



Electrolux
Professional
Group



Electrolux
Professional Group

Annual and Sustainability Report 2022

Making our customers' work-life easier, more profitable
– and truly sustainable every day

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The Annual Report for Electrolux Professional AB (publ) 556003-0354, consists of the Administration Report on pages 91-95, the Financial Statements and notes on pages 96-141, the Corporate Governance Report on pages 68-79 and the Sustainability Report on pages 10, 49-65 and 150-161. The Annual Report is published in Swedish and English. The Swedish version is the original. The ESEF-report (European Single Electronic Format) is available at www.electroluxprofessional.com/corporate/annual-reports/

Electrolux Professional was part of Electrolux, founded in 1919, until March 23, 2020 when the shares in Electrolux Professional were distributed to the shareholders of Electrolux, and listed on Nasdaq Stockholm.



This is Electrolux Professional Group

Electrolux Professional Group is one of the leading global providers of professional food, beverage and laundry solutions, serving a wide range of customers globally, from restaurants and hotels to health-care, educational and other service facilities.

Electrolux Professional Group in brief

Headquarters in Stockholm,
Sweden

Approximately
4,000
employees

Sales in approximately
110 countries

12
manufacturing units
in seven countries

Listed on NASDAQ
Stockholm since
2020

The year in brief

Q1

- > Business still impacted by pandemic restrictions, which were gradually lifted throughout the quarter.
- > Russia's invasion of Ukraine created disruption in global supply chains and higher energy prices.
- > A fully equipped kitchen was donated to Poland to help refugees from Ukraine and a donation of EUR 25,000 was made to support the relief efforts of the Red Cross in Ukraine.
- > The OnE Customer Portal launched to customers.
- > Safebox hold was launched - a unique holding solution for food take away and delivery, developed during the pandemic based on an employee innovation challenge.
- > **Q1 result** - strong sales recovery in turbulent times.

Q3

- > The operations in Russia were divested.
- > A new EUR 140m syndicated term loan facility was agreed.
- > Camilla Monefeldt Kirstein appointed as President Business Area Food Europe starting March 2023.
- > **Q3 result** - continued growth and higher EBITA.



Safebox hold a unique holding solution for food take away, which is based on an Employee innovation Challenge.

Q2

- > Announcement of new organization, with five Business Areas, aimed at focusing on customer categories and geographies to strengthen business ownership.
- > Integration of Unified Brands completed.
- > Donation of products to a refugee center in Ukraine and a Romanian orphanage.
- > The first physical Annual General Meeting as a standalone company was held in Stockholm.
- > The company celebrated 120 years of laundry solutions.
- > LiberoPro and TrinityPro from Electrolux Professional won Red Dot Design Award 2022.
- > **Q2 result** - strong sales growth and improved EBITA.

Q4

- > Electrolux Professional Group was rated by Sustainalytics as the top performer in the ESG risk ranking among its listed, ranked competitors.
- > Electrolux Professional Group received top industry rating in Climate Change by CDP.
- > Introduction of corporate brand - Electrolux Professional Group.
- > Investor Day focused on the US Food & Beverage market was held in Italy.
- > **Q4 result** - a solid fourth quarter.



reddot winner 2022
LiberoPro and TrinityPro won Red Dot Design Award 2022.



2022 in figures

Net sales, total

SEK 11,037 m

Net sales by segment

Food & Beverage

66%

Laundry

34%

Net sales by region

Europe

58%

Americas

29%

Asia-Pacific,
Middle East,
Africa

13%

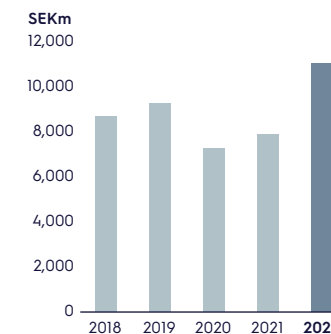
Key ratios

SEKm	2022	2021	2020	2019	2018
Net sales	11,037	7,862	7,263	9,281	8,666
EBITA	1,111	663	456	1,058	1,188
EBITA margin, %	10.1	8.4	6.3	11.4	13.7
EBITA excl. items affecting comparability ¹	1,146	663	533	1,090	1,188
EBITA margin excl. items affecting comparability, % ¹	10.4	8.4	7.3	11.7	13.7
Operating income	955	592	387	992	1,143
Operating margin, %	8.7	7.5	5.3	10.7	13.2
Income after financial items	895	587	363	978	1,134
Income for the period	686	487	278	663	952
Earnings per share, SEK ²	2.39	1.69	0.97	2.31	3.31
Operating cash flow after investments	636	1,116	570	1,138	1,131
Operating working capital, % of net sales	16.7	14.9	19.9	17.7	16.2

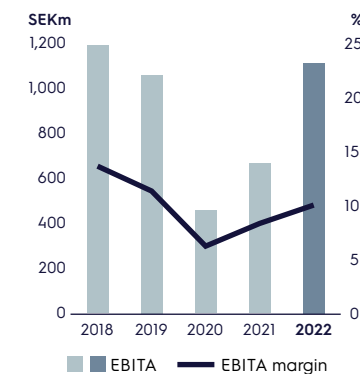
1) 2019 includes items affecting comparability of SEK -32m, 2020 of SEK -77m, and 2022 of SEK -35m.

2) Basic number of outstanding shares.

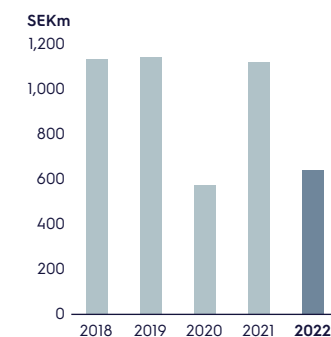
Total net sales



EBITA and EBITA margin



Operating cash flow after investments



CEO comments

A solid 2022 – despite the global turbulence

2022 has been a good year for Electrolux Professional Group despite the uncertain geopolitical situation, high inflation, and widespread component shortages. Our post-pandemic recovery has continued, and we have significantly strengthened our position in Food in the US through the successful integration of Unified Brands. The Laundry segment has also remained strong. All in all, it has been a solid year for the Group with record high sales and a substantial increase in profit.

The hospitality industry has seen a strong recovery during the 2021-22 period, spearheaded by the US and quick-service restaurants, and the industry is now back to pre-pandemic sales levels. This demonstrates the resilience of the industry and confirms that the underlying long-term factors influencing growth are robust.

Strong in a turbulent time

Against the backdrop of macroeconomic headwinds, a challenging supply chain, increased raw material prices and a shortage of components, we have managed to grow both sales and profit significantly during 2022. Sales are now at a record high level and EBITA is back to its pre-pandemic level. Once again, this is testimony to the robustness of the company. Nevertheless, volumes in Food & Beverage have not yet fully returned to previous levels since prices have

increased significantly. This also means that there is plenty of room for volume growth in the coming years.

Russia's unlawful war against Ukraine made it impossible for us to continue our operations in Russia. Consequently, we divested our operations and had to accept ending the relationship with many highly regarded team members. To support the refugees from Ukraine, we have donated kitchen equipment to both Poland and Romania. In addition, the company and our employees have donated money to support the Red Cross' humanitarian response in Ukraine.

“ It has been a solid year for the Group with record high sales and a strong increase in profit. ”

Alberto Zanata, President and CEO

Long-term favorable trends

The trends driving the growth of our business are still valid, and despite global turbulence and a potential economic down-turn, people continue to spend money on travel, eating out and take-away. In addition to the movement towards sustainability, the pandemic has underlined the importance of hygiene which has supported the growth of the Laundry market.

The significant increase in energy prices last year has made customers even more conscious of the total cost of ownership instead of the upfront investment cost of products. This suits us well given our track

record as an industry benchmark in respect of energy savings.

Digitalization and connected products continue to be a major trend within the industry. It enables more effective use of products as well as higher uptime, for example through preventive remote maintenance, which supports the operation and fleet control of the appliances.

Progress within our strategic priorities

During the year we have made progress within all our strategic pillars.

We have focused on driving sales of many of the new products launched in 2021, but with a special focus on our strong sustainability offering which customers appreciate more and more. In addition, we have many new products already in the pipeline for launch during 2023, which will further support our profitable growth.

Growth in restaurant chains is one of our strategic priorities. During the year we have continued to improve our penetration in restaurant chains, driven by the acquisition of Unified Brands. Our US platform has become a lot stronger and is now a solid base from which we can grow profitably. This is important to us since the US is the single largest market for Food & Beverage and home to most of the large global food chains.

Customer care is crucial for our customers' uptime, and at the same time is one of the most profitable parts of our business, and I am pleased to report that it continued to grow during the year. Currently, Customer care accounts for 18% of Group sales, excluding Unified Brands.

We have made significant investments in digitalization, including connected products, exemplified by the launch of "The OnE" Digital customer platform. Customers can now more easily order products and services directly via the platform. In addition, the OnE platform brings the unique advantage of encompassing all appliances in the kitchen and the launderette, giving us a "system integrator" role. It is my belief that connected appliances will significantly improve our customers' way of operating, making their work-life easier, more profitable, and truly sustainable.

New Group Brand

To clarify Electrolux Professional's role as both a company and a business brand, the corporate brand Electrolux Professional Group was introduced in 2022. Today, the Electrolux Professional brand name represents the majority of the sales. However, our total portfolio consists of 18 other brands which account for about 40% of Group sales. The change enables these brands to continue to build on their unique offering and identity while benefiting from their association with the strength of the Group.

New organization

Following the acquisition of Unified Brands in the US, we saw a need to focus and simplify our organization to be able to drive strategic priorities faster and stay close to our customers. The new organization came into force on July 1, 2022, and consists of five Business Areas beneath the two reportable segments of Food & Beverage and Laundry. The structure of the Business Areas is built around customer categories and geographies. It is my firm belief that this will reinforce business ownership, move decisions closer to the customer, and allow higher speed and agility.

Sustainability leader

Electrolux Professional Group is the sustainability leader in our industry. Sustainability is quite simply a part of our legacy, engrained into our culture, day-to-day operations, and strategy. This leadership was underlined when we were ranked highest among the listed companies in our industry on the climate change list, in the Carbon Disclosure Project (CDP), and on the environment, social, and corporate governance (ESG) risk rating by Sustainalytics.

Our sustainability targets center on climate, health & safety, and diversity. Electrolux Professional Group is a signatory of the UN Global Compact, and our sustainability work is based on the United Nations Sustainable Development Goals. We fully recognize the importance of taking action to mitigate climate change and we support the ambitions of the Paris Agreement.

Our overarching, and ambitious, target is to become climate neutral in our own operations by 2030. In 2022, the carbon emissions related to our industrial operations had reduced by 45% (31) compared to 2015. See more on page 61. Since product use constitutes the majority of our emissions impact, around 95%, we have developed a Science Based Target for our scope 3 emissions which

is currently awaiting approval from the Science Based Target Initiative (SBTi). Our target is to continue developing products that have lower consumption of resources. In practice this means reducing impact from product-use related to energy, water, and detergents. This is good for both our customers' running costs as well as the environment.

Stronger today

Towards the end of 2022 and during the beginning of 2023 we have noticed that supply chain challenges have eased somewhat, and order intake has remained at a good level. At the same time, the general economic uncertainty, inflation, and negative consumer sentiment still gives reason for caution and requires us to be prepared for various scenarios.

As we head into 2023 and face a potential economic downturn, it is important to remember that Electrolux Professional Group stands far stronger today than during the global financial crisis in 2009. We have a more balanced geographical exposure, a proven ability to manage cost in a downturn, and a stronger position in Food chains and Laundry, which should support us during a possible downturn.

Based on our progress over recent years and the continued general positive market conditions for our industry, we are cautiously optimistic for 2023. We are fully committed to our strategy and financial targets and have full confidence in our ability to achieve the targets over the mid-term.

We can do nothing without our greatest asset, our people, and I would like to thank all our dedicated employees for their great contributions to our results!

Alberto Zanata,
President and CEO



During the year we have continued to improve our penetration in restaurant chains, driven by the acquisition of Unified Brands.

Alberto Zanata, President and CEO

Our strategic foundation



Our mission - making our customers' work-life easier, more profitable - and truly sustainable every day

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- Grow through innovation	12
- Expand in food service chains	15
- Boost Customer Care	17
- Leverage "The OnE Approach"	18
- Operational excellence	20

Our business model – how we create value

Our resources

- > 4,000 committed employees, **page 44.** →
- > 12 manufacturing sites, **page 40.** →
- > More than 3,000 large customers in 110 countries, **page 24.** →
- > Long-term relations with stakeholders in our value chain, **page 65.** →
- > Strong brand – known for innovative, sustainable solutions and the OnE offering, **page 18.** →
- > Raw materials and components **page 43.** →

Our business model

- > **Product development** and innovation of smart products offering sustainable solutions. **Read more on page 12.** →
- > **Production** World-class manufacturing focused on lower environmental impact and an excellent working environment. **Read more on page 40.** →
- > **Marketing** focused on making our customers' work-life easier, more profitable and truly sustainable. **Read more on page 29.** →
- > **Sales** mainly through dealers and distributors. **Read more on page 26.** →
- > **Customer Care** and sales of chemicals, accessories, spare parts and consumables. **Read more on page 27.** →

Creating financial value

- For our customers**
Lower total costs over the lifecycle of the equipment by
- > Reduced energy consumption
 - > Improved speed, flexibility and ease of use in customer operations
 - > Reliability of the overall equipment system

Distributed value



Creating sustainable value

- For our customers**
- > Reduced energy consumption and carbon footprint
 - > Improved quality of the food, beverage or laundry service
 - > Ergonomic and human-centric design
 - > Enhanced hygiene
- Read more on page 56.** →

- For our employees**
- > Diversity and inclusion
 - > Long-term employer
 - > Good, safe work environment
 - > Skills development
- Read more on page 44.** →

- For society**
- > Greater resource efficiency
 - > Address social challenges

Financial targets and dividend policy

Electrolux Professional Group’s goal is to create value for its stakeholders through profitable growth. Our strategy focuses on four pillars, built on a foundation of operational excellence to improve sales, productivity, and cost efficiency within the supply chain. These four pillars are: grow via innovative sustainable solutions, grow in chain businesses, boost Customer Care for higher margins, and leverage “The OnE” approach and drive digital transformation.

Net sales growth
Organic annual growth of more than

4%

over time, complemented by value-accretive acquisitions.

OUTCOME:
2022: 16.9% (10.6) Average 2017–2019: 3.1%

Comment on 2022 outcome
The hospitality industry is now back to pre-pandemic levels in terms of sales, but not in volume. Laundry is back also in volume. Sales of Food & Beverage increased organically by 17.4% and Laundry by 16.2%.

Profitability
EBITA margin of

15%

OUTCOME:
2022: 10.1% (8.4) Average 2017–2019: 13.1%

Comment on 2022 outcome
Profit and profitability increased substantially during 2022 due to price, volume and the contribution from Unified Brands. EBITA also includes cost for the divestment of the Russian operations meaning the underlying margin is 10.4%

Asset efficiency
Operating working capital below

15%
of net sales.

OUTCOME:
2022: 16.7% (14.9) Average 2017–2019: 15.9%

Comment on 2022 outcome
Operating working capital as a percent of annualized net sales increased due to higher trade receivables and inventory, partially due to higher material cost and higher stock of components.

Capital structure
Net debt/EBITDA ratio below

2.5x

Higher levels may be temporarily acceptable in the event of acquisitions, provided there is a clear path to de-leveraging.

OUTCOME:
2022: 1.5x (1.9)

Comment on 2022 outcome
The net debt/EBITDA ratio was 1.5 at the end of 2022 which means that we are better or in line with our target. In total, net debt amounted to SEK 2,050m on December 31, 2022 compared to SEK 1,705m as of December 31, 2021.

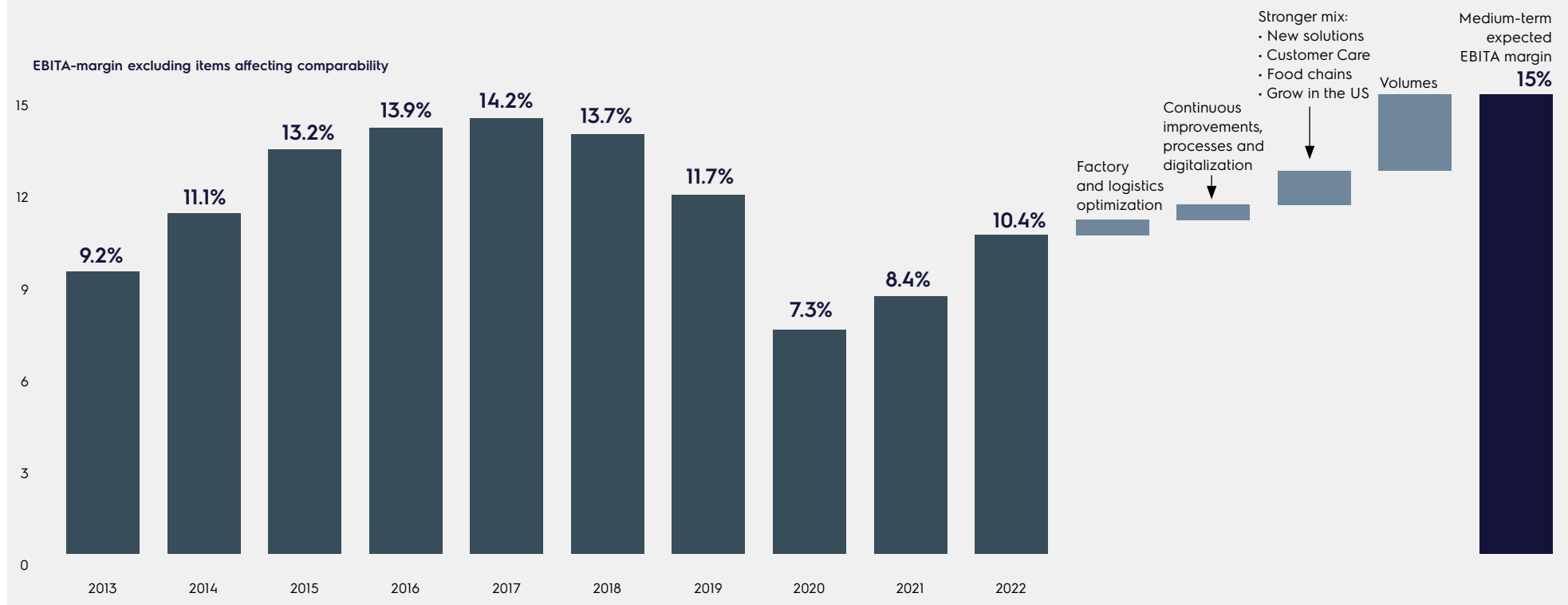
Dividend policy

Electrolux Professional’s target is for the dividend to correspond to approximately 30% of the income for the year. The timing, declaration, and number of future dividends will depend on the company’s financial situation, earnings, capital requirements, and debt service obligations.

