraordinarily sharp rise, demand is now returning to more normal levels, but the entire industry sector still has large backlogs of orders.

Demand in Scandinavia remains good, and there is a lot of interest in investing in stove products. Rising interest rates and uncertainty around future economic developments are affecting both the residential refurbishment and new construction markets, which in turn will also impact the stove sector in the long term.

In Germany, which was one of the markets reporting the largest growth in 2022, demand remains strong. It is clear that the dependence on gas must be reduced, which means interest in alternative heat sources is growing. Demand is also driven by government requirements under which older products that do not meet applicable Ecodesign requirements will not be allowed in the future.

In the UK too, demand for wood-fired products has remained strong, with the high energy costs in 2022 providing an incentive to invest in modern, more efficient stoves. However, demand for gas-fired and electric stoves was very weak in the first half of the year.

In France, rising pellet prices resulted in consumers choosing to invest in wood-fired products instead. This contributed to a very sharp change in the demand mix, at the same time as the total market increased in the year to date.

The North American stove market saw weaker growth in the first half of the year. Demand for gas-fired products, which continue to account for the bulk of the market, has declined and is now back to the more normal levels seen before the pandemic. Demand for wood-fired products has also declined, while interest in electric stoves is growing steadily, albeit from a low level.

Operations

In common with all other operators in this industry sector, we still have a large order backlog, resulting in long delivery times for new orders. We are working hard to increase volumes at our production plants and we expect to see gradual improvement in delivery capacity in the second half of the year. In North America, production capacity for gas-fired products has been adjusted to match prevailing market conditions.

Stovax Heating Group's brand new production facility in the UK opened at the start of the second half of the year. All operations under the brands Stovax and Gazco are housed in the same property, which is key to continued profitable expansion. The building is another step towards our goal to achieve our sustainability targets in respect of both good working conditions and reduced energy consumption and lower CO2 emissions.

Intensive development work is under way on the commercialization of the new future concept Contura Zero, which was presented earlier this year and which will facilitate a significant reduction in particle emissions without compromising product design or flame visibility.

Our operating profit increased in the first half of the year as a result of higher sales volumes together with essential price increases, favorable exchange rates and a continued cautious approach to fixed costs. However, the operating margin was impacted by sharp fluctuations in demand between the various product groups and by adaptation to prevailing demand in the North American operations.



Stovax & Gazco's newly built facility has top-of-the-range R&D laboratories, brand new production lines and offices featuring innovative solutions for a good work environment and increased productivity. Gathering together several activities in a single new facility of 19,000 square meters will also reduce energy consumption and environmental impact.

Business area NIBE Element

| Key figures | | Q1-Q2 2023 | Q1-Q2 2022 | Past 12 months | Full year 2022 |
|-----------------------------------|-------|---------------|---------------|----------------------|----------------------|
| Net sales | SEK m | 5,970 | 5,146 | 11,749 | 10,925 |
| Growth | % | 16.0 | 26.0 | 23.9 | 29.7 |
| of which acquired | % | 2.9 | 1.3 | 2.7 | 1.9 |
| Operating profit | SEK m | 523 | 549 | 1,097 | 1,123 |
| Operating margin | % | 8.8 | 10.7 | 9.3 | 10.3 |
| Assets | SEK m | 15,263 | 12,930 | 15,263 | 14,100 |
| Liabilities | SEK m | 3,404 | 2,339 | 3,404 | 2,276 |
| Investments in non-current assets | SEK m | 338 | 303 | 644 | 609 |
| Amortisation/Depreciation | SEK m | 256 | 211 | 504 | 459 |

Sales and profit

Sales for the period totaled SEK 5,970 million, compared with SEK 5,146 million in the corresponding period in the previous year. Of the increase in sales of SEK 824 million, acquired sales accounted for SEK 147 million, which means that organic sales increased by 13.1%.

Operating profit for the period totaled SEK 523 million, compared with SEK 549 million in the previous year. This equates to an operating margin of 8.8%, compared with 10.7% for the previous year. This means that the operating margin for the past 12 months is 9.3%.

Market

Demand remained good in several of the business area's market segments in the first half, but there were large variations between segments. Even though the situation has improved since the previous year, both demand and deliveries were still affected by disruptions in international supply chains. This requires significant flexibility and preparedness, as well as gradual adaptation of operations.