Comment on 2022 outcomes
The Board proposes a dividend of SEK 0.70 (0.50) per share which is in line with the dividend policy.

Building blocks to achieve 15% EBITA margin

While margin expansion will mainly come from higher volumes and an improved mix, cost efficiencies will also be important.



Sustainability targets

Climate target for 2025

Reduce CO₂ emissions
Scope 1 and 2 emissions from our industrial sites

>50%

by 2025 (base year 2015)

OUTCOME 2022:

Scope 1 and 2 CO₂ emissions in 2022 amounted to 6.2 kton, which is -45% compared to 2015 with recalculated baseline*.

Comment on 2022 outcome

The total emission has increased due to acquisition of Unified Brands in the US. With recalculated baseline* the reduction since 2015 is 45%. The decrease in 2022 is mainly due to increased share of renewable electricity in Rayong, reduced electricity consumption in Louisville and Shanghai and reduced natural gas consumption in Rayong and Vallenoncello.

Climate target for 2030

Reduce CO₂ emissions
Scope 1 and 2 emissions from our industrial sites

>70%

by 2030 (base year 2019)

OUTCOME 2022:

With recalculated* baseline including Unified Brands, reduction since 2019 is 29%.

Comment on 2022 outcome

Electrolux Professional Group will continue to increase its share of renewable energy focusing on reducing natural gas consumption through electrification and increasing share of electricity from renewable sources at sites located outside of Europe. Remaining emission will be off-set to reach climate neutral ambition.

Health and safety target for 2025

Lost time injury rate (LTIR)
As measured by work-related accidents per 200,000 work hours

<0.3

by 2025

OUTCOME 2022:

Number of accidents resulting in lost work time decreased in 2022, and the lost time injury rate improved to 0.6 (0.7).

Comment on 2022 outcome

The lost time injury rate improved by 7% compared with 2021. During the year we have continued to address root causes of accidents, and worked preventively with near misses, unsafe acts, and improving conditions at our manufacturing sites. We have a zero tolerance for work related accidents.

Gender diversity target for 2030

Gender diversity
Distribution men/women or women/men

40/60

Distribution across managerial positions by 2030

OUTCOME 2022:

The percentage of women in all managerial positions was 26% (26) in 2022.

Comment on 2022 outcome

Gender diversity across managerial positions was unchanged compared to 2021. During the year the company has carried out activities related to diversity and inclusion such as Guiding Principle workshop, and education of hiring managers.

Our climate ambition for 2030

To become climate neutral within our industrial operations by 2030.

WE SUPPORT



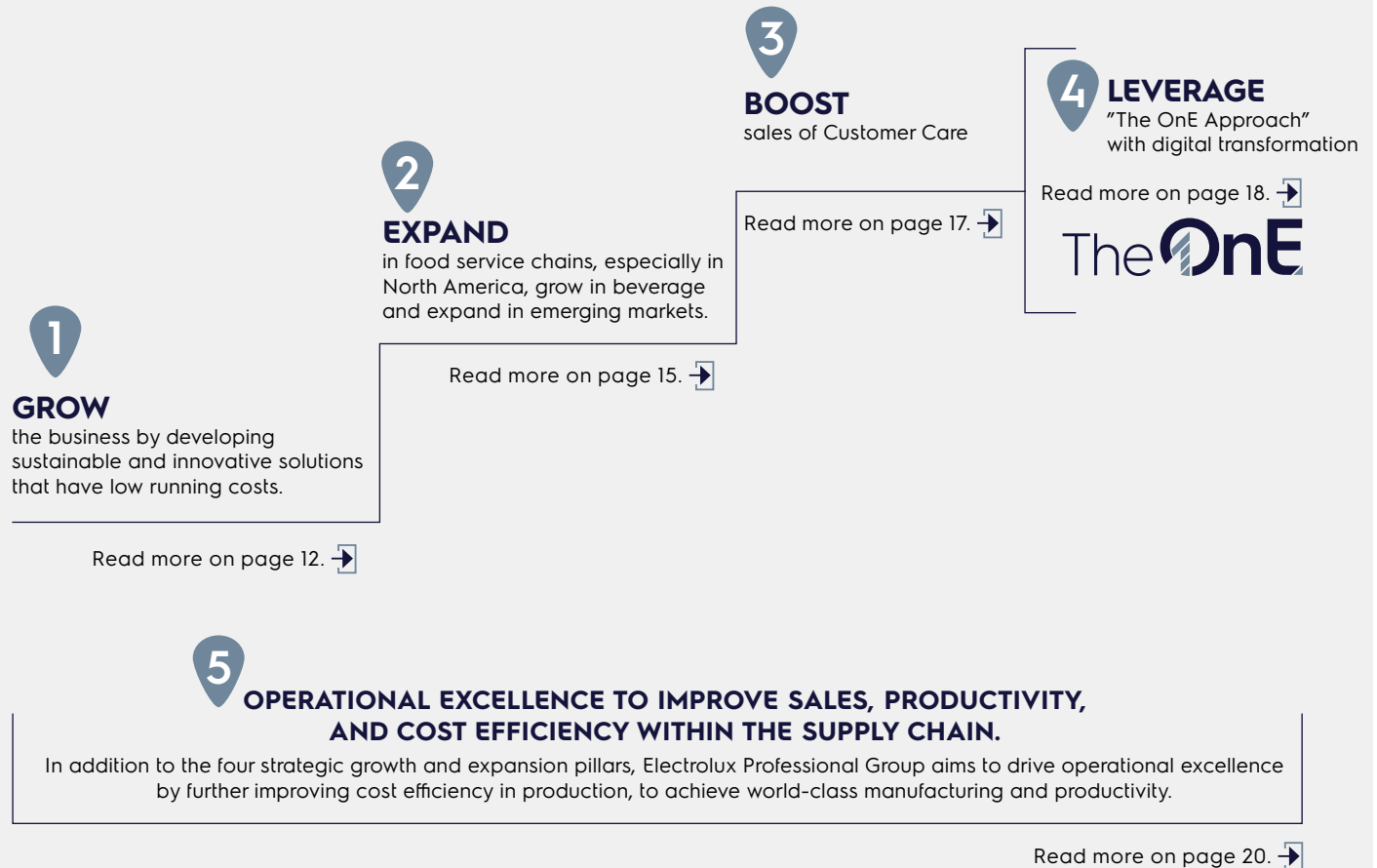
* Recalculation is made by distributing the first reported emission footprint backwards to previous years.

Strategy for growth built on a foundation of operational excellence



Our strategic targets

Our strategy for growth focuses on four pillars, built on a foundation of operational excellence to improve sales, productivity, and cost efficiency in the supply chain. In the following pages we describe the core activities within each pillar.





1 GROW through innovation

We want to set the pace of industry innovation in sustainability and energy efficiency, underpinned by a connected and digital platform.

Our aim is to cater to customer needs by continuously developing new and improved products and services, thereby adding value to our customers.

Part of our innovation strategy is to prioritize appliance digitalization. Our ambition is to address our customers' increased requirements for multi-functional products, with low running costs, and reduced energy and water consumption.

Investments in R&D 2022

SEK 381m

Yearly average R&D expenditure as share of net sales 2018–2022

4.4%

1

Research and development

One of our key competitive advantages is our focus on developing new sustainable and innovative products that seek to cater to customers' needs and increase customer productivity and efficiency.

Significant resources invested in R&D

Electrolux Professional Group invests significant resources into its global R&D activities. From 2018 to 2022 the company's R&D expenditure was an average of approximately 4.4% of net sales per year.

Growth through sustainable solutions

Offering our customers truly sustainable solutions is one of our key strategies for growth. We aim to be a sustainability role model in our industry and continually find new, more energy-efficient and resource-efficient methods for food, beverage and laundry. As a result, not only do we help our customers to reduce their operating costs, but

we also have a large impact on their sustainability efforts. As our main environmental impact occurs during the product-use phase (energy, water, detergents), low-consuming and energy-efficient products become key. Read more on page 14.

Connected products

Most of the products manufactured in 2022 have been connectable to be able to provide their users with useful information. Through connected products, the customers can monitor and steer any connected products, thereby maximizing uptime, improving service, and reducing consumption of energy, water and consumables. Read more on page 19.

2022 OUTCOME

Our focus has been on driving sales of many of the new products launched in 2021. In addition, several products are under development to be launched in 2023. All new products are improving our sustainability offering as well as our profitability. To strengthen the R&D capabilities, an agreement has been signed with HCLTech in India.



reddot winner 2022

LiberoPro and TrinityPro from Electrolux Professional Red Dot Design awarded 2022

The innovations LiberoPro and TrinityPro from Electrolux Professional won the Red Dot Award 2022 for product design. The award, which has the motto "Winning is the beginning" is the most globally recognized accolade for industrial design quality.



LiberoPro – Professional Plug & Play Modular Cooking range

TrinityPro – Vegetable Slicer, Cutter Mixer and Combined Cutter-Slicer

The TrinityPro tabletop slicer-cutter-mixer and the LiberoPro plug and play cooking solution can proudly boast winning this prestigious design award. This was the first time Electrolux Professional has received several Red Dot Awards in the same year. The global mark of distinction is handed out by an international jury that evaluates design and innovation prowess from thousands of products submitted every year.

Electrolux Professional has maintained its strong track record in this highly regarded, international competition aimed for all companies who would like to distinguish their business through excellent design.

1

Growth through sustainable solutions

Low running costs are more important than ever

- > Our energy-saving solutions are at the forefront of their field
- > Vital in times of high electricity prices and greater climate concern
- > Momentum for our energy-saving heroes



Up to
60%
energy savings*

Line 6000 Heat Pump Tumble Dryer
Advanced technology that consistently reduces drying times with energy savings up to 60%*.

*compared to conventional dryers



Energy savings up to
77%

Thermaline Pressure Braising Pan
The reduction in cooking time with pressure pans ensures higher productivity, while saving up to 77% in energy.



Energy savings up to*
22%

Green&clean Rack-type dishwashing
High efficiency, lower running cost, up to 22%* less energy consumption compared to other machines.

*Cost savings are calculated by accredited Lab.



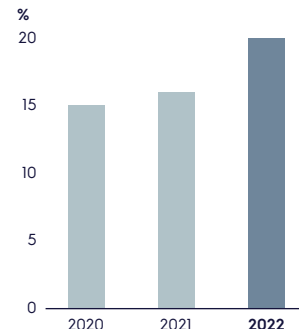
2 EXPAND in food service chains

Organic increase in sales to food service chains and potential M&A to support acceleration.

We have well-defined growth priorities, which mainly include increasing sales to commercial restaurant and food chains – large companies with multiple outlets across several regions – in North America and emerging markets.

In addition, we aim to accelerate growth through selective add-on acquisitions, primarily acquisition targets that clearly align with the company’s strategic road-map.

Chains, Food & Beverage, sales in % of net sales



2022 OUTCOME

We have continued to improve our penetration in restaurant chains, which often leads to new roll-outs. Several product tests are currently being carried out with customers, which often leads to new roll-outs. In addition, the acquisition of Unified Brands has significantly increased the US share of sales to restaurant chains. Currently, sales to chains amounts to approximately 20% of the Food & Beverage sales.

2



Acquisitions to accelerate growth

Electrolux Professional Group aims to accelerate growth through selective add-on acquisitions, primarily acquisition targets that clearly align with the company's strategic roadmap.

In December 2021, Electrolux Professional acquired Unified Brands, a leading US-based manufacturer of food-service equipment. The acquisition has significantly strengthened Electrolux Professional's presence in the US and supports our focus on growth in food service chains.

Previous acquisitions includes UNIC - a French producer of professional coffee solutions in 2019, Grindmaster-Cecilware - a North American coffee solutions producer in 2017, and in 2018 SPM Drink Systems, an Italian manufacturer of frozen beverage equipment. In 2015, Veetsan, a manufacturer of professional dishwashers in China was acquired, and in 2018 Schneidereit, a supplier of laundry rental solutions in Europe.



The Food & Beverage market in the US

United States is truly the home of the largest global food & beverage chains that are still growing in the US and heavily expanding internationally.

Important and growing market

The size of the Food & Beverage market in the US is about USD 10bn (USD 30bn globally). Our acquisition of Unified Brands at the end of 2021 shifted the global share of sales in the US making it now approximately one third of the global Group sales, almost double compared to 2020.

Fragmented Food & Beverage equipment market

In the US, a handful of large multi-brand players represent about half of the market, but there are also many medium/small, single-brand players, making this a fragmented market. Consequently, Electrolux Professional Group competes with

many single brand companies in different segments, using some of our specialty brands, such as Groen or Randell.

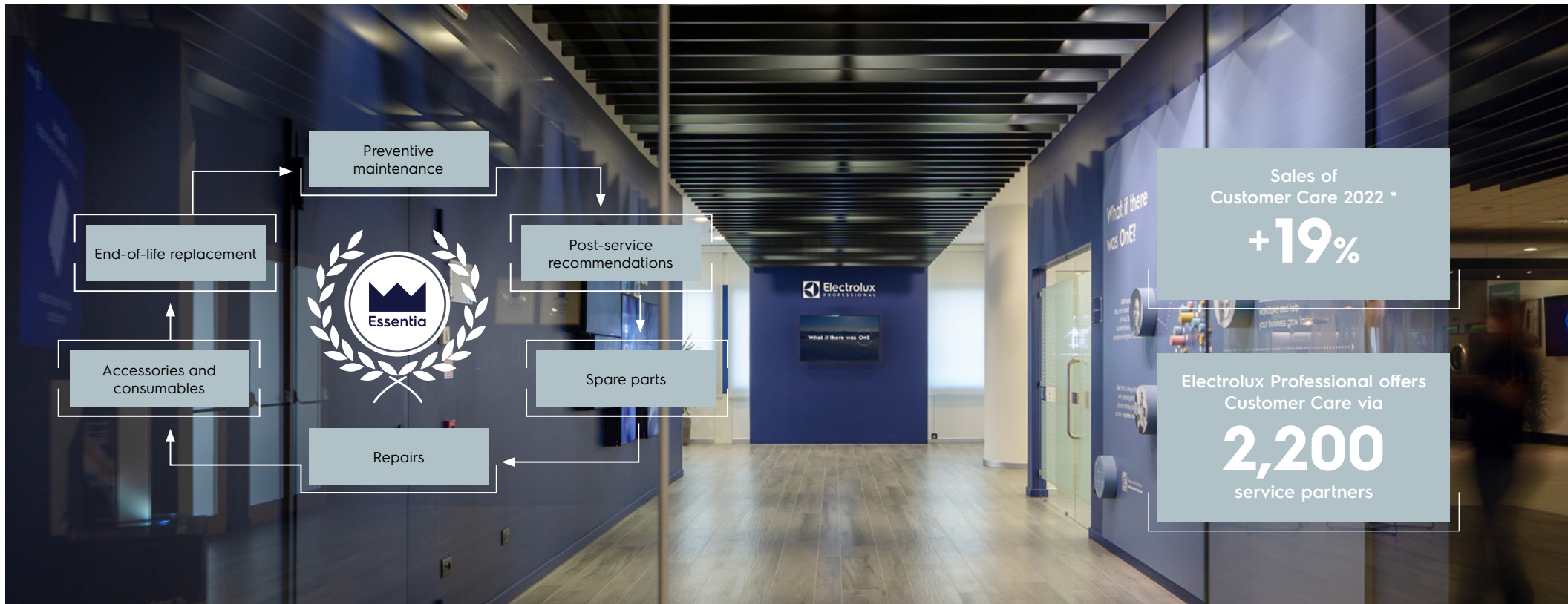
Home of most major global food service chains

Success with global food and beverage service chains often depends on the relationship built in their home country. Since 24 of the top 30 food service chains (such as Subway, McDonald's, Starbucks, KFC, Burger King, and Pizza Hut) are based in the US, the foundation and brand recognition that has been built in the US is vitally important to be able to grow outside the US.

Acquisitions in the US accelerates our strategy

While new within Electrolux Professional Group, the recently acquired US brands, Groen, Randell, Power Soak, Capkold, and Avtec from Unified Brands, have been leading players in the Food service industry since Groen's founding in 1907. Together with Grindmaster, which was acquired in 2017, the acquisition of Unified Brands has created a much stronger platform in the US which supports our strategy to grow in restaurant chains.





3 BOOST Customer Care sales

We will further develop our global service network and competence as a full-service provider while increasing sales of spare parts, accessories, service, and consumables.