We saw a strong increase in demand in several of our most important 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 for the wind power industry declined as a result of a significantly smaller number of projects in 2023, largely due to delays in the processing of permits. However, the industry expects this market to improve significantly next year.

Demand for products in the consumer segment, such as domestic appliances and direct electric heating, declined sharply compared with the previous year. This was due to a combination of lower consumer demand and inventory adjustments by our customers.

Electrification of vehicles means new business opportunities for us, both with regard to passenger cars and commercial vehicles. We are conducting a number of development projects with large international customers and the products will enter series production next year. The projects relate to several of our product areas and production facilities.

Demand in the semiconductor industry has been weak since the USA introduced trade restrictions in respect of exports of advanced technology to China at the end of 2022. Investments in expanding the semiconductor industry in both North America and Europe in order to reduce dependence on Asia in this important technology area will boost demand in the long term. Demand in the semiconductor industry has also historically been cyclical, and when demand falls in certain product segments, the semiconductor industry's investments also decline. However, demand is expected to recover again in 2024, partly driven by new AI applications. We will also be launching a number of new products within the semiconductor segment going forward.

Operations

To meet growing demand in segments with strong organic growth, we have continued to increase production capacity in our units both through new recruitment and capacity investments. At the same time, we are reducing production capacity in segments with falling demand. 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%.

Exchange rates remain volatile, which significantly impacts pricing and competitiveness. In this situation, our international presence with production units in different currency zones gives us a clear advantage. In general, there are labor shortages in many of the countries where we have production units.

Despite falling demand in certain key product segments, overall growth has been strong. Although all operations have rapidly adapted to prevailing demand, the operating profit has been adversely affected by the short-term drop in demand in certain profitable growth segments, at the same time as we have absorbed costs from investments in those segments in order to meet an expected increase in demand in the coming years.



Danotherm's resistor business, which is operated in conjunction with Backer OBR, celebrates its 20th anniversary. The business was founded in 2003 by four people and has grown into a successful operation with 130 employees based in modern premises of 6,000 square meters.

Condensed income statement

| (SEK million) | Group | | | | | | Parent | |
|---|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|
| | Q2 2023 | Q2 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Past 12 months | Full year 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
| Net sales | 11,833 | 9,656 | 23,479 | 18,405 | 45,145 | 40,071 | 27 | 25 |
| Cost of goods sold | -7,877 | -6,631 | -15,625 | -12,804 | -30,283 | -27,462 | 0 | 0 |
| Gross profit | 3,956 | 3,025 | 7,854 | 5,601 | 14,862 | 12,609 | 27 | 25 |
| Selling expenses | -1,525 | -1,203 | -3,030 | -2,368 | -5,583 | -4,921 | 0 | 0 |
| Administrative expenses | -815 | -632 | -1,592 | -1,226 | -3,014 | -2,648 | -98 | -68 |
| Other operating income | 231 | 379 | 370 | 503 | 690 | 823 | 0 | 0 |
| Operating profit | 1,847 | 1,569 | 3,602 | 2,510 | 6,955 | 5,863 | -71 | -43 |
| Net financial items | -146 | -22 | -247 | -57 | -378 | -188 | 909 | 416 |
| Profit after net financial items | 1,701 | 1,547 | 3,355 | 2,453 | 6,577 | 5,675 | 838 | 373 |
| Tax | -378 | -310 | -758 | -536 | -1,502 | -1,280 | 0 | 0 |
| Net profit | 1,323 | 1,237 | 2,597 | 1,917 | 5,075 | 4,395 | 838 | 373 |
| Net profit attributable to Parent shareholders | 1,319 | 1,216 | 2,589 | 1,878 | 5,062 | 4,351 | 838 | 373 |
| Net profit attributable to non-controlling interest | 4 | 21 | 8 | 39 | 13 | 44 | 0 | 0 |
| Net profit | 1,323 | 1,237 | 2,597 | 1,917 | 5,075 | 4,395 | 838 | 373 |
| Includes amortisation/depreciation according to plan as follows | 403 | 357 | 794 | 702 | 1,576 | 1,484 | 0 | 0 |
| Net profit per share before and after dilution, SEK | 0.65 | 0.60 | 1.28 | 0.93 | 2.51 | 2.16 | 0 | 0 |