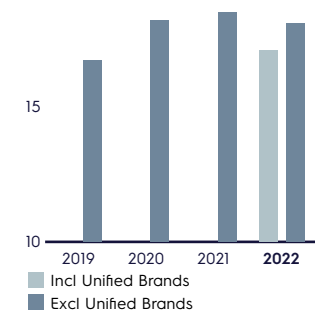
Electrolux Professional Group operates in a market characterized by the heavy use of machines, which requires us to have a reliable and geographically well-distributed Customer Care service. We will support our customers through-

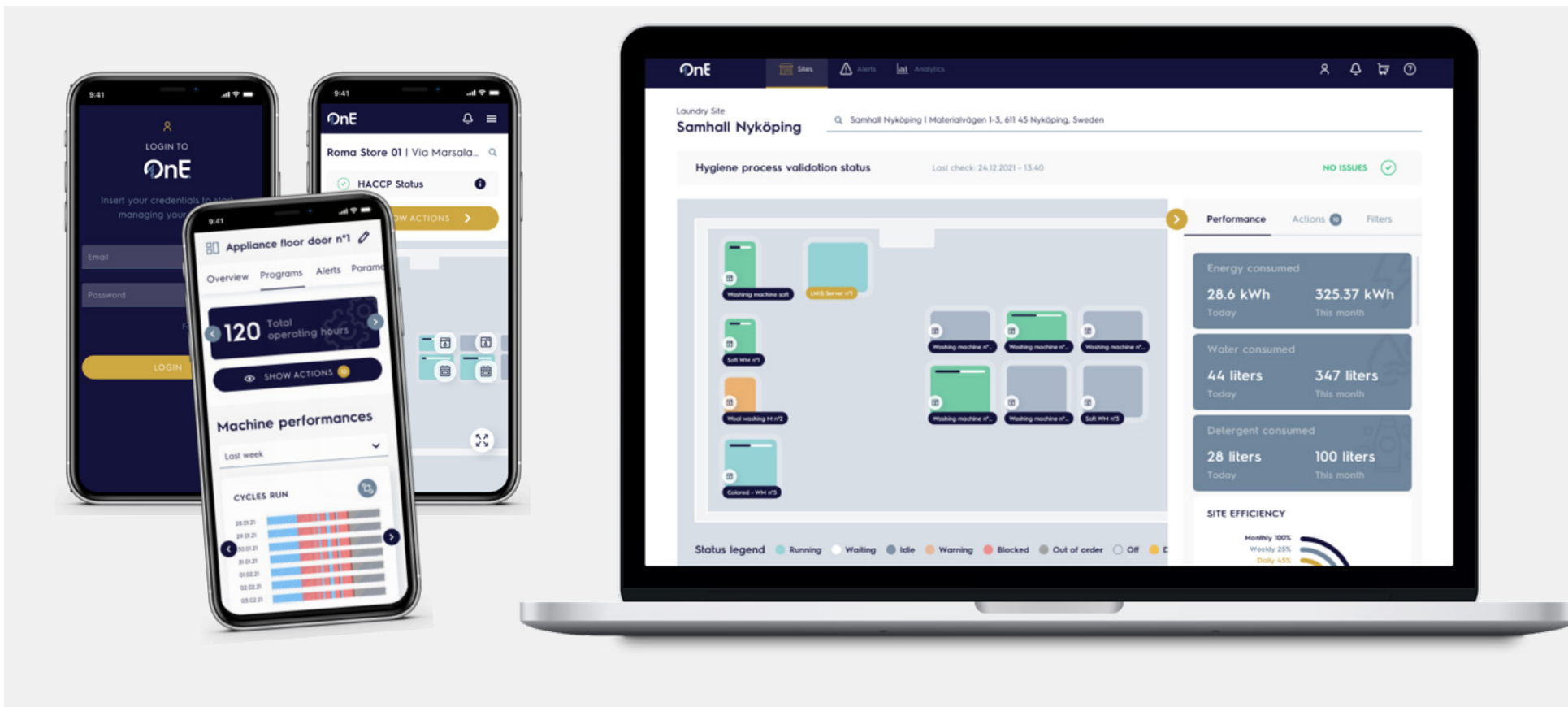
out the life of the product via the global sales and service network in over 110 countries via 2,200 service partners in a hybrid model of own service technicians and contracted service partners. In addition, we offer spare parts kits and perfor-

mance-enhancing consumables, including eco-certified detergents, and we provide our customers remote guidance - Two Pairs of Eyes - with a seamless connection between their Field Service Engineers and our technical experts.

2022 OUTCOME
Sales of Customer Care increased by approximately 19%* in 2022 and now accounts for approximately 18%* of Group sales. Sales of service contracts and detergents progressed well.
* excluding Unified Brands.

Customer care share of net sales %





4 LEVERAGE “The OnE approach”

We want to strengthen our global product and service offering, including the digital “OnE Connected” offer. Our broad market presence can be further strengthened, and our ongoing relationships with customers create an opportunity for repurchases and additional services.

Our Digital vision 2024

Connected appliance of future installations

50%

Distributors on-line sales

65%

Digital customer interactions

50%

2022 OUTCOME

We are currently the only global player that offers food, beverage, and laundry equipment under one brand, Electrolux Professional. In 2022, this offering has been further enhanced with the launch of “The OnE” Digital customer platform in many countries. In addition, the OnE Connected is currently being launched, making Electrolux Professional a “system integrator” for the kitchen or the launderette.



Digitalization is starting to shape our industry

Control your operations from any device with OnE Connected platform for all connected appliances.

Increase uptime and maintain top operation performances.

The OnE

The OnE is Electrolux Professional’s global product and service offering, with both single and full solutions and services across Food, Beverage and Laundry – under one brand. This allows customers to manage their operations through connectivity and a digital ecosystem. The OnE also includes management of the entire value chain, from project planning and design to production, installation, Customer Care, and service.

The OnE platform

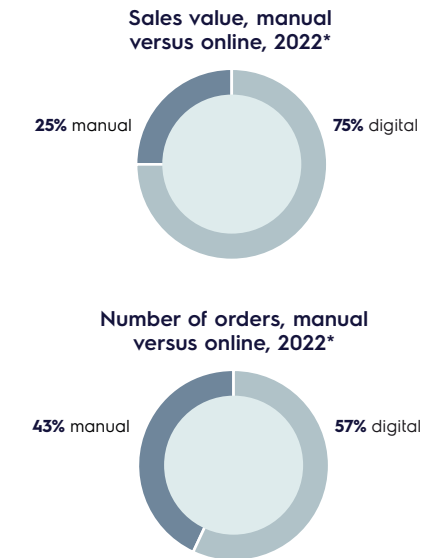
The platform is a one-stop-shop for our customers. From this self-service portal, partners can place orders for products, consumables and spare parts, track shipment in real time, search for documentation or products, and digitally interact with us for any support case which can be monitored through a ticketing system.

The OnE platform benefits

- Customer insights in their business
- One tool to manage customer relationship
- Partner access 24/7
- Reduce number of support requests
- Improve communication to dealers
- Increase future sales
- From manual to digital sales

Digital connectivity enables remote control of the whole business

OnE Connected is a system that our customers can use to monitor and steer their connected products, thereby maximizing uptime, improving service, and reducing the consumption of energy, water, and consumables. This means that customers are offered better insights into their equipment, and we can create an ongoing relationship with customers throughout their equipment lifecycle, thereby supporting them in their needs for repurchases and additional services.



* Sales to onboarded partners and distributors in the countries where the platform has been launched.



5 OPERATIONAL EXCELLENCE

We will improve agility and cost efficiency within production by driving world-class manufacturing best practices and productivity.

We strive to reduce production costs, improve our industrial footprint, and reinforce supplier excellence through a consolidated supplier base. Read more about our production on page 40.

We want our operations to contribute to a more sustainable society and our ambition is to become climate neutral in our industrial operations by 2030. Read more about our sustainability focus on pages 48-65.

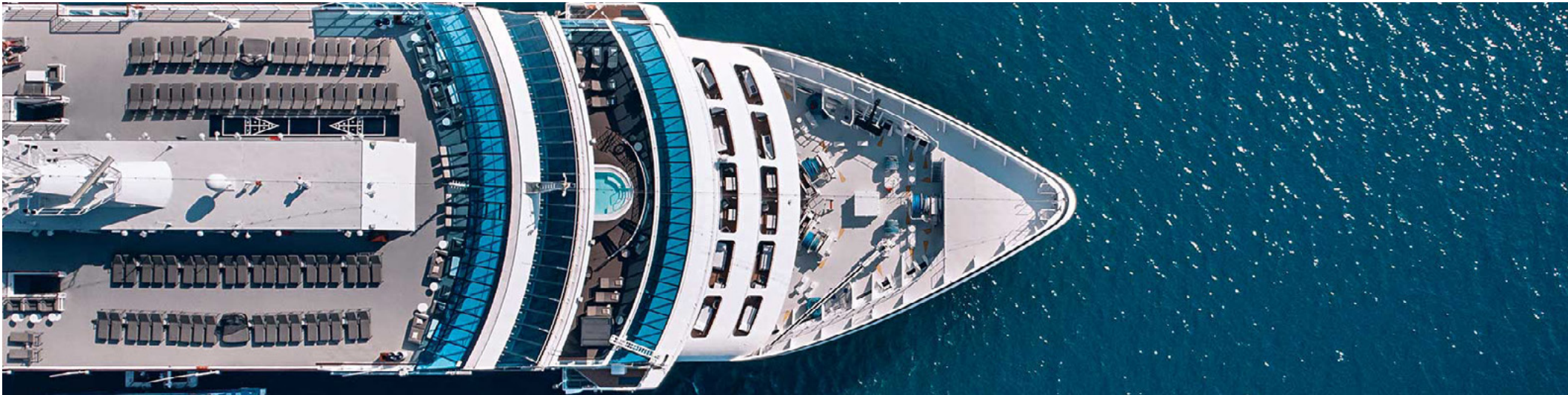
2022 OUTCOME

The shortage of components and shipping availability created pressure and increased cost. Material and energy costs have also increased. Productivity activities, including lean manufacturing, combined with process digitalization contributed to significant improved quality and energy efficiency during the year.

Global trends and our markets



Global trends affecting our industry	22
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Global trends affecting our industry

The post-pandemic new normal

- Health and hygiene are top-of-mind for consumers everywhere.
- Drive-throughs, take-away, home-deliveries, and out-door serving call for new digital tools.
- More user-friendly equipment, machines that are easier to clean, hygienic surfaces, and new materials will be required.
- There is a post-pandemic shortage of labor in the hospitality industry. This is accelerating automatization and digitalization as there is a need to ensure high productivity with fewer employees.

Digitalization

Global digitalization is affecting the way we work and interact, and is changing the eco-system of our customers' business. An increased demand for connected solutions, process optimization, and efficiency will be driven by new technologies, demanding future investments, strategic focus, and knowledge.

Population growth

The growing population leads to an increased number of potential end-customers, demand for out-of-home food and beverage consumption, and other application areas for professional equipment.

Growing disposable household income

A higher disposable income allows more people to spend more money on leisure activities such as out-of-home dining, and less time on household chores, creating an increased demand for out of home, professional services.

Increasing workforce participation

The increase in workforce participation and the extension of the working age means that the time for household chores, such as cooking and cleaning has decreased.

Climate change and effective use of resources

Climate change and a shortage of water, energy, and other resources has created a need for sustainability and energy efficiency in all parts of society. Since energy cost is a significant part of the total cost of ownership, energy efficiency in professional solutions is central to any investment decision. In addition, a ban on single use of plastic packaging will be introduced in several markets, and the fight against microplastic is becoming more important.

Urbanization

Increased urbanization drives demand for out-of-home consumption, especially out-of-home dining. Urbanization also increases the proportion of white-collar jobs, which means more people require external food, beverage, and laundry services to save time and space. In addition, urbanization leads to increased traffic in public places, such as shopping centers and train stations, resulting in increased demand for fast-food and beverages.

The global professional equipment industry

Electrolux Professional Group operates in the global professional equipment industry, offering food service, beverage, and laundry products and solutions, to a wide range of customers, including companies in the global hospitality industry as well as other businesses and institutions.

In 2022, the food and beverage segment accounted for approximately USD 30bn* of the global market, and the professional laundry segment accounted for USD 2.8bn*.

The industry is largely characterized by

- Favorable general end-market trends with multiple catalysts for structural growth.
- Product performance having a material impact on customer productivity.
- The requirement for reliable and technologically advanced products.
- Significant benefits from local presence and collaboration with customers.

- Ongoing Customer Care and support through the equipment lifecycle.

Major factors for success include

- Strong innovation capabilities.
- Reliability and product quality.
- Product design.
- A well-developed distribution and service network.
- Brand recognition.
- Customer relationships as a key differentiating factor.

Total cost of ownership

Total cost of ownership is an additional factor that drives competition. This is because the initial equipment cost represents only a fraction of the total cost of ownership during

the lifetime of the equipment; the majority of the costs are running costs for water, electricity, and chemicals, maintenance costs, and health and safety considerations.

Competitive landscape

Electrolux Professional Group is one of the leading global players in terms of sales, with a complete offering for both the food and beverage sector and the global laundry equipment market. There are a number of large global players in these markets but in local markets we also compete with significant local players and companies focused on individual product lines.



* 2022 markets, own company estimates. ** Pro forma

Market and competition



END CUSTOMERS

- Restaurants and chains
- Hotels, bars, and cafés
- Roasters and ingredient producers
- Education, leisure, and sports
- Public institutions
- Business, transport, industry, and facility managers
- Coin and apartment building laundries
- Care facilities and hospitals
- Retail and convenience stores



PRODUCTS

Food service applications: cooking, refrigeration, dishwashing, and dynamic food preparation

Beverage equipment for coffee, espresso, hot, cold and frozen beverages, and soft-drink dispensing equipment

Laundry products: washers, tumble dryers, drying cabinets, and ironers

Specialty accessories and consumables



GLOBAL MARKET KEY PLAYERS

Food & Beverage

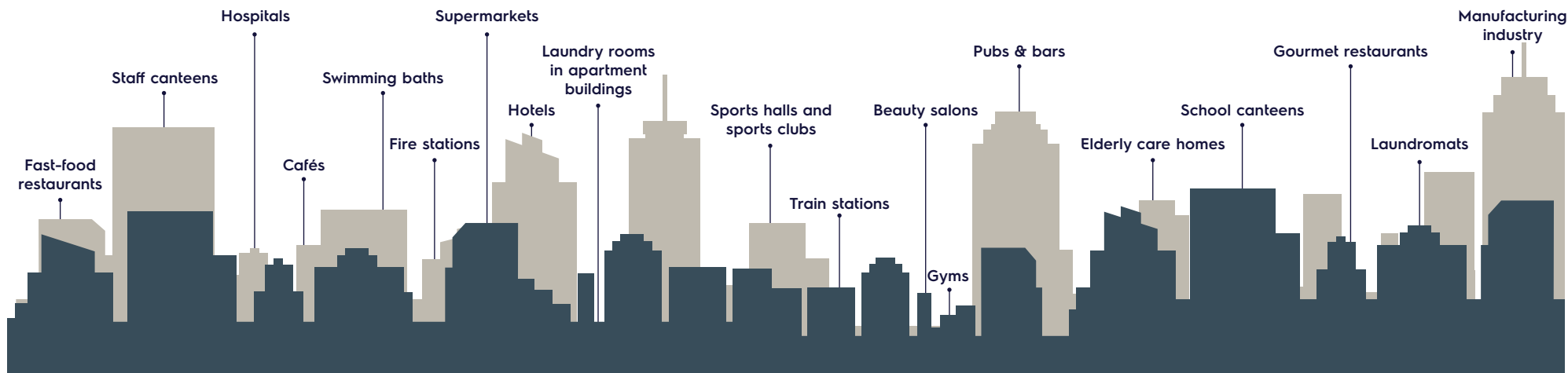
- Ali Group/Welbilt
- Hoshizaki
- ITW
- Marmon Group
- Middleby
- Rational

Laundry

- Alliance
- Girbau
- Jensen
- Kannegiesser
- Miele Pro

Customers

Our end-customer base consists of large multinational, regional chain and independent restaurants, catering providers, leisure and accommodation facilities, health-care facilities, customer-operated laundries, schools and universities, as well as small businesses and large industrial customers.



Long-standing relationships

As a food, beverage, and laundry equipment provider we generally maintain long-standing relationships with our key customers and distributors in order to increase our wallet share and overall growth. Close customer relationships are particularly important for chains in the food and beverage businesses. Read more about Customer Care on page 27.

Customers

Our customer base is diverse, from small independent owners to large chains. We also have many customers in elderly care homes, government and private healthcare facilities, multi-housing laundries, and coin-ops.

Large chains contracts

Even though we generally do not enter into long-term contracts, large food-service chains usually authorize specific appliance manufacturers as their “preferred vendors” for specific equipment. Furthermore, many quick-service restaurant chains launch or refurbish a larger number of branches, or

frequently change their menus, requiring significant investments in new equipment over a relatively short period of time.

Customers regularly require appliance upgrades. These allow them to increase productivity and food safety, reduce labor costs, and respond to hygiene, sustainability, and energy efficiency trends. These upgrades usually require customized equipment as customers additionally endeavor to differentiate their offerings and services.