Statement of comprehensive income

| | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| Net profit | 1,323 | 1,237 | 2,597 | 1,917 | 5,075 | 4,395 | 838 | 373 |
| Other comprehensive income | | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | | |
| Actuarial gains and losses in retirement benefit plans | 28 | 57 | 28 | 57 | 131 | 160 | 0 | 0 |
| Tax | -6 | -12 | -6 | -12 | -28 | -34 | 0 | 0 |
| | 22 | 45 | 22 | 45 | 103 | 126 | 0 | 0 |
| Items that may be reclassified to profit or loss | | | | | | | | |
| Cash flow hedges | 4 | -15 | 3 | 3 | 0 | 0 | 0 | 0 |
| Hedging of net investments | -74 | -17 | -95 | -22 | -164 | -91 | 0 | 0 |
| Exchange differences on translation of foreign operations | 1,595 | 1,736 | 1,687 | 2,172 | 2,638 | 3,123 | 0 | 0 |
| Tax | -56 | -141 | -38 | -173 | -37 | -172 | 0 | 0 |
| | 1,469 | 1,563 | 1,557 | 1,980 | 2,437 | 2,860 | 0 | 0 |
| Total other comprehensive income | 1,491 | 1,608 | 1,579 | 2,025 | 2,540 | 2,986 | 0 | 0 |
| Total comprehensive income | 2,814 | 2,845 | 4,176 | 3,942 | 7,615 | 7,381 | 838 | 373 |
| Comprehensive income attributable to Parent shareholders | 2,807 | 2,820 | 4,165 | 3,896 | 7,588 | 7,319 | 838 | 373 |
| Comprehensive income attributable to non-controlling interest | 7 | 25 | 11 | 46 | 27 | 62 | 0 | 0 |
| Total comprehensive income | 2,814 | 2,845 | 4,176 | 3,942 | 7,615 | 7,381 | 838 | 373 |

Condensed balance sheet

| (SEK million) | Group | | | Parent | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 30 Jun 2023 | 30 Jun 2022 | 31 Dec 2022 | 30 Jun 2023 | 30 Jun 2022 | 31 Dec 2022 |
| Intangible assets | 24,226 | 21,375 | 22,568 | 0 | 0 | 0 |
| Property, plant and equipment | 9,788 | 6,773 | 8,273 | 0 | 0 | 0 |
| Financial assets | 1,117 | 904 | 1,001 | 17,984 | 16,749 | 18,162 |
| Total non-current assets | 35,131 | 29,052 | 31,842 | 17,984 | 16,749 | 18,162 |
| Inventories | 12,806 | 8,689 | 10,191 | 0 | 0 | 0 |
| Current receivables | 8,399 | 7,186 | 7,144 | 126 | 114 | 379 |
| Investments in securities, etc | 202 | 181 | 190 | 0 | 0 | 0 |
| Cash and bank balances | 3,520 | 3,619 | 4,627 | 13 | 0 | 0 |
| Total currents assets | 24,927 | 19,675 | 22,152 | 139 | 114 | 379 |
| Total assets | 60,058 | 48,727 | 53,994 | 18,123 | 16,863 | 18,541 |
| Equity | 30,835 | 24,358 | 27,973 | 9,355 | 8,441 | 9,827 |
| Non-current liabilities, non-interest bearing | 4,821 | 5,631 | 5,869 | 898 | 1,248 | 1,500 |
| Non-current liabilities, interest bearing | 7,242 | 7,212 | 6,399 | 3,000 | 5,500 | 4,250 |
| Current liabilities, non-interest bearing | 11,124 | 7,891 | 8,795 | 770 | 74 | 114 |
| Current liabilities, interest bearing | 6,036 | 3,635 | 4,958 | 4,100 | 1,600 | 2,850 |
| Total equity and liabilities | 60,058 | 48,727 | 53,994 | 18,123 | 16,863 | 18,541 |