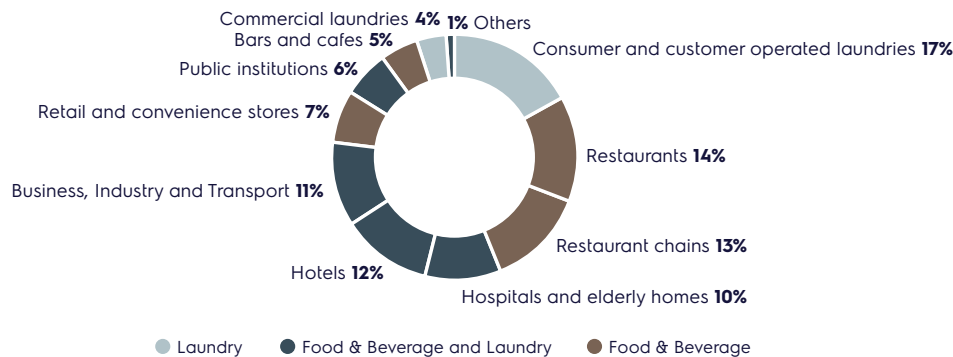
Individual needs and innovation

Individualization and equipment innovation are primary purchase decision factors for the customer, making product innovation essential, and one of the key differentiators and competitive advantages of Electrolux Professional.

Our substantial investments in research and development drive the production of innovative equipment and ensure the company is well positioned to serve its global customer base. Read more about R&D on page 13.



Distribution per customer segment*



*Figures are partially estimates since Electrolux Professional do not always have information about the end customer.

In 2022, sales to restaurant chains has increased

Addressing customer needs

- > Simplification, improved speed, and flexibility of overall operations
- > Improved quality of the food, beverage, and laundry service
- > Reduced energy consumption and carbon footprint
- > Lower total cost throughout the lifecycle of the equipment
- > Handling labor shortages post coronavirus pandemic
- > Reliability of the equipment
- > Ergonomic and human-centric design
- > Enhanced hygiene demands

Sales

Our products are mainly sold through a global network of dealers and distributors but sometimes also directly to end customers. The majority of the products sold are replacement products, meaning the end customer only buys one or a few products to replace existing products. Project sales form the rest of our sales. These are full installations such as a launderette or a fully equipped restaurant kitchen that needs a complete refurbishment as well as new builds.

Sales via dealers/distributors

A distributor or dealer buys our ready-made products without any specific customer specifications. Normally we keep track of the products through the dealers or through our service-partners who perform installations, commissioning, warranty activation, service, and maintenance. The distributors/dealers sell the solutions to end customers (such as a restaurant chain or a launderette).

Customized products via dealers/distributors

The end customer deals directly with us regarding their product needs. If needed, we customize their products and agree on pricing. This can be for single products or full projects. The end customer places the order with a distributor or dealer who in turn orders the products from us.

Direct sales to end-users

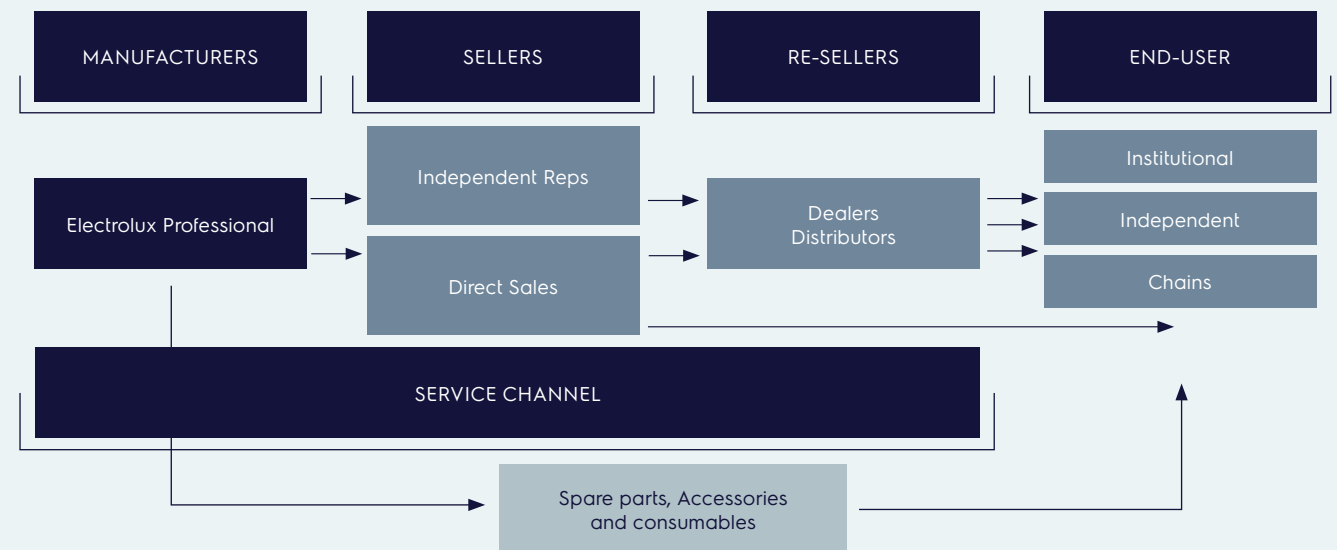
We talk to the end customers and agree on specifications and pricing and we invoice the end customers. This sales process is used in specific countries, for some large customers, or for large projects where the distribution infrastructure is not well developed.

Digital sales

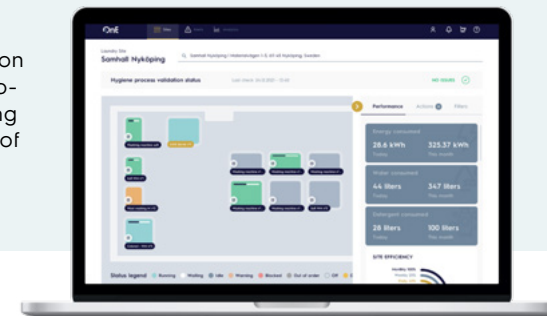
Our partners can now also place orders on our OnE platform, a customer portal combining e-commerce, service digitization and connectivity, that was launched in more than 15 countries during 2022. It is a seamless, one-stop, self-service way for customers to interact with us. From this self-service portal, partners can place

Channels to market - Food & Beverage

Our products are normally sold in three different ways:



orders for products, consumables and spare parts, track shipments in real time, search for documentation or products, and digitally interact with us for any support case which can be monitored through a ticketing system. In addition, they can see the status and use of their connected products.



Customer Care



To maintain the highest customer experience throughout the ownership period of professional equipment, Customer Care assists customers with support services and products throughout the whole lifetime of customer ownership.

Electrolux Professional Group offers Customer Care in over 110 countries via 2,200 service partners in a hybrid model of own service technicians and contracted service partners.

Detergents

In addition, performance-enhancing consumables, including eco-certified detergents, are developed and sold under the Electrolux Professional brand. These provide a high level of quality, safety, and effectiveness. A low environmental impact is ensured through reduced water pollution, waste production, and energy consumption compared to standard products on the market.

Spare parts and maintenance kits

Spare parts kits are sets of spare parts for the most common repairs and maintenance needs, collated in one box. Spare parts is the largest part of Customer Care sales. The maintenance and spare parts kits contain all the preventive maintenance parts to service the

equipment according to the maintenance schedule in the conditions of normal usage. We also offer refresher kits for longer service life of our equipment.

Two Pairs of Eyes

Through Two Pairs of Eyes, we provide our customers remote guidance with a seamless connection between their field service engineers and our technical experts.

Essentia - the heart of Customer Care

All these services are brought to market under a differentiated portfolio - Essentia.

The Essentia service offering is built on the basis that the Original Equipment Manufacturer is best suited to understand and handle requirements for supporting the efficiency and long life of its own equipment. By offering sustainable upgrade solutions to the marketplace we also ensure the initial customer investment in our products endures for a longer time.



Service Network

2,200 authorized service partners providing a unique service network to make our customers' work-life easier, supported by a full range of genuine spare parts and digitally augmented tools to ensure faster troubleshooting and issue resolution.

Service Agreements

Choice of flexible, tailor-made packages, based on the customer's business needs, offering a variety of maintenance and support services throughout the customer ownership lifetime.

Original Accessories & Consumables

Quick dispatch of original accessories and consumables rigorously tested by Electrolux Professional experts to ensure durability and performance of customer equipment.

Our markets

AMERICAS

Well-positioned in Food, Laundry, and Cold Beverages in the US.

Share of Group sales, 2022

29%

EUROPE

One of the leaders in both Food, Beverage and Laundry, with strong brand recognition.

Share of Group, 2022

58%

APAC

One of the leaders in Laundry and in Food & Beverage in China/ South-east Asia with strong brand recognition in hotels and restaurant segments in the whole APAC region

MIDDLE EAST AND AFRICA

One of the leaders in Food with strong brand recognition in hotels and restaurant segments.

Share of Group, 2022

13%

Well-positioned in attractive markets

Electrolux Professional Group’s two reportable segments Food & Beverage and Laundry includes five business areas focused on customer categories and geographies: Food Europe, Food Americas, Food APAC & MEA, Beverage & Food Preparation, and Laundry.

Europe

In Europe, we have 24 sales companies throughout the continent. The largest countries are Italy, France, Sweden, and Germany.

80% of sales are handled via distributors and agents. 20% of sales are served by our own sales organizations, mainly via key accounts and large projects.

Our business priority is to leverage our strong market presence in Europe, to continue to grow both in the markets where we are well positioned, and in the markets where we see additional opportunities for growth, such as in the UK, France and Germany.

Americas

In 2022 Electrolux Professional Group grew significantly in Food in the US after the acquisition of Unified Brands. In the Americas, large chain accounts, including our main distributor within Laundry, are served through a direct-sales team while the broad institutional markets such as schools, health-care, institutions, and independent restaurants, are served through independent sales representatives working in partnership with dealers and consultants. Additionally, there is a network of distributors across the Americas selling and stocking products locally for quick shipments.

Asia-Pacific, Middle East and Africa

We have twelve sales companies in the region. The majority of sales are handled via an indirect distribution network, supplemented by some of our own sales activities when needed.

Marketing and brands

Tailored marketing strategy backed by global strength

Electrolux Professional's marketing efforts are tailored to each geography and distribution channel. Promoting and strengthening the Electrolux Professional Group's brands and reputation through a targeted marketing strategy, complemented by a structured sales process and organization, is key to our success.

Marketing initiatives include marketing automation, performance and brand building via a 360-degree approach and omni-channel execution, collaboration with schools and industry associations, cooperative distributor merchandising, digital marketing, and marketing at a variety of industry events.

Brands

Electrolux Professional Group is our corporate brand that is used when presenting the company to external stakeholders.

Our main business brand ("master brand") is Electrolux Professional, which includes all categories within Laundry, Food and Beverage.

In addition to our master brand, we have specialty brands to gain access to specific markets and categories. These are locally managed brands, which have high brand

awareness and legacy amongst the customers in their markets and channels. The table here illustrates these "specialty brands", as distinct from the "master brand", Electrolux Professional.



Introduction of Electrolux Professional Group brand

To clarify the roles of Electrolux Professional as both a company, and a business brand, the corporate brand Electrolux Professional Group is being introduced in 2023. This will also support the development of the other brands in the Group.

The majority of sales remain under the Electrolux Professional brand, with its integrated portfolio of products and services across all categories. The other brands will add a "part of Electrolux Professional Group" when needed and to give support from the strength of being part of a larger Group. At the same time, the introduction of the corporate brand will distinguish between the company (Electrolux Professional Group) and the main business brand (Electrolux Professional).

Brand overview

Categories		Segment	Geographical market
All categories, full solution		The master brand is approximately 60% of the company sales within Food, Beverage and Laundry	North America, Latin America, Europe, APMEA
High-end Cooking		Food	North America, Latin America, Europe, APMEA
Cooking, Dishwashing, Refrigeration		Food	Latin America, Europe, APMEA
Cooking		Food	North America
Cook/Chill		Food	North America
Food Preparation		Food	Europe, APMEA
Dishwashing		Food	North America, Europe, APMEA
Ware- and vegetable washing		Food	North America
Refrigeration/Preparation		Food	North America
Refrigeration		Food	Europe
Refrigeration		Food	North America
Ventilation systems, conveyors and utility distribution solutions		Food	North America
Drip Coffee, Powder Instant Coffee		Beverage	North America, Latin America
Espresso, Bean-to-Cup		Beverage	North America, Europe, APMEA
Cold Beverages, Slush Ice, Ice Cream		Beverage	North America, Latin America, APMEA
Cold Beverages, Slush Ice, Ice Cream		Beverage	Latin America, Europe
Laundry		Laundry	North America, Europe
Laundry		Laundry	Europe



Business segments

Food & Beverage	31
Laundry	35



Food & Beverage

Food & Beverage operates in the global professional equipment industry, offering food service and beverage equipment and solutions to a wide range of customers, such as hotels, restaurants, retail points, schools, and hospitals.

Food & Beverage, share of Group net sales



Market size and growth

The total market for Food & Beverage equipment in 2022 is estimated at approximately USD 30bn*. According to our estimates, the food service and beverage segment experienced a compound annual growth rate of around 3-4% from 2015 to 2019 before the coronavirus pandemic, with growth in beverage being slightly stronger than food service.

In 2022, as in 2021, the Food and Beverage market increased substantially after a decline of approximately 25% during 2020 due to the pandemic that affected the hospitality industry heavily. In terms of sales, but not volumes,

the global market returned to pre-pandemic levels during 2022.

Besides this strong growth after the pandemic, growth has been affected by the push for energy efficiency, increase in food safety, environmental and food waste requirements, a focus on healthy products and menus, the drive for automation and workforce optimization, product innovation, and the rising importance of data management and digitalization.

Our sales of food and beverage equipment largely depend on the level of our customers' capital expenditure for new equipment, as well as expenditure related to appliance maintenance, refurbishment, and overhaul.

Food

The food market is seeing an increasing demand for more versatile food preparation equipment that can prepare a larger variety of meals.

This is mainly due to a reduction in kitchen space and an increase in menu variety. Also, restaurant owners are looking to reduce the number of pieces of equipment used for daily operations, requiring versatile machines.

The supply chain issues and later inflation experienced during 2021 and 2022 forced many restaurants to downsize or increase prices on their menus, as well as change the composition of their menus to make things cheaper.

Beverage

Growth rates are expected to be high in the beverage industry. This mainly stems from the impact of seasonal trends, stronger product diversification, and smaller average equipment size creating more space for multiple machines that are operated simultaneously.

Within the beverage equipment sector, the market for espresso equipment has the most attractive medium-term growth outlook, while the market for non-frozen dispensers represents the largest sub-segment of the industry. The hot and cold beverage segments are largely equal in size.

Food & Beverage equipment market 2022*



* Own company calculations and estimates

Key drivers in the professional food and beverage market

Change in consumer food habits and delivery models

Restaurant owners have gradually increased the variety in their menus in response to changing consumer food habits, which demands more versatile kitchen equipment. In addition, the take-away and delivery business models are heavy growth drivers.

Our response

We have a wide range of multi-functional products for Food service & Beverage which allows the operator to adapt easily to new trends. Speedelight, SkyLine Cook & Chill, SafeBox Hold, and LiberoPro are excellent examples of our solutions that meet increasing demands for top performance, flexibility, and mobility.

Total cost of ownership and environmental awareness

There is a greater focus on the total cost of ownership as a purchase decision. The cost mainly includes energy, maintenance, and food-waste related costs, as well as labor costs for operating the equipment.

Our response

All our newly developed products significantly reduce the total cost of ownership and usage of energy, water, and chemicals for the operator. This enables us to shorten the payback time of the investment for our customers. Food waste is a significant cost factor, but the Thawing Cabinet and the Cook & Chill system allow our customers to produce only the food they consume.

Connectivity

Product automation and connectivity will be able to help customers optimize their workforce and reduce labor costs, thus reducing total cost of ownership.

Our response

The OnE Connected solution allows users to monitor their entire kitchen or laundrette. It makes data available to our customers so that they can optimize the production flow and reduce the cost of operation.

New and innovative beverage trends

Customers are moving towards healthier beverage options, and new and innovative products are emerging. In mature markets particularly, such as Europe and North America, customers are shifting toward customized flavored beverages, with an increased demand for more versatile equipment.

Our response

Our beverage solutions have many practical benefits such as insulated bowls for visual slush machines, and easy cleaning and operation for the Bubblers range. Our equipment ensures energy savings, high performance, and efficiency.

2022 performance

Markets and customers

In Europe sales are particularly significant in Southern Europe where we have a strong market position under the Electrolux Professional brand, in addition to other well-known historical brands such as Zanussi, and the acquisitions in the coffee and beverage segment with UNIC in France and SPM in Italy.

In Asia-Pacific & Middle East and Africa our strength is in the high-end project environment. This means we are involved in larger installations in hotels and restaurants, and projects play a more important role in this region compared to Europe or the Americas. Beverage in the Asia-Pacific & Middle East and Africa region is focused on the QSR and Convenience Store segments - building on a strong history in cold beverages in South-East Asia.

In the Americas the focus within Food and Beverage has traditionally been on fine dining, projects and schools, and major chains.

Sales development

In 2022 Food & Beverage sales were SEK 7,290m (4,704), an increase of 55.0% compared to the same period last year when sales were still affected by the coronavirus pandemic. Organic sales increased by 17.4% (14.3) and currency had a positive effect of 10.3% (-4.7). The acquisition of Unified Brands contributed by 28.3% and the divestment of the Russian operations had an impact of -0.9%.

Earnings development

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 679m (299), corresponding to an EBITA margin of 9.3% (6.4). Operating income amounted to SEK 542m (244), corresponding to an operating margin of 7.4% (5.2).

Net sales and EBITA margin



Net sales total, Food & Beverage

SEK 7,290m

(4,704)

EBITA

SEK 679m

(299)

EBITA margin

9.3%

(6.4)

Products for food service & beverage

Products for food

The key food service applications of this segment are cooking, refrigeration, dishwashing, and dynamic food preparation.

Our key products include ovens, blast chillers, cooking ranges, refrigerated cabinets and counters, freezers, cutters, mixers, dishwashing equipment, and specialty accessories and consumables.

Products for beverage

The key beverage applications of this segment consist of equipment for coffee, espresso, hot, cold and frozen beverages, and soft drink dispensing equipment.