Key figures

| | | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|---|-------|--------------|--------------|----------------|
| Growth | % | 27.6 | 25.9 | 30.0 |
| Operating profit | SEK m | 3,602 | 2,510 | 5,863 |
| Operating margin | % | 15.3 | 13.6 | 14.6 |
| Profit margin | % | 14.3 | 13.3 | 14.2 |
| Investments in non-current assets, including acquisitions | SEK m | 2,144 | 2,013 | 3,745 |
| Available cash and equivalents | SEK m | 4,212 | 4,195 | 5,441 |
| Working capital incl. cash and bank balances | SEK m | 13,803 | 11,784 | 13,357 |
| as share of net sales | % | 30.6 | 34.0 | 33.3 |
| Working capital excl. cash and bank balances | SEK m | 10,081 | 7,984 | 8,540 |
| as share of net sales | % | 22.3 | 23.1 | 21.3 |
| Interest-bearing liabilities/Equity | % | 43.1 | 44.5 | 40.6 |
| Equity/assets ratio | % | 51.3 | 50.0 | 51.8 |
| Return on capital employed | % | 18.0 | 15.1 | 17.7 |
| Return on equity | % | 17.7 | 16.2 | 18.1 |
| Net debt/EBITDA | times | 1.1 | 1.1 | 0.9 |
| Interest coverage ratio | times | 7.9 | 13.8 | 10.1 |

Data per share

| | | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|---|-----|--------------|--------------|----------------|
| Net earnings per share (total 2,016,066,488 shares) | SEK | 1.28 | 0.93 | 2.16 |
| Equity per share | SEK | 15.27 | 12.07 | 13.86 |
| Closing day share price | SEK | 102.40 | 76.80 | 97.10 |

Sales by geographical region

| (SEK million) | NIBE Climate Solutions | NIBE Element | NIBE Stoves | Eliminations | Total |
|------------------------------|------------------------|--------------|--------------|--------------|---------------|
| Nordic region | 3,947 | 1,052 | 529 | -462 | 5,066 |
| Europe (excl. Nordic region) | 7,984 | 2,191 | 1,102 | -206 | 11,071 |
| North America | 3,522 | 2,164 | 641 | -16 | 6,311 |
| Other countries | 405 | 563 | 64 | -1 | 1,031 |
| Total | 15,858 | 5,970 | 2,336 | -685 | 23,479 |

Time of accounting for sales

| (SEK million) | NIBE Climate Solutions | NIBE Element | NIBE Stoves | Eliminations | Total |
|--|------------------------|--------------|--------------|--------------|---------------|
| Deliverables taken up as revenue once | 15,418 | 5,970 | 2,336 | -685 | 23,039 |
| Deliverables taken up as revenue gradually | 440 | 0 | 0 | 0 | 440 |
| Total | 15,858 | 5,970 | 2,336 | -685 | 23,479 |

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 instrument measured at fair value

| (SEK million) | 30 Jun 2023 | 30 Jun 2022 | 31 Dec 2022 |
|---|-------------|-------------|-------------|
| Current receivables | | | |
| Currency futures | 26 | 5 | 10 |
| Commodity futures | 0 | 0 | 3 |
| Total | 26 | 5 | 13 |
| Current liabilities and provisions, non-interest bearing | | | |
| Currency futures | 18 | 0 | 11 |
| Commodity futures | 3 | 0 | 0 |
| Total | 21 | 0 | 11 |

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 2022. 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 2022.

Condensed cash flow statement

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|---|---------------|--------------|----------------|
| Cash flow from operating activities | 3,081 | 2,311 | 5,800 |
| Change in working capital | -1,658 | -2,046 | -3,186 |
| Investing activities | -2,164 | -1,228 | -2,778 |
| Financing activities | -479 | -273 | -151 |
| Exchange difference in cash and equivalents | 125 | 290 | 386 |
| Change in cash and equivalents | -1,095 | -946 | 71 |

Change in equity - summaries

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--------------------------------------|---------------|---------------|----------------|
| Opening equity | 27,973 | 21,657 | 21,657 |
| Effect of applying IAS29* | 0 | 0 | 186 |
| Adjusted opening equity | 27,973 | 21,657 | 21,843 |
| Shareholders' dividend | -1,310 | -1,008 | -1,008 |
| Dividend to non-controlling interest | -4 | -1 | -1 |
| Change in non-controlling interest | 0 | -232 | -242 |
| Comprehensive income for the period | 4,176 | 3,942 | 7,381 |
| Closing equity | 30,835 | 24,358 | 27,973 |

*IAS 29 has been implemented - for more information, see Accounting policies.