Our key products include, coffee machines for espresso, coffee brewing and grinders, hot beverage dispensers, cold beverage and juice dispensers, frozen drink and soft-serve products.

DYNAMIC FOOD PREPARATIONS	COOKING	REFRIGERATION	DISHWASHING	STAINLESS STEEL FABRICATION	HOT	COLD	FROZEN	SOFT
<ul style="list-style-type: none"> • Slicers & food processors • Vegetable washers • Spin dryers • Planetary mixers • Vacuum packers & sealers • Multi-purpose peeling machines 	<ul style="list-style-type: none"> • Fryers • Boiling & braising pans • Grills & griddles • Steamers • Ventilation equipment • Modular cooking ranges • Fry tops • Combi ovens • Convection ovens • Made 2 Measure cooking suites 	<ul style="list-style-type: none"> • Refrigerated cabinets • Refrigerated counters • Saladettes • Cold rooms • Blast chillers 	<ul style="list-style-type: none"> • Dishwashers: • Undercounter • Hood type • Rack type • Flight type • Waste and dishware handling systems • Accessories 	<ul style="list-style-type: none"> • Cabinets and cupboards • Work tables and shelves 	<ul style="list-style-type: none"> • Coffee grinders • Coffee brewers • Espresso machines • Hot beverage dispensers 	<ul style="list-style-type: none"> • Cold beverage dispensers • Cold juice dispensers • Beer dispensing systems 	<ul style="list-style-type: none"> • Frozen granita dispensers • Frozen ice cream dispensers 	<ul style="list-style-type: none"> • Soft serve • Soft ice cream dispensers 



Laundry

Laundry provides equipment designed for a range of professional users, from self-service coin-ops and the hospitality industry to healthcare providers and commercial laundries. Customers include hospital and hotel laundries, laundries in apartment buildings, and laundrettes.

Laundry segment, share of Group net sales

34%

Market size and growth

The total market for professional laundry equipment is estimated to be approximately USD 2.8bn* in 2022. Prior to the Corona virus pandemic, the market for global professional laundry equipment experienced annual growth of 2-3%, and this is expected to continue over the medium term. Already at the end of 2021, the market was back to pre-pandemic levels and has seen good growth in 2022.

Market growth is mainly being driven by an increased focus on product sustainability and efficiency, energy labelling and certification requirements, good ergonomics, and the demand for appliance innovation and connectivity for better control, flexibility, and to be able to reduce the cost of labor. While these trends are evident worldwide, the importance of each varies from region to region.

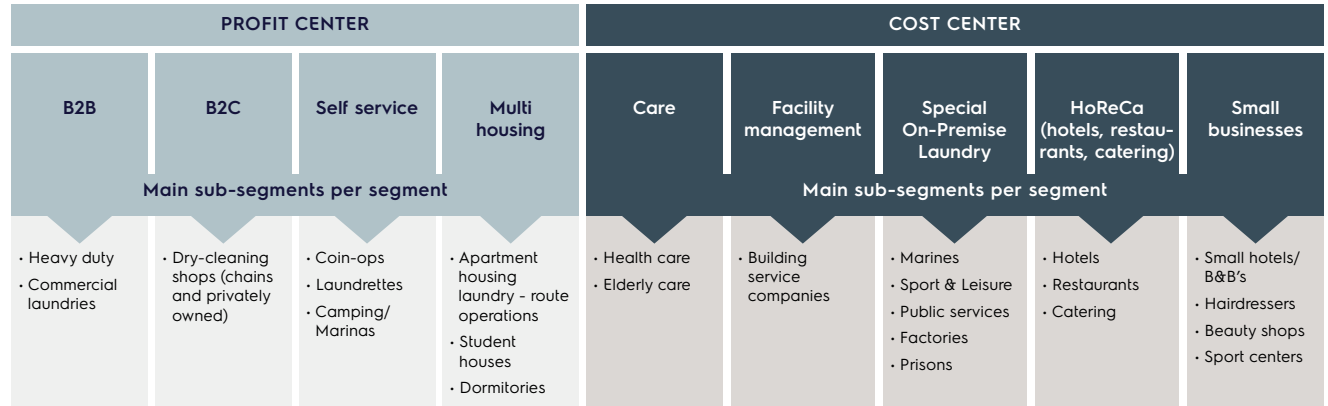
As more technologically-advanced equipment is introduced, major equipment replacement cycles are expected to take place. Customers are expected to demonstrate more price flexibility as a result of lower ownership costs.

Customer service and after-market support are key competitive factors.

* Own company calculations and estimates

Two major market segments in Laundry

The Laundry segment is divided into two main areas; the first is comprised of customers whose main business is professional laundry, and the second is made up of customers that consider laundry as a cost center.



Key drivers in the professional laundry equipment market

Reduced cost of ownership – especially energy costs

Customers are increasingly looking for equipment that reduces operating costs. They are focusing more on the total cost of ownership of equipment rather than the initial investment, for instance costs for labor, electricity, water, and detergent.

Our response

Our innovation and development has long been focused on continuous improvement of our appliances to increase productivity and reduce the total cost of ownership. This means reduced environmental impact through lower water, electricity and detergent consumption. The ability to connect our machines in a digital ecosystem also makes them more efficient, and helps customers gain a more flexible and efficient workflow.

Greater environmental and climate awareness

Many customers want to be able to meet environmental standards and desire lower water consumption, more efficient appliances, gentler detergents, and less impact from chemicals.

Our response

Our Laundry products are often the best – or among the best – in the industry in terms of environmental impact: Focus is on lower consumption of water, electricity, and detergents. We also offer a detergent that is gentler on both the environment and textiles.

Increased demand for flexible business models

Functional sales or equipment rentals are gaining traction in the market. Demand for equipment rental is rapidly accelerating, particularly in Europe and especially from smaller companies.

Our response

We provide rental solutions in some markets, offering everything the customer needs for hassle-free operations – equipment, accessories, and cleaning products.

2022 performance

Markets and customers

In Europe we are one of the leading laundry equipment players with the most significant sales being in Sweden, where the majority of customers are property owners with laundry rooms.

During and after the pandemic we have seen an increased focus on hygiene, in particular within elderly care homes and hospitals, which have contributed to our sales growth.

In the Asia-Pacific, Middle East and Africa Region, sales come from an equal mix of laundrettes, hotels and recreation, and elderly care homes and hospitals.

Our business in North America has traditionally been heavily weighted towards laundromats, with good growth also in the other segments. We are one of the market leaders in the US.

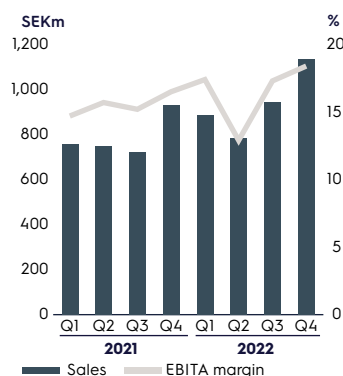
Sales development

Net sales in Laundry was SEK 3,747m (3,159) in 2022, which is an increase of 18.6% compared to the previous year. Sales increased organically by 16.2%, and currency had an effect of 3.2%. The divestment of the Russian operations had an effect of -0.7%.

Earnings development

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 608m (492), corresponding to an EBITA margin of 16.2% (15.6). Operating income amounted to SEK 590m (475), corresponding to an operating margin of 15.7% (15.0)

Net sales and EBITA margin



Net sales total, Laundry

SEK 3,747m

(3,159)

EBITA

SEK 608m

(492)

EBITA margin

16.2%

(15.6)

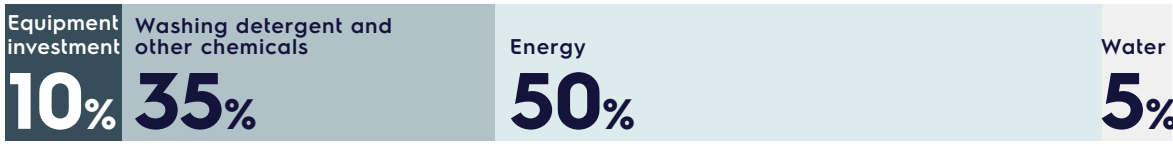


Sustainable laundry solutions

Investment in equipment is a smaller portion of the overall ownership cost

When purchasing a washing machine, the upfront investment cost is only a small part of the overall cost of ownership. Operating costs accumulate year on year and in the end they make up the majority of the customer's costs. Over the long term our washing machines and tumble dryers cost less than most of our competitors' products, which makes the initial investment more profitable.

Estimated total cost of ownership of a washing machine over its lifetime



Calculation is based on a typical washer (20 kg) and typical prices within Europe. Note that the figures differ depending on equipment, water, energy, and detergent costs in different markets. The figures refer to 2022.

Lower cost of ownership and reduced environmental impact for customers

We endeavor to provide the most efficient laundry equipment on the market. Our prime reasoning is that an investment in our products provides long-term savings by reducing the cost of ownership and decreasing the customer's climate footprint. New equipment also increases customer productivity and gives customers whose main business is laundry an opportunity to increase revenues. Our most productive heat pump dryers in the Line 6000 range provide energy savings of up to 60% and have the shortest drying time in the market.

All new washing machines are equipped with the ability to have automatic dispensing for detergent, fabric softeners, and other chemicals. Combined with the Automatic Savings functionality this can reduce detergent consumption by up to 60%. We have also developed lagoon® Advanced Care, a water-based alternative to dry-cleaning for laundering sensitive garments such as leather and shoes.

All product development expands on an existing intelligent and modular product range of appliances that can be connected together for real-time and important user and performance data provided to the end-user.

High level of user friendliness and ergonomic certification

As washing equipment is an important component of the working environment and customer experience for many, ergonomically designed washing solutions with ergonomic certification are an important part of our laundry product innovation efforts. Professional operators who work in commercial laundries, and in institutions and hotels with laundrettes, load and unload thousands of kg of washing every day.

The new, intuitive, user-friendly display simplifies the choice of washing program, needs no specific language skills, and facilitates smarter energy and water consumption, fully automatically.



Laundry products

The most important products in the segment include equipment for laundry, drying, and ironing.

Our major products are washers, tumble dryers, drying cabinets, ironers, and related specialty accessories and consumables.

LAUNDRY	DRYING	IRONING
<ul style="list-style-type: none"> • Front-load washers • Efficient dispensing systems • Barrier washers • Semi-professional washers 	<ul style="list-style-type: none"> • Tumbler dryers • Drying cabinets • Semi-professional dryers 	<ul style="list-style-type: none"> • Ironers • Finishing machines

Operations & Our people

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Our production

The Group's manufacturing units are organized mainly by product category to ensure proximity and agility to serve customers. Our three largest factories, Vallenoncello in Italy, Ljungby in Sweden, and Rayong in Thailand, produce for the global markets. The other plants mainly serve regional markets, some of them with solutions already adapted for the global markets, with a significant potential to grow.

Operational excellence

We have been focusing on agility in our supply chain, resulting in a normal, standard manufacturing lead time of three days, from production to ready-to-deliver, for a significant portion of our products. However, during 2022 lead times were often longer due to the shortage of components as a result of global uncertainties after the pandemic and the war in Ukraine.

Our ability to adapt the production capacity and structure of our plants to customer demand, and establish network abilities between the sites, is key to maintaining control and generating cost savings.

Our network is built on common standards and methods, based on a world-class manufacturing framework. The tools and the logic are retained through this framework, from choosing the right priorities to creating tangible and measurable results with a focus on sustainability, customer satisfaction, and cost reduction.

We continuously evaluate our manufacturing footprint to ensure all processes meet the highest possible efficiency, flexibility, and performance standards.

Modular production

Standardization and modularization are key factors for achieving the highest level of customization at the lowest cost and use of resources. The modularization model is based on product design and creates a new set-up for the supply chain, which improves efficiency.

ISO certified plants

Our target for all of our logistics, manufacturing, and R&D operations is to be third-party certified according to ISO – International Organization for Standardization – standards ISO 9001 and ISO 14001. Some sites are also ISO 50001 and ISO 45001 certified.

Read more in the Sustainability report.

Climate-neutral operations by 2030

Sustainability is a key part of the overall strategy and day-to-day operations of our company. We want our solutions and operations to contribute to a more sustainable society and our ambition is to become climate neutral in our industrial operations by 2030.

All our manufacturing sites are progressing with their sustainability efforts. This includes a systematic approach for the responsible use of resources, occupational health and safety, and environmental management. We leverage a consolidated set of standard tools and methods, and also encourage the highest possible engagement from our employees. One important future priority is to reduce our impact from waste within our manufacturing.

During 2022 Unified Brands manufacturing sites has been included in the environmental data, which gives an increase of total consumption reported. With a recalculated baseline we have reduced energy consumption by 2% and water consumption by 10% from previous year.

We are currently operating with a 37% share of renewable energy. All manufacturing sites in Europe operates with renewable electricity. For sites outside Europe focus is to increase share of renewable electricity.



ISO certification – share of production volume covered by third-party certification*



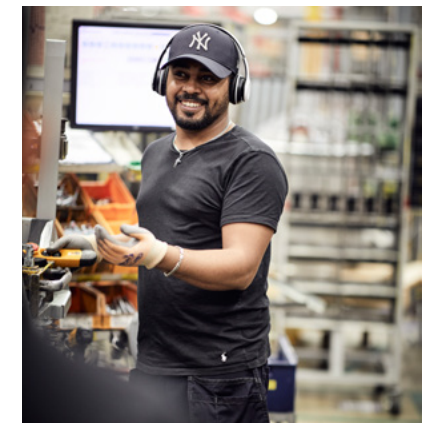
* Excluding Unified Brands’ production volumes.

Manufacturing sites

- Food solutions
- Beverage
- Laundry
- ✦ Global manufacturing site



Location	Primary product category	Products produced
Vallenoncello, Italy	Food solutions	<ul style="list-style-type: none"> • Refrigeration: counters, cabinets, blast chillers, roll-ins, saladettes • Oven range • Modular cooking: grills, fry tops, braising pans, fryers, pasta cookers, pans, neutral tops, solid tops, burners, open bases, induction, hobs • Dishwashers: hood types, rack types, under counters, glass washers
Ljungby, Sweden	Laundry	<ul style="list-style-type: none"> • Washers • Dryers
Rayong, Thailand	Beverage Laundry	<ul style="list-style-type: none"> • Coffee brewers • Cold beverage and juice dispensers • Washers • Dryers: single, stacked
Carros, France	Beverage	<ul style="list-style-type: none"> • Espresso coffee machines
Troyes, France	Laundry	<ul style="list-style-type: none"> • Washers, ironers
Aubusson, France	Food solutions	<ul style="list-style-type: none"> • Dynamic preparation: planetary mixers, cutters, peelers, vegetable cutters, display cooking
Saint Vallier, France	Food solutions	<ul style="list-style-type: none"> • Made-to-measure stoves
Sursee, Switzerland	Food solutions	<ul style="list-style-type: none"> • Modular cooking: grills, fry tops, braising pans, fryers, pasta cookers, pans, neutral tops, solid tops, burners, open bases, induction, hobs • High-capacity cooking: tilting boiling and braising pans • Made to measure stoves
Spilamberto, Italy	Beverage	<ul style="list-style-type: none"> • Hot and frozen beverage dispensers • Soft ice cream dispensers
Shanghai, China	Food solutions	<ul style="list-style-type: none"> • Dishwashers: hood types, rack types, under counters, flight types
Vicksburg, Mississippi, United States	Food solutions	<ul style="list-style-type: none"> • Preparation, cooking and washing systems (ware- and vegetable washing) • Steamers, kettles and braising pans
Weidman, Michigan, United States	Food solutions	<ul style="list-style-type: none"> • Refrigeration and preparation tables; standard and made-to-measure solutions



Quality

During 2022 we significantly improved the quality of our products, and product complaints were at a record low level.

Our approach

Electrolux Professional's zero quality-defect product approach is part of the Electrolux Professional production system. It embodies a philosophy of defect-free, reliable, cost-effective appliances that exceed customers' quality expectations. According to our quality policy, we are committed to marketing products that are of such high quality that this alone would be a defining reason why customers choose our products over the competition, whether it's a first-time buy, recommendation, or repurchase.

Our framework

The Quality framework is focused on making quality an integrated part of the entire organization.

This involves generating a mindset that focuses on preventative and proactive activities – to the point of identifying unknown problems before they even occur, rather than a reactive approach.

The Quality framework supports the use of standardized design tools and practices as well as performing product and process audits.

The Quality framework is based on the "power of zero", meaning zero quality defects, zero service call rate, and zero safety issues.



Purchased materials represent about 64% of our product costs. Steel, both austenitic and carbon steel, and mechanical components are traditionally the largest commodities, while electronics have increased substantially in recent years.

Mitigating risks

In order to mitigate potential negative impacts due to price fluctuations and to secure availability, we negotiate annual prices in contracts with the main producers for the most important raw material, such as steel. The vast majority of our purchases are direct materials such as mechanical, chemical, and electrical components.

Electrolux Professional is strategically focused on sourcing raw materials from several suppliers in order to minimize supplier risk and dependency on certain suppliers. At the same time, there are cost-saving opportunities from the planned consolidation of

Purchasing

We purchase a wide range, and large volumes, of raw materials and components from external suppliers. We monitor the quality and reliability of these suppliers closely. Electrolux Professional Group contracts around 3,300 suppliers.

our relatively large supplier base which has increased due to recent acquisitions.

Purchasing approach

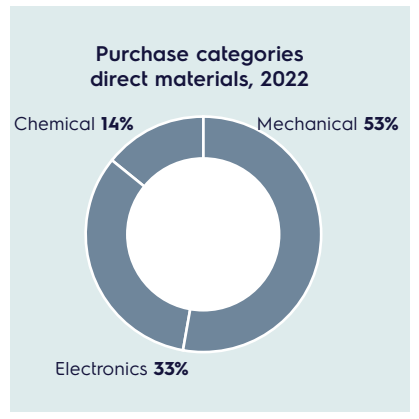
Our purchasing approach is a balance between effectiveness, quality, agility of deliveries, and the ability to reduce cost. This is a core activity involving suppliers, R&D, and Industrial Operations. We evaluate our preferred suppliers not only on their capability to deliver today, but also on their ability to be partners in the journey of continuous innovation.

Purchasing in 2022

In 2022, expenditure on direct material and products totaled approximately SEK 4.3bn, which accounts for approximately 69% of total purchasing. Raw material prices increased substantially during 2022 due to higher world market prices. This is a result of global uncertainty after the pandemic and the war in Ukraine. In addition, the global

shortage of components has created much higher costs as we have been forced to buy more on spot markets.

The direct materials bought in 2022 were primarily mechanical materials such as steel, aluminum, and cast iron, amounting to approximately 36% of total direct material expenditure.



Logistics

The aim of the logistics organization is to serve customers with the right products and parts, on time, at the lowest possible cost. This is delivered through effective and prompt customer order management, an efficient global planning organization, as well as a comprehensive global distribution network, including efficient management of finished goods and spare part inventories.

Logistics hubs

The outbound infrastructure is organized into four logistics hubs that currently serve 110 countries. The two main global logistics hubs, distributing more than half of all products, are based in Europe, one in Italy for Food & Beverage and one in Sweden for Laundry. One regional hub is based in Singapore to cover the APAC region, while a second regional hub located in Louisville in the US serves the market in North America.



Our people

Our mission is to make our customers' work-life easier, more profitable – and truly sustainable every day. This can only be accomplished through our greatest asset – our people.

Employees by region

Europe

Americas

Asia-Pacific,
Middle East,
Africa

66%

19%

15%

Our Guiding principles

Our Guiding Principles aim to support our mission and strategy by giving direction to our behaviors. By clearly stating the behaviors we want to see, we drive the company identity and culture. Our actions and decisions throughout the company should reflect and be aligned with these principles. Our Guiding Principles were initially implemented in 2021 and continued actions to drive the cultural evolution were taken during 2022.



Be customer obsessed

Our customers are at the heart of everything we do. We recognize our customers as both our external end customers, as well as the colleagues that are impacted by our actions and that benefit from our work – and we value both.



Build trust

We believe that trust is an essential element both for the business and for our people to thrive. We welcome healthy debates and honest conversations in which everyone has a voice and is encouraged to use it, regardless of hierarchy. We are honest about our mistakes and learn from our setbacks. We seek commitment and accountability, and value honesty, integrity, and ownership.



Be bold

Everyone is empowered to take action to deliver better outcomes at Electrolux Professional Group. We take risks with confidence and support courageous decision-making that inspires progress and growth. We welcome new perspectives and ideas and approach them with an open mind, and we appreciate and respect our cultural differences and embrace all people – irrespective of race, ethnicity, or gender.



Act sustainably

We consider the development of our people to be as important as preserving our environment, and we take decisions that reflect our efforts to build a better future. We aim to reduce our negative environmental and social impact by developing innovative and sustainable solutions to enable future generations to live more sustainably.

New business-focused organization from July 1, 2022

On July 1, 2022, Electrolux Professional changed its organization to a more business-focused structure, to enable faster execution of the company's strategic priorities. The new organization has five Business Areas focused on customer categories and geographies: Food Europe, Food Americas, Food APAC & MEA, Beverage & Food Preparation, and Laundry. The businesses are fully integrated with end-to-end responsibility including product development, manufacturing, and sales. Some central function resources at Group level have been transferred to the Business Areas, which are fully responsible for the business, to enable a complete customer-centric business perspective.

Employee surveys

We conduct an extensive, company-wide Employee Engagement Survey (EES) annually, as well as quarterly short satisfaction surveys, Employee Net Promoter Score, (eNPS). The eNPS is a one-question survey measuring employee satisfaction to assess current sentiment towards the company. The annual Employee Engagement Survey provides more long-term and deep-dive insights about the organization.

Annual Survey

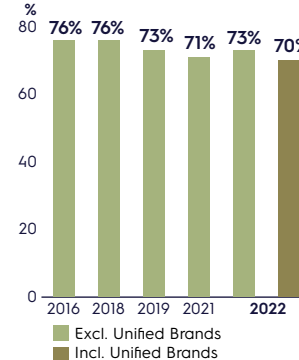
More than 3,300, 88% (91) of all employees expressed their opinions through the EES in October 2022. The Satisfaction rate, High Performance Organization index rose to 73 (71), excluding Unified Brands employees. With these comparable numbers it reflects a positive rise in total employee engagement.

For the first time the employees in Unified Brands were included in the survey, accounting for more than 15% of the total invited population. With Unified Brands' employees included, the index was 70.

Since previous survey, progress has been made in the areas of employee commitment, customer orientation, familiarity with strategy, and employee development.

Based on the results of the EES in 2021 the following areas were prioritized for improvement: people development, leadership, collaboration, and renewal climate, and the results of the 2022 EES indicate that they all developed positively.

Employee satisfaction survey rate, satisfied or very satisfied



In 2022, we conducted eNPS three times among non-production employees with results remaining stable and indicating good employee satisfaction levels.

A new and more flexible work-life

As countries have opened up post corona virus pandemic-lock-downs we decided to take a stand on how flexible we would be with regards to the choice of work-place (e.g. working from home). We decided to be bold and to show trust in our employees. Those whose work activities allow may choose where they work a part of their working time per month. We recommend and prefer that employees come to their workplace at least half of the time since it is important for team collaboration, as well as for personal and informal interactions.

Development Talks

Development Talks originated in the long-standing performance management process, in which performance objectives are set once per year and evaluated at the end of each calendar year. During 2022 we implemented an evolved version of this process which underlines the criticality of employees' development to the company's continued success. It also captures the new way of working with our focus on prioritization and deliverables, and encompasses regular check-ins to monitor progress and fine tune priorities.

Development Talks is the process to ensure accountability

from and contribution by each employee, underpinned by the principle of trust and by the belief that highly engaged employees with a growth mindset will take excellent care of their jobs, the company, and our customers. The process encompasses regular dialogues between employees and their managers, on key business priorities, how employees can contribute, and on opportunities for employees to do things differently to strengthen their skills to increase their impact and secure their long-term success.

Diverse and inclusive organization

We recognize and seek diversity in all its forms. It is paramount to our business success that we have a wide and diverse perspective on matters. We also believe that an open, fair, and inclusive work environment will drive higher engagement and better growth and development for our employees. In our annual Employee Engagement Survey in 2022, 71%* of our employees agree with the statement "In my team, people with diverse backgrounds, styles, and approaches have equal opportunities for development", which is an improvement of 1%-pt since 2021. We monitor gender diversity, and we have clear and cascaded objectives to increase gender diversity. All employees are to be treated according to their abilities and qualifications in any employment decision, including hiring, promotion, compensation, training, and termination. As part of our commitment to having

a diverse and inclusive work-place, we have zero tolerance for harassment and bullying. All employees must treat each other with respect, dignity, and common courtesy. Our ethics framework has been designed to provide guidance to our employees in applying the Electrolux Professional Code of Conduct.

Reporting misconduct

All employees can report conduct that they believe, in good faith, to be a violation of laws or our Code of Conduct, to their manager or in accordance with locally established procedures. Misconduct and violations of the Code of Conduct or Group policies can also be reported through the third-party provider's web tool, called EthicsPoint. Anyone reporting a violation shall, to the extent legally permissible, have the possibility to remain anonymous.

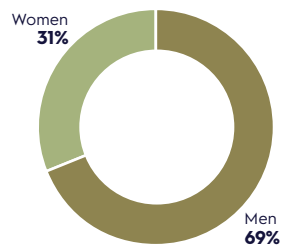
During 2022 all cases reported through EthicsPoint were thoroughly assessed and as required investigated under the instructions by the Code of Conduct Steering Group consisting of the CHRO, Head on Internal Audit and General Counsel and reported to the Audit Committee. Most complaints were related to HR related topics and workplace conduct.

We also measure incidents of discrimination and harassment through our annual Employee Engagement Survey (EES). Through these results actions are planned to address culture and behaviors in the locations we deem necessary.

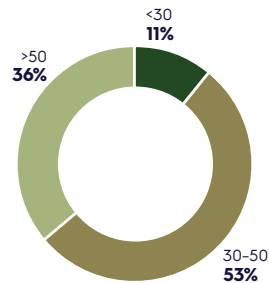
* excluding Unified Brands.



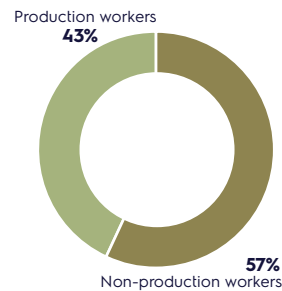
Gender distribution



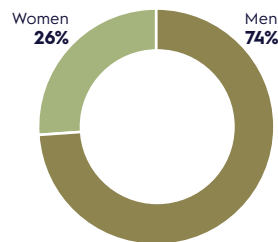
Age distribution employees



Worker distribution



Leadership diversity



December 31, 2022

A safe and healthy workplace

Knowing that our employees are the single most important factor in achieving long-term success, we are committed to continuously developing a work environment that enables sustainable performance and development so that all employees can deliver their best.

Our commitment to health and safety goes beyond ensuring compliance with rules and legislation. The Group Workplace Directive describes the minimum requirements for environmental and working conditions for all employees. According to our annual Employee engagement

survey in 2022, 81%* of our employees agree with the statement "Health and safety is always considered in the decisions and actions taken in my team", which is unfortunately a decline of 1%-pt from the survey result in 2021.

Number of employees

On December 31, 2022 Electrolux Professional Group had 4,022 employees in 33 countries. We have twelve manufacturing sites including R&D centers. The biggest countries in terms of number of employees are Italy, the US, and Sweden.

*excluding Unified Brands.



Sustainability Report

Sustainability is a key part of our strategy, culture, and day-to-day operations. We want our solutions and operations, today and tomorrow, to support a more sustainable world, and we use the UN's Sustainable Development Goals (SDGs) as our compass to guide what we do to contribute to a better society.



myLaundry Concept Store -
our game-changing retail laundry experience is a premium laundry solution that stands out from the crowd.

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2022 activities



- > Retained B-score in our second participation in the Carbon Disclosure Project ranking (CDP).
- > Sustainalytics, Morningstar, ranked the Group with a low ESG-risk rating.
- > Developed targets for reduction of Scope 1, 2 and 3 greenhouse gas emissions which have been submitted to Science Based Targets initiative (SBTi) for validation.
- > Support to Red Cross donation drive for the relief efforts in Ukraine.



- > Application to participate in I-REC organization, to increase share of renewable electricity in Thailand operations.
- > To generate innovative ideas addressing sustainability topics, a company-wide Sustainability challenge was introduced. Read more on this page.
- > Training for Purchasing team on responsible mineral sourcing.
- > Identification of climate-related transition risks, physical risks, opportunities, and their financial impact in accordance with the TCFD framework.
- > Launch of products for increased hygiene and sanitization, such as the Safe Box Hold and the hygiene & clean commercial Dishwasher line.

- > During the year, several digital campaigns were launched, promoting our many energy saving solutions such as Heat Pump dryers, washing machines, and eco-friendly detergents.
- > Company-wide recognition of Product and Operations Water improvements on UN World Water Day and of Gender diversity on International Women's day.



- > Common activities on Environmental day and Global Safety Day, reinforcing the importance of building a positive health and safety culture.

Silver certified by EcoVadis

In 2022, Electrolux Professional Group was evaluated for the first time by EcoVadis, a global provider of business sustainability ratings. After assessment in four areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement, Electrolux Professional Group received a silver rating certification from EcoVadis.

Being EcoVadis certified allows the company to be considered as a preferred supplier to high profile customers as sustainability disclosures are increasingly becoming a requirement in their procurement processes.



The 2022 Sustainability Challenge

The 2022 Sustainability Challenge was an activity to collect ideas from employees across the organization.

More than 110 ideas were submitted through the challenge. The innovation and sustainability teams came together to prioritize the ideas and selected eleven finalists in six different action areas: manufacturing, our facilities, distribution, product use, post-use, and out-of-the-box.

Finally, the finalists pitched their ideas in a "dragons' den" style presentation to management executives who then selected the winner. The sustainability challenge winner's idea was the "second life program", an initiative for the install base refurbishment of SpeedDelight. This concept, and a selection of other finalists' ideas, will be prototyped to validate whether further implementation is valid.

Mission

Making our customers' work-life easier, more profitable – and truly sustainable every day

Our sustainability commitment

We act according to our ethical principles.

We constantly strive for improvement throughout our value chain.

We act fairly and commit to the trust we are given by our stakeholders.

Our guiding principles



Be customer obsessed



Build trust



Be bold



Act sustainably

Read more on page 45.

Strategic framework and materiality

We want to do our part to improve society and generate value for our stakeholders. We believe that the Agenda 2030 and the UN's Sustainable Development Goals (SDG's) are good indicators of the priorities and challenges that the world is facing. Electrolux Professional Group has identified six SDGs where we believe we have a greater impact and opportunity to make a difference. Read more on page 53.

We also believe that commitment to, and application of, standardized

frameworks such as the UN Global Compact, ILO Convention, GRI and ISO standards, simplifies the understanding and fulfillment of stakeholder expectations.

Electrolux Professional's materiality assessment is based on the magnitude of our social, environmental, and economic impacts and value generation for our stakeholders. We gain a deeper understanding of stakeholder expectations through stakeholder dialogue, presented on page 65.

Value generation for stakeholders

- > Build product and employee branding
- > Value generation for customers
- > Reduced or mitigated risks
- > Reduced costs through efficient use of resources
- > Availability of sustainable and green investments
- > Economic value, generated and distributed
- > Improved environmental and social footprint within our value chain



Sustainability strategy

Sustainable operations

Improve sustainability performance within our operations through proper management and a systematic approach, with an emphasis on improving our environmental and social performance every day.

Sustainable solutions

Set the pace in the professional food, beverage, and laundry industries, through innovations in sustainability and energy efficiency, underpinned by a connected and digital platform to meet customer needs.

Ethics and relationships

Maintain strong and sustainable relationships with the stakeholders impacted by our business, and demonstrate our commitment through actions and procedures.

**Our climate ambition for 2030
To become climate neutral within our industrial operations by 2030.**

Sustainability targets

Climate target for 2025

Reduce CO₂ emissions
Scope 1 and 2 emissions from our industrial sites

>50%

by 2025 (base year 2015)

OUTCOME 2022:

Scope 1 and 2 CO₂ emissions in 2022 amounted to 6.2 kton, which is -45% compared to 2015 with recalculated baseline*.

Comment on 2022 outcome

The total emission has increased due to the acquisition of Unified Brands in the US. With a recalculated baseline*, the reduction since 2015 is 45%. The decrease in 2022 is mainly due to the increased share of renewable electricity in Rayong, reduced electricity consumption in Louisville and Shanghai, and reduced natural gas consumption in Rayong and Vallenoncello.

Climate target for 2030

Reduce CO₂ emissions
Scope 1 and 2 emissions from our industrial sites

>70%

by 2030 (base year 2019)

OUTCOME 2022:

With a recalculated baseline* including Unified Brands, reduction since 2019 is 29%.

Comment on 2022 outcome

Electrolux Professional Group will continue to increase its share of renewable energy focusing on reducing natural gas consumption through electrification and increasing share of electricity from renewable sources at sites located outside of Europe. Remaining emission will be off-set to reach climate neutral ambition.

Health and safety target for 2025

Lost time injury rate (LTIR)
As measured by work-related accidents per 200,000 work hours

<0.3

by 2025

OUTCOME 2022:

The number of accidents resulting in lost work time decreased in 2022, and the lost time injury rate improved to 0.6 (0.7).

Comment on 2022 outcome

The lost time injury rate improved by 7% compared with 2021. During the year we have continued to address root causes of accidents, and worked preventively with near misses, unsafe acts, and improving conditions at our manufacturing sites. We have a zero tolerance for work related accidents.

Gender diversity target for 2030

Gender diversity
Distribution men/women or women/men

40/60

distribution across managerial positions by 2030

OUTCOME 2022:

The percentage of women in all managerial positions was 26% (26) in 2022.