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 2023 | Jan-Jun 2022 | Full year 2022 |
|--|--------------|--------------|----------------|
| Acquisition of non-current assets | 2,157 | 2,021 | 3,767 |
| Disposal of non-current assets | -13 | -8 | -22 |
| Net investments in non-current assets, including acquisitions | 2,144 | 2,013 | 3,745 |

Available cash and cash equivalents

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--|--------------|--------------|----------------|
| Cash and bank balances | 3,520 | 3,619 | 4,627 |
| Investments in securities, etc. | 202 | 181 | 190 |
| Unutilised overdraft facilities | 490 | 395 | 624 |
| Available cash and cash equivalents | 4,212 | 4,195 | 5,441 |

Working capital, including cash and bank balances

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|---|---------------|---------------|----------------|
| Total current assets | 24,927 | 19,675 | 22,152 |
| Current liabilities and provisions, non-interest bearing | -11,124 | -7,891 | -8,795 |
| Working capital, including cash and bank balances | 13,803 | 11,784 | 13,357 |
| Net sales, past 12 months | 45,145 | 34,616 | 40,071 |
| Working capital, including cash and bank balances, in relation to net sales, % | 30.6 | 34.0 | 33.3 |

Working capital, excluding cash and bank balances

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|---|---------------|--------------|----------------|
| Inventories | 12,806 | 8,689 | 10,191 |
| Current receivables | 8,399 | 7,186 | 7,144 |
| Current liabilities and provisions, non-interest bearing | -11,124 | -7,891 | -8,795 |
| Working capital, excluding cash and bank balances | 10,081 | 7,984 | 8,540 |
| Net sales, past 12 months | 45,145 | 34,616 | 40,071 |
| Working capital, excluding cash and bank balances, in relation to net sales, % | 22.3 | 23.1 | 21.3 |

Return on capital employed

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--|--------------|--------------|----------------|
| Profit after net financial items, past 12 months | 6,577 | 4,767 | 5,675 |
| Financial expenses, past 12 months | 924 | 312 | 626 |
| Profit before financial expenses | 7,501 | 5,079 | 6,301 |
| Capital employed at start of period | 39,330 | 31,977 | 31,977 |
| Capital employed at end of period | 44,113 | 35,206 | 39,330 |
| Average capital employed | 41,722 | 33,591 | 35,654 |
| Return on capital employed, % | 18.0 | 15.1 | 17.7 |

Return on equity

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--|--------------|--------------|----------------|
| Profit after net financial items, past 12 months | 6,577 | 4,767 | 5,675 |
| Standard tax rate, % | 20.6 | 20.6 | 20.6 |
| Profit after net financial items, after tax | 5,222 | 3,785 | 4,506 |
| Of which attributable to Parent shareholders | 5,209 | 3,712 | 4,462 |
| Equity at start of period | 27,935 | 21,438 | 21,438 |
| Equity at end of period | 30,790 | 24,326 | 27,935 |
| Average equity | 29,363 | 22,882 | 24,687 |
| Return on equity, % | 17.7 | 16.2 | 18.1 |

Net debt/EBITDA

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|---|--------------|--------------|----------------|
| Non-current liabilities and provisions, interest bearing | 7,242 | 7,212 | 6,399 |
| Current liabilities and provisions, interest bearing | 6,036 | 3,635 | 4,958 |
| Cash and bank balances | -3,520 | -3,619 | -4,627 |
| Investments in securities, etc. | -202 | -181 | -190 |
| Net debt | 9,556 | 7,047 | 6,540 |
| Operating profit, past 12 months | 6,955 | 4,891 | 5,863 |
| Depreciation/amortisation and impairment, past 12 months | 1,611 | 1,434 | 1,597 |
| EBITDA | 8,566 | 6,325 | 7,460 |
| Net debt/EBITDA excluding revaluation of additional considerations, multiple | 1.1 | 1.1 | 0.9 |

Interest coverage ratio

| (SEK million) | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--|--------------|--------------|----------------|
| Profit after net financial items | 3,355 | 2,453 | 5,675 |
| Financial expenses | 490 | 192 | 626 |
| Profit before financial expenses | 3,845 | 2,645 | 6,301 |
| Interest coverage ratio, multiple | 7.9 | 13.8 | 10.1 |

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 2023 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 notes as well as in other parts of the interim report.