Comment on 2022 outcome

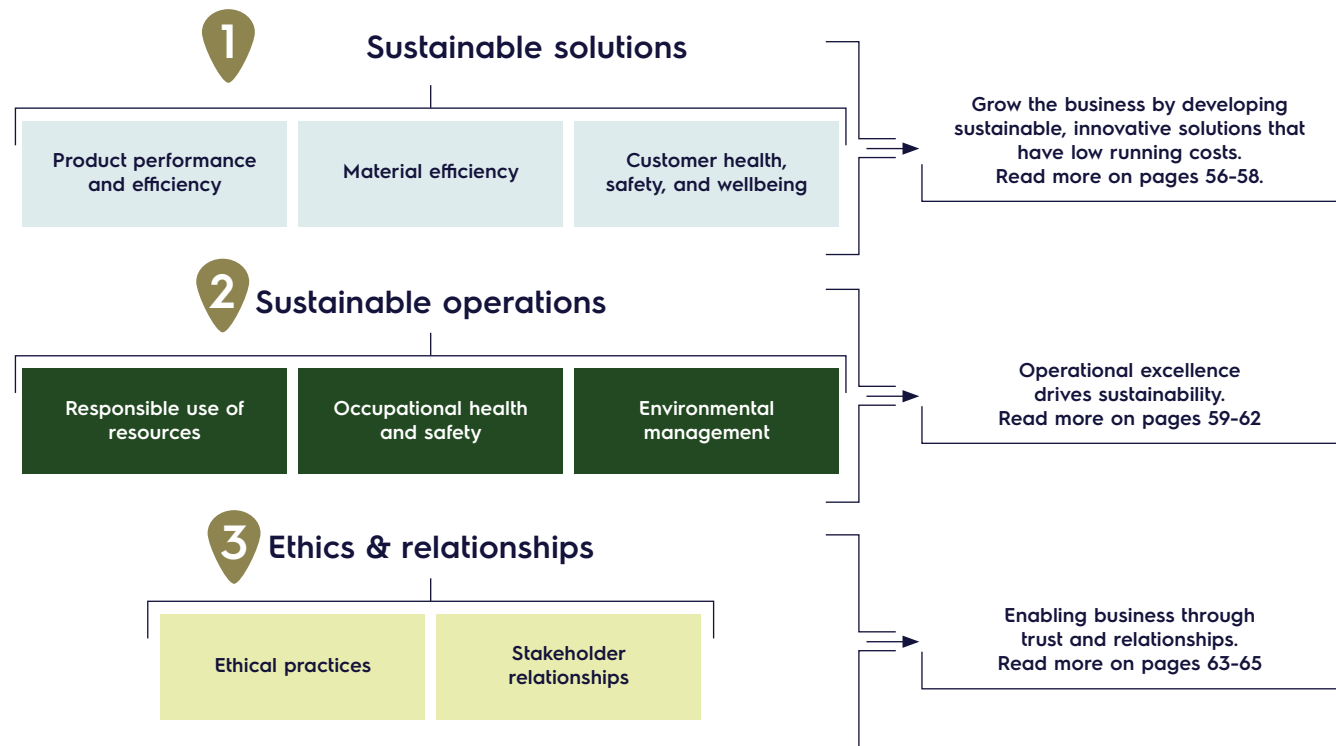
Gender diversity across managerial positions was unchanged compared to 2021. During the year the company has carried out activities related to diversity and inclusion such as Guiding Principle workshop, and education of hiring managers.

* Recalculation has been done by distributing the first reported emission footprint backwards to previous years.



The OnE Sustainable Partner

Our Sustainability framework “The OnE Sustainable Partner” frames how we work with our material sustainability topics. We perform impact analyses and strategic assessments, which together with stakeholder expectations and dialogues serve as the basis for our sustainability efforts and materiality analysis. Read more about our material topics on pages 56–65.



Sustainable Development Goals

Electrolux Professional Group uses the SDGs as our compass to guide what we do to contribute to a better society. We have identified six SDGs where we believe we have a greater impact and opportunity to make a difference. We believe that the SDG's are good indicators of the priorities and challenges that the world is facing.



SDG 7 Clean and affordable energy & SDG 13 Climate action

We can make a difference throughout our value chain by developing energy-efficient products and working with energy efficiency in our operations.

OUR MAIN ACTIONS

- Energy-efficient and low-consuming products
- Implement alternatives to HFC (Hydrofluorocarbon) gases
- Gradual shift from natural gas to renewable energy use in our operations.
- Energy efficiency improvements in all our operations to reduce the overall energy demand and switch to renewable electricity.



SDG 8 Decent work and economic growth

Knowing that our employees are the single most important factor in achieving long-term success, we are committed to continuously developing a work environment that enables sustainable performance where all employees can deliver their best.

OUR MAIN ACTIONS

- Occupational Health and Safety program
- User ergonomics and product safety integrated in product development, including third-party certifications
- Drive employee engagement
- Zero tolerance for slavery, trafficking, and child labor
- Respect labor rights (ILO conventions)



SDG 12 Responsible consumption and production

To reduce the environmental footprint related to our products and operations, we have a major focus on developing sustainable products for our customers.

OUR MAIN ACTIONS

- Environmental performance in operations (water, energy, waste etc.)
- Efficient use of materials
- Sustainable innovations and product efficiency



SDG 6 Clean water and sanitation

As a number of our products consume water, we can make a difference by developing and offering water-efficient products.

OUR MAIN ACTIONS

- Provide more water-efficient/low-consuming products
- Improve water efficiency in our own operations, with a special focus in water risk countries
- Management of water discharge to control quality and destination



SDG 5 Gender equality

We value diversity and inclusion and has zero tolerance for discrimination and harassment. We aim to increase the share of female leaders at all levels of the company.

OUR MAIN ACTIONS

- Anti-discrimination policies
- Actively promote diversity and inclusion



Other SDG's relevant to us

- SDG 3 - Health and wellbeing
- SDG 11 - Sustainable cities and communities
- SDG 16 - Peace, Justice and Strong Institutions
- SDG 17 - Partnerships for the goals

WE SUPPORT





The climate challenge

Electrolux Professional Group recognizes that actions related to climate change mitigation are highly important and we support the ambitions of the Paris Agreement. Our products and operations generate emissions. This is why we believe we can make a difference by reducing emissions stemming from both our operations and our products.

Morningstar Sustainalytics rating

During 2022* Electrolux Professional Group received a top rating from Sustainalytics, Morningstar, confirming our strong position in ESG work compared to our competitors.

* November 23, 2022

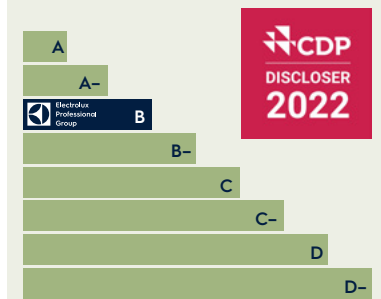


Ranking Industry group

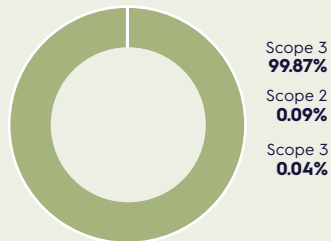
Machinery, no. 3 out of 558 companies.

Global ranking
1,048 out of 15,478 companies.

CDP questionnaire for climate change 2022

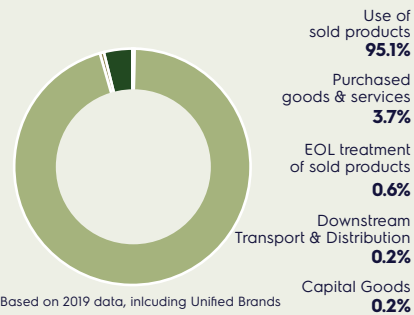


Distribution of our carbon footprint (Scope 1, 2, 3), %*



* Based on 2019 data, including Unified Brands

Distribution of our carbon footprint (Scope 3), %*



* Based on 2019 data, including Unified Brands

Scope 1, 2 and 3 emissions

Definitions according to the GHG Protocol:

Scope 1 – are emissions produced directly by an organization, for instance through the combustion of fuels, e.g. natural gas combustion for heating.

Scope 2 – includes indirect emissions generated through the consumption of purchased energy, e.g. through electricity use.

Scope 3 – other indirect emissions due to the activities of an organization, but that are produced and controlled by a different emitter, e.g. emissions resulting from the use of a company's products.

Impacts and targets

Scope 1 and 2 emissions

In 2020 we communicated our ambition to become carbon neutral in our industrial operations by 2030 (as measured by scope 1 and 2 emissions). During 2020 we also set a scope 1 and 2 emission target aimed at reducing emissions by 50% by 2025 (including contributions from acquisitions made in 2015–2019). During 2022 we extended our scope 1 and 2 emission target aimed at reducing emissions by 70% by 2030 with a base year of 2019 (including contributions from acquisitions made in 2022). Remaining emission is planned to be off-set to reach our climate neutral ambition.

Our scope 1 and 2 emissions constitute only a small portion, approximately 0.1%, of our total carbon emissions. Our carbon emissions mainly stem from energy consumption, but some are related to the use of HFC (Hydrofluorocarbon) gases. For our European sites the focus is to find alternative solu-

tions for natural gas and for other sites we also focus on increasing share of renewable electricity. During 2022 we have worked with setting up science-based targets of scope 1, 2 and 3 emissions, which have been submitted to the Science Based Target Initiative for approval.

Scope 3 emissions Product use

During 2022 we investigated the data regarding our greenhouse gas emissions within scope 3 (year 2019). It showed that our scope 3 constitutes around 99.9% of our total emissions. The data also highlights that our main climate impact occurs during the product use phase (~95%). The main source of emissions within the usage phase relates to the product's energy consumption. For many years, we have had a clear strategy to develop and offer energy-efficient and low-consuming products. Read more on pages 56–58.

As the energy cost often is a significant part of the total cost of ownership for our customers, energy efficiency is also a core argument for the customer's investment decision.

As the company's scope 3 emissions are highly significant, we have also worked with setting up science-based targets for scope 3, this has been submitted to the Science Based Target Initiative for approval.

Disclosure on climate related topics

Climate change is already impacting every region on Earth and further warming continues to increase the risk of extreme weather events. The risk mitigation and transition to a low carbon economy might have an impact on all stakeholders in society and have political, legal, and technological impacts on organizations. During 2021 we issued our first CDP disclosure (Carbon Disclosure Project), receiving a B rating in Climate Change and

during 2022 the company retained the B score although the questionnaire this year was more extensive. Electrolux Professional Group is seeing an increased interest in climate-related disclosures under the Taskforce on Climate-related Financial Disclosure (TCFD). We have also identified climate-related transition risks, physical risks, opportunities, and their financial impact. Read more in the Group Risk report on page 84.

Managing sustainability related risks and opportunities

Fire, natural disasters, and extreme weather conditions could affect the Group's manufacturing capacity. All manufacturing sites are surveyed annually through a loss-prevention group standard which includes risk management, emergency procedures, business continuity, and security. Read more about operational risks on page 86.

Carbon taxes and/or borders might impact material, energy, and transportation costs, due to the

distribution of our carbon footprint. Increased costs for energy might further accelerate the demand for energy-efficient and low energy consuming products. We have been investing in developing such products for many years, and resource and material efficiency is an integrated part of our sustainability strategy.

There are very few energy-labeling directives in the professional appliance industry. We welcome more energy standards or directives since they would improve transparency and give customers the opportunity to make informed purchasing decisions.

In areas where water availability and water supplies are becoming more unpredictable or scarce, requests for water-efficient products can be expected to increase. As some of Electrolux Professional Group's products consume water when operating, we have a clear strategy and targets to develop low-consuming and water-efficient products.



Sustainable solutions



We serve a wide range of customers globally, from restaurants, hotels and laundrettes to healthcare and service facilities. Our solutions consume energy, water, and detergents and impact the users as well as the consumer of the service they provide.

We want to set the pace within the professional food, laundry, and beverage industry through innovation in sustainability and energy efficiency, and offer connected and digital platforms that meet customer needs.

Product design influences or determines numerous environmental and social impacts throughout the value chain. The choices made will have an impact on materials use, manufacturing, distribution, product use, and end of life.

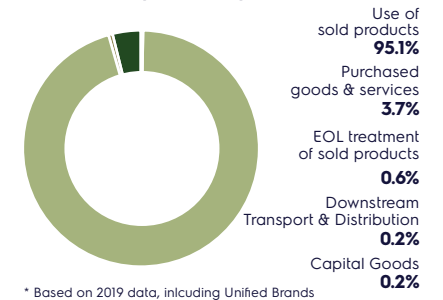
As our main environmental impact occurs during the product-use phase, integration of sustainability into product development is essential to reduce our overall impact.

Focus on developing innovative and sustainable solutions
For most of our products the main climate impact occurs during the product-use phase.

As there are few energy directives and certification schemes externally, Electrolux Professional has created an internal indicator to reflect technical solutions that can offer opportunities for carbon reduction. The intention is to track products that can technically support carbon reduction. For the purpose of the indicators, we do not benchmark against our competition in the market as this might be precarious due to the lack of objective measurement methods. Further, we

do not include technical solutions that support, but do not actually ensure, efficient user behaviors.

Distribution of our carbon footprint (Scope 3), %*



1 We have identified three priority areas within sustainable solutions

Product performance and efficiency

Efficient and low-consuming products

Our main environmental and climate impact occurs during the product-use phase. As our products are used, they consume resources such as energy, water, and detergents. These resources impact the product's environmental footprint as well as the customer's operating costs. The Group invests significant resources into its global R&D activities. During 2018-2022 the company's R&D expenditure totaled an average of approximately 4.4% of net sales per year.

Around 95% of the company's climate impact occurs as the products consume energy. For many years, we have had a clear strategy to develop and offer energy-efficient and low-consuming products. This is positive both for the environment and the customers' operating costs. Some of our products use innovations and technologies that help save energy and/or reduce carbon emissions.

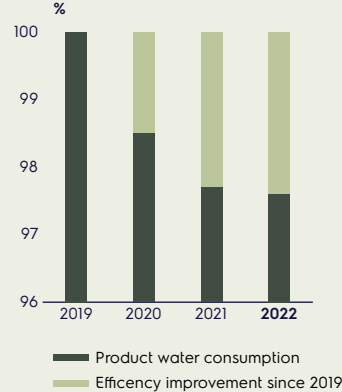
As some of our products consume water, we have set a target to increase water efficiency within

our dishwashing and laundry product ranges (base year 2019). In 2022 we have improved water consumption efficiency by 2.4%. This corresponds to lifecycle water savings of around 2 billion litres of water (based on 2022 sales figures). Two billion litres of water equal around 1.4 days of consumption for the entire Swedish population (ten million people consuming 140 l/day). Read more about our sustainable product offering on pages 14, 38 and 56-58.



Product water consumption efficiency improvements

Dishwashing and Laundry category



Efficient use of material

The majority of our material use is related to steel and other metals. As the materials used and waste generated have a negative impact on the environment, more efficient use is required to reduce our impact. An efficient approach means using materials for as long as possible, working towards closing material loops, and reducing waste. Material efficiency is supported by a circular transition.

Our products are used frequently, either by professional businesses or user-operated within the sharing economy. By designing durable and long-lasting products, material efficiency can be increased. We invest in lifetime testing and quality assurance to verify that our products meet durability and reliability requirements. See more about our approach to Zero defects on page 43.

Service and maintenance

During the product lifetime we offer a wide range of spare parts, services, and customer support that can help to prolong the product lifespan. Maintenance and service can also help to ensure that efficiency and performance are maintained during the prod-

uct lifetime. See more about our service offering on page 27.

End-of-life management and recovery

We have a restricted material list (RML) to facilitate the use of non-hazardous and non-toxic substances in our materials and components.

All components and materials used are RoHS-directive (Restriction of Hazardous Substances) compliant, meaning they do not contain any toxic substance prohibited under, or, if permissible, do not exceed certain levels set out in, the RoHS Directive (2011/65/EU). We also meet the requirements of WEEE, the Waste Electrical and Electronic Equipment Directive (2012/19/EU). As most of our products are designed for easy disassembly, include restrictions on hazardous and toxic materials, and mainly contain recyclable materials, a large proportion of materials within our products (normally between 85-95%) can be recovered and used in new material loops. Our aim is to further improve on material recovery and thereby reduce our impact from waste generation.

Customer health and safety

Safety

Safety is critically important to Electrolux Professional and its customers as the use of our products frequently involves a mixture of water, hot surfaces, moving parts, and electricity. We aim to ensure customer safety and reduce risks by focusing on product safety starting from the product development phase, passing through a controlled production process, and providing a professional maintenance service. In order to improve the safety level of our appliances, we also use third-party laboratories to review products from a safety standpoint.

Appliances are designed considering ergonomic principles around human functionality and according to the user's natural workflow, to achieve maximum efficiency with minimum effort. We also started to perform third-party ergonomic certifications on certain products (ERGOCERT).



The safety performance of our products, as well as their ability to live up to our quality demands and targets, is continuously monitored. Alleged product safety concerns are addressed through a strict process that follows international laws and standards,

including notification to the authorities if need be. This process is governed by the company's top management and those involved are trained and their competence registered.

Hygiene and Food safety

Our businesses include professional laundry or food service operations in hospitality businesses and within community businesses such as elderly care homes or hospitals. As people in these environments can be more vulnerable, hygiene and food safety are critically important. We offer solutions for control and monitoring with third-party certified disinfection performance.

During 2022 we launched the hygiene&clean commercial Dishwasher line, the first full range of dishwashing solutions within the food service business that disinfect and not just sanitize. The hygiene&clean commercial dishwasher line reduces the risk of exposure to dangerous pathogens, making sure customers and workers stay safe.

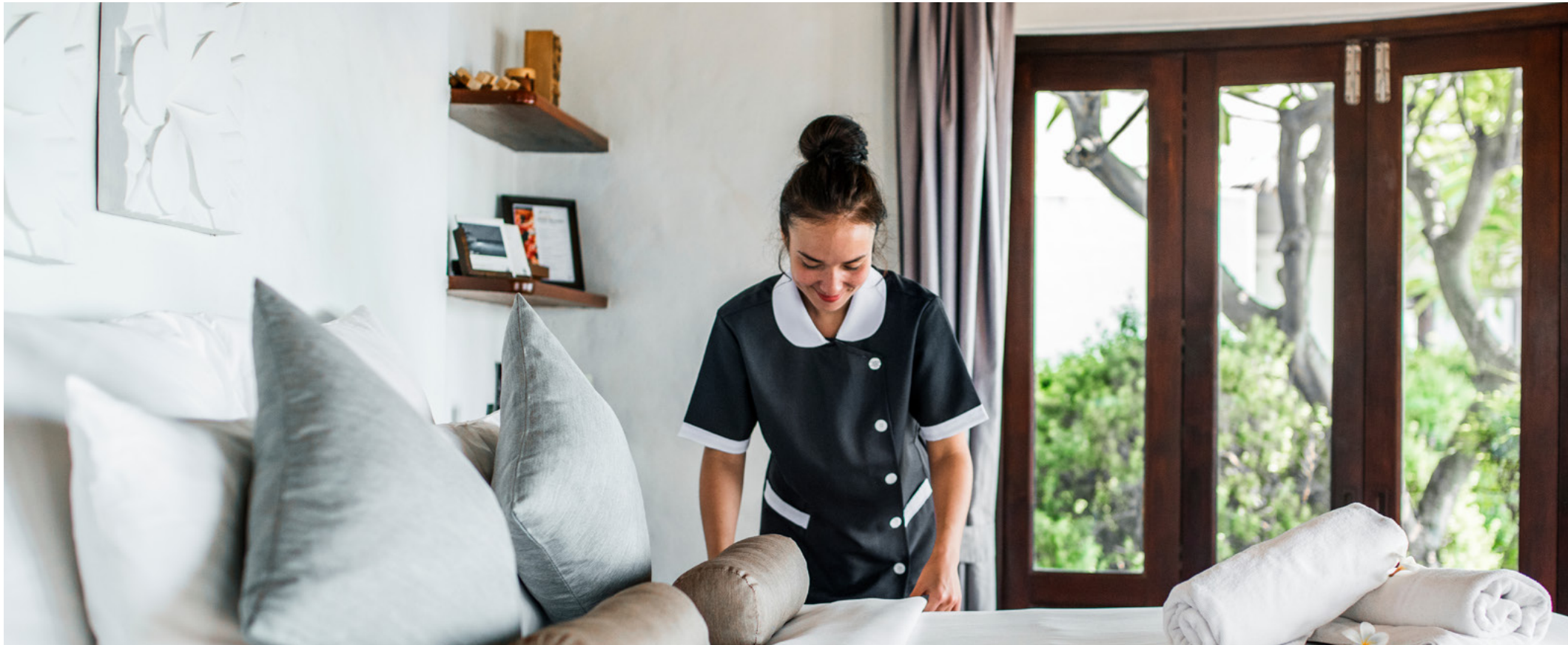
2022 saw the launch of the SafeBox Hold, a unique holding solution for take-away and delivery restaurants. Its "3-barrier" technology guarantees hygiene and sanitization for the customer.

Microplastics

Research has established that microplastics can be found in all areas of the environment and are increasingly contaminating our oceans. Electrolux Professional Group has participated in several research projects to investigate how our products can help prevent microplastics released from textiles being emitted into the oceans.

We are working intensively to identify a microplastic filtration technology suitable for a professional laundry setting. We have therefore been developing methods to evaluate the performance and the suitability of separation technologies. For several years, we have been actively partaking in microplastic standardization committees on a worldwide scale to be able to contribute to the development of meaningful and strong standards – and based on these standards meaningful and strong legislation. This standardization work is progressing fast spurred on by the environmental risks of microplastics. We are taking part in global efforts both as a knowledge contributor and by doing real-life tests of standard test methods.





Sustainable operations

2

Electrolux Professional Group has a global presence and applies the same high standards and principles of conduct globally: respect, diversity, integrity, ethics, safety, and environmental protection. We aim to improve sustainability performance in our operations through proper management and a systematic approach, focusing on decreasing our negative impact on the environment and society every day.

Environmental management

We place great emphasis on reducing the environmental impact of our business activities. Our environmental management focuses on reducing impacts from resource use, emissions, and waste.

The material topics within our operations are integrated into our Enterprise Production System. The system provides a method for minimizing all kinds of waste and losses in our processes. Using fewer resources is good for the environment and for the long-term profitability of the company.

Our Group environmental commitment is outlined in our Code of Conduct, Group Work Policy, and Environmental Policy.

The Workplace Directive stipulates minimum requirements regarding topics such as legal compliance, waste, and chemicals.

Environmental impact and approach

A systematic environmental approach is the basis for reducing our environmental impact. Our greatest direct environmental impact relates to water and energy consumption, wastewater, waste, and transportation. From a product life cycle perspective, the

main environmental impact occurs in the product use phase at the customer's location.

The company complies with environmental legislation and is not involved in any environmental disputes. As of December 31, 2022, the Group had manufacturing operations in seven countries. The Swedish factory in Ljungby conducts notifiable activities according to Swedish legislation. Electrolux Professional currently has no injunctions under the Swedish Environmental Legislation. The factories operate according to national legislation, apply for necessary permits, and report to local authorities in accordance with applicable legislation. None of the operational sites are managed in, or adjacent to, protected areas or areas of high biodiversity value, based on information from the factories using a Key Biodiversity Area (KBA) tool for mapping location of sites.

All factories conduct systematic environmental work that includes action plans and monitoring of a number of environmental aspects. Our environmental work is an integral part of our operations and environmental matters are taken into account during decision making. Evaluation and follow-up on

measures taken increases awareness of the impacts the business has on the environment. The Group's environmental policy and environmental work are described in more detail on pages 54–55 and 60–62.

The GRI index for the sustainability report can be found on page 160–161.

ISO 14001 certifications

Our target is that all of our logistics, manufacturing, and R&D operations should be third-party certified according to ISO 9001 and ISO 14001. The Shanghai manufacturing plant has yet to obtain an ISO 14001-certification. The Group is working towards having the site certified in 2023. Unified Brands will start the process of being certified for ISO 14001 during 2023.

Our three largest manufacturing sites (excluding Unified Brands), covering around two thirds of our production, are also ISO 50001 certified.

The sites report their results and progress to the Group's central functions. Adherence to our central policies is controlled through internal and external audits.

See the ISO table in the Manufacturing section on page 41.





Efficient use of resources

Energy

Electrolux Professional Group places a strong emphasis on reducing energy consumption in our operations. We constantly monitor our performance and have developed reduction targets. Our improvement plan is based on continuous improvement activities, projects, and investments in energy-efficient equipment. We are also active supporters of the switch to renewable energy. During 2022 a pilot project was started to investigate solutions for reducing natural gas consumption through electrification at our Italian sites.

Water

We use the World Wide Fund for nature’s water risk filter to assess our water risks. According to the water risk assessment, we do not have high water risks related to our operations. We are implementing protective measures to reduce our water footprint from our operations.

Materials

We have adopted a restricted materials list to restrict toxic and hazardous substances in our products and processes. Our factories also work to reduce material losses by improving the scrap rate and using materials efficiently. Read more on page 60.

CO₂ emissions

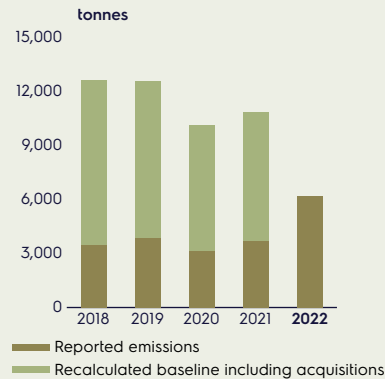
Scope 1 and 2 emissions increased in 2022. The increase was expected due to acquiring two new sites in the United States. For our European sites carbon emissions are mainly driven by gas consumption used for heating. The change in emissions for these plants is related to heating of the manufacturing sites. For sites outside of Europe carbon emissions are mainly driven by electricity consumption. At the Thailand factory an increase in renewable electricity during 2022 has reduced carbon emission from that site by 461 tCO₂e (reduction by 64% from 2021 to 2022). During the coming years, an important focus will be on increasing the share of renewable energy at our sites outside of Europe and focusing on reducing natural gas consumption through electrification in our European sites. These activities will enable us to better decouple production volumes from carbon emissions.

With a recalculated* baseline, including acquisitions, emissions have declined by 45% since 2015.

Our scope 1 and 2 emissions constitute only a small portion, approximately 0.1%, of our total carbon emissions. Our carbon emissions mainly stem from energy consumption, but some are related to the use of HFC (Hydrofluorocarbon) gases. Our main

challenge to achieving climate neutrality is related to natural gas use in some of our European sites for scope 1, and purchased electricity for our American sites for scope 2. During 2022 we have worked with setting up science-based targets for scope 1, 2 and 3, and these have been submitted to the Science-Based Target Initiative for approval.

Scope 1 and 2 CO₂ emissions



The total emissions have increased due to the acquisition of two large sites in the US. With a recalculated baseline* reduction since 2021 is 21%, and since 2015 it is 45%. The decrease in 2022 is mainly due to the increased share of renewable electricity in Rayong, reduced electricity consumption in Louisville and Veetsan, and reduced natural gas consumption in Rayong and Vallenoncello.

Note: Numbers for 2021 have been corrected *Recalculation have been made by distributing the first reported emission footprint backwards to previous years.

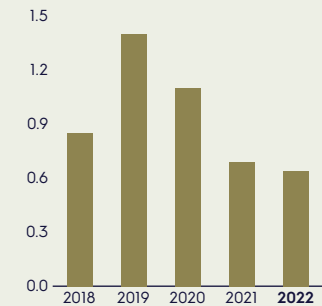
Occupational health and safety

We prioritize the wellbeing of all employees by providing a safe and healthy work environment. We work with a ‘zero accident’ mindset, putting safety at the top of the agenda.

Our Group health and safety guidelines are outlined in our Code of Conduct and Group Workplace policy, and detailed requirements are described in our Group Workplace Directive. Our industrial operations pose higher risks, and we have established a dedicated Health & Safety pillar focused on maintaining a safe work environment to protect our employees. Within the Health & Safety pillar we drive improvements, develop health and safety methods, and share best practices and risks. Each manufacturing site tracks and reports accidents and incidents. Accidents results in a root-cause analysis and corresponding action plan. Each accident is followed up by the pillar team and insight is shared

between the different sites. The manufacturing sites also work to identify and eliminate causes of unsafe acts and conditions. Three of our largest plants (excluding Unified Brands) are third-party certified according to ISO 45001. We also collaborate with SOS International to protect our people during business travel.

Lost Time Injury Rate



Lost Time Injury Rate (LTIR) has improved by 7% compared to 2021.



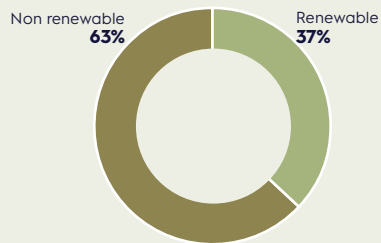
Environmental KPIs

Energy use

The total energy consumption has increased due to the acquisition of Unified Brands, with two large sites in the US. With a recalculated baseline* reduction since 2021 is 2% and since 2015 it is 13%. The decrease in 2022 is mainly due to reduced electricity consumption in Louisville and Shanghai, and reduced natural gas consumption in Rayong and Vallenoncello. Electrolux Professional Group will continue to prioritize energy reduction measures.

We are currently operating with a 37% share of renewable energy. All manufacturing sites in Europe operate with renewable electricity and we are focused on increasing the share of renewable electricity in sites outside of Europe. Solar panels have been installed at our sites in Vallenoncello, Modena and Rayong. We will continue to increase our share of renewable energy.

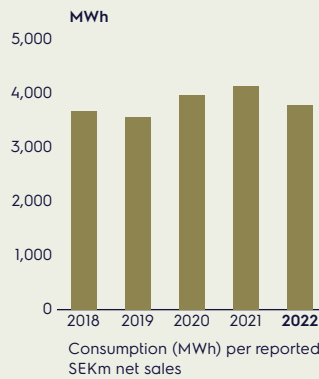
Share of renewable energy



Water use

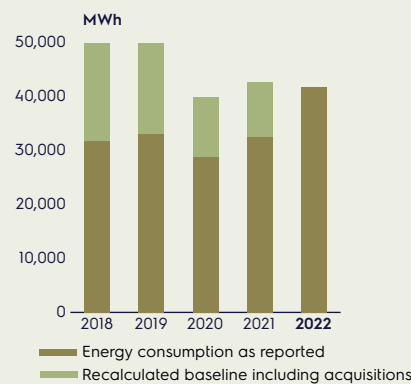
With a recalculated baseline* the water consumption has reduced by 10% during the year. While this partially due to the lower production volumes, there has nevertheless been an improvement over the last few years.

Energy intensity



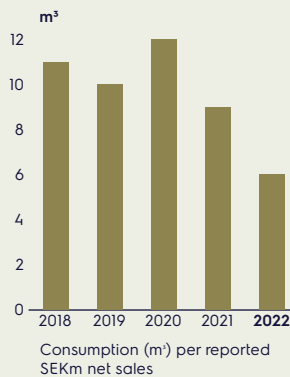
Note: Introduction year of new acquisitions in sustainability report and financial report do not fully match. Unified Brands is included from 2022.

Energy consumption



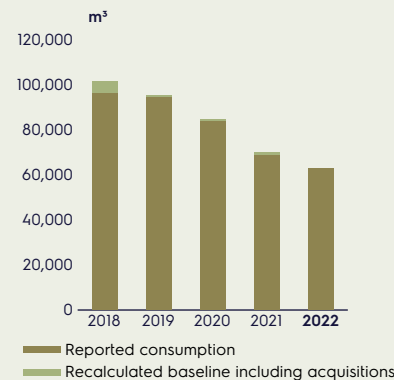
Note: Numbers for 2021 have been corrected * Recalculation has been done by distributing the first reported energy consumption backwards to previous years.

Water intensity



Note: the Introduction year of new acquisitions in the sustainability report and financial report do not fully match. Unified Brands included from 2022.

Water consumption

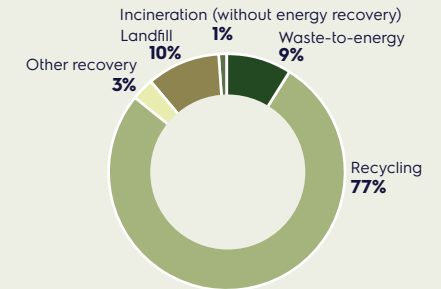


* Recalculation has been done by distributing the first reported water consumption backwards to previous years.

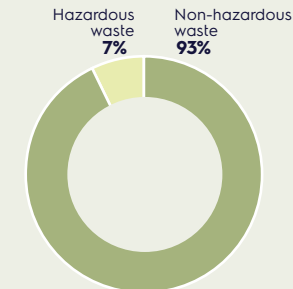
Waste and hazardous waste

80% of our non-hazardous waste generated is recovered while 9% is sent to energy recovery. 11% goes to landfill or incineration without energy recovery. 7% (7%) of the waste generated is categorized as hazardous waste.

Non-hazardous waste, 2022



Share of hazardous waste, 2022





Ethics and relationships

3

A good, sustainable relationship with stakeholders that are impacted by our business is key to the delivery on our strategic targets. We demonstrate our commitment, and seek stakeholder trust, through a number of actions and procedures. Electrolux Professional Group has signed the UN Global Compact and commits to its 10 principles regarding human rights, labor, anti-corruption, and the environment.



Human rights statement

We are a signatory of the UN Global Compact; we support the OECD Guidelines for Multinational Enterprises and we apply the UN Guiding Principles on Business & Human Rights in our work, to identify and remediate any negative impact on people that is a direct or indirect result of our operations.

We do not tolerate child labor, forced labor, discrimination, harassment, or abuse. We are committed to decent working hours and compensation, freedom of association, and collective bargaining.

The health and safety of our employees is a top priority and we work continuously to identify, manage, and mitigate any risks of accidents and illness. We aim to have an open and transparent dialog to engage with employees directly and, when applicable, their representatives.

Anti-corruption, bribery, and unethical business

We do not tolerate corruption, bribery, or unethical business practices in any form. All operational units and suppliers, and their employees, must refrain from offering, giving, demanding, or receiving bribes or any other improper benefits.

Tax policy

Our Tax Policy outlines how we deal with tax-related matters. We aim to always pay the correct amount of tax in the correct country, and to be fair and resolve differences in opinions with local tax authorities and other governmental organizations in a constructive and positive manner.

Reporting of misconduct

Misconduct and violation of the Code of Conduct or Group Policies can be reported anonymously online, via the whistleblowing web platform, or directly to a suitable person or function within the company. Our online platform, EthicsPoint, where employees can report serious concerns, misconduct or potential breaches of the company's Code of Conduct, has been updated pursuant to the EU Whistleblowing Directive and is now also open to external reporters. During 2022 all cases reported through EthicsPoint were thoroughly investigated. The investigations were conclusive, and appropriate actions have been taken.

Supply chain

Sustainability risks within our supply chain are mitigated by stipulating demands related to quality, product

safety, chemical compliance, social responsibility, and the environment. We expect our suppliers to adhere to our Code of Conduct and Supplier Workplace Standard. These policies are aligned with requirements in frameworks such as the International Labor Organization's (ILO) core conventions and the OECD guidelines for multinational enterprises.

Social and environmental requirements of our suppliers are integrated into our Supplier Workplace Standard. Defined due diligence activities are put in place based on specified risk levels.

The Group audits its existing supplier base. We also included Environmental and Health & Safety sections, in addition to the Quality sections in our audits.

In 2022 our purchase team and supplier quality assurance team conducted training in responsible mineral sourcing and supplier due diligence.

Policies

Selected policies are available in the Corporate website.



3

Our stakeholders

Electrolux Professional Group acknowledges the trust we are given by our stakeholders. Impact analysis and strategic assessments, together with stakeholder expectations, serve as the basis for our sustainability work. We monitor overall trends in society and collaborate with external partners to drive improvements.

STAKEHOLDER	FORM OF DIALOG	IMPORTANT TOPICS	GENERATED VALUE
Customers and users	<ul style="list-style-type: none"> Ongoing dialog to collect requirements. This dialog takes place during customer visits, requests for quotations, fairs etc. We also do more systematic studies and measure the Net Promotor Score (NPS) 	<ul style="list-style-type: none"> Quality Energy consumption and carbon footprint Total cost of ownership Reliability of the overall equipment system Ergonomics and human-centric design Enhanced hygiene requirements 	<ul style="list-style-type: none"> Easier work-life, profitability, low consumption, and environmental