For the Group, the accounting policies applied in this report are the same as those described on pages 100–139 of the Annual Report for 2022. The Group started to apply IAS 29 Financial Reporting in Hyperinflationary Economies in 2022 as a result of its operations in Turkey. Application had an effect on opening balance equity in 2022 as comparative figures are not restated.

Reporting for the Parent follows the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Board's recommendation RFR 2 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 2022.

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 2022.

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 2022.

The interim report provides a fair review of the business, financial position and results of the Parent and the Group and describes the principal risks and uncertainties facing the Parent and companies in the Group.

Markaryd, Sweden, August 17, 2023

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'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 2023 was SEK 102.40.

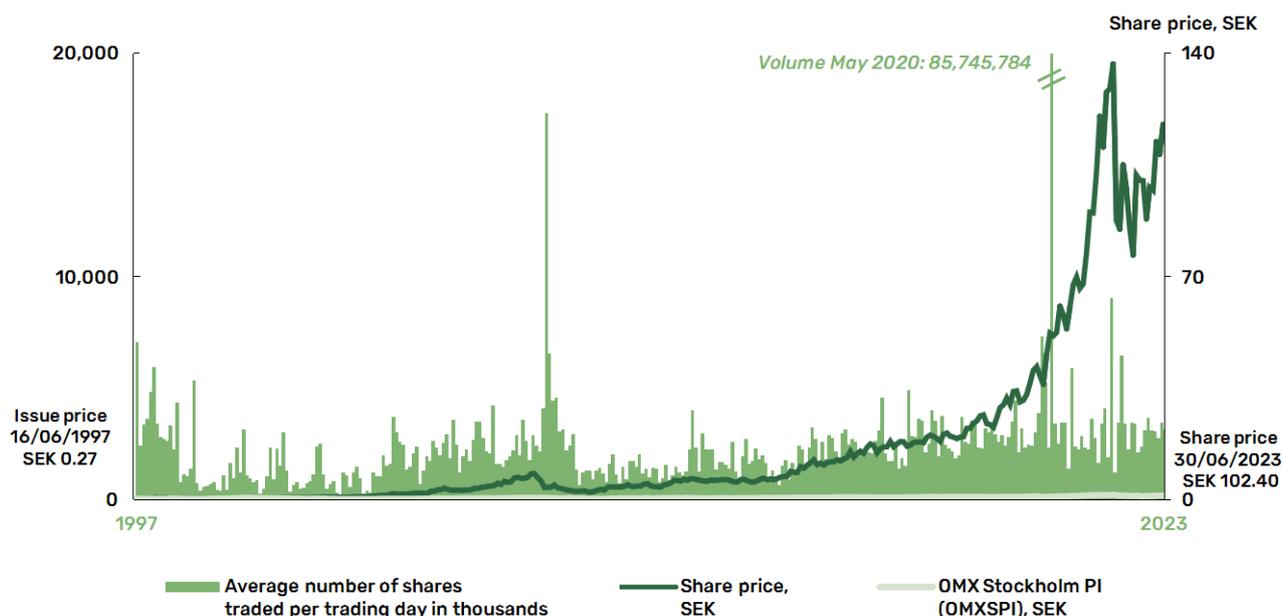
In the first half of 2023, NIBE's share price rose by 5.5%, from SEK 97.10 to SEK 102.40. In the same period, the OMX Stockholm PI (OMXSPI) increased by 8.4%.

At the end of June 2023, NIBE's market capitalization, based on the latest price paid, was SEK 206,445 million.

A total of 380,102,771 NIBE shares were traded in the first half of 2023, corresponding to a share turnover of 37.7%.

All figures were restated 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.

Number of shares traded per trading day in thousands



The information in this Interim Report is information that NIBE Industrier AB is obliged to publish under the Swedish Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication on August 17, 2023 at 08:00 (CEST).

Please email any questions to:

Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se

Hans Backman, CFO, hans.backman@nibe.se



NIBE Group

- an international Group with companies and a presence worldwide

The NIBE Group is an international Group that contributes to a reduced carbon footprint and better utilization 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 Swedish province of Småland 70 years ago, NIBE has grown into an international company with an average of 21,300 (20,400) employees and an international presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for corporate responsibility. It's 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 40 (30) billion in 2022.

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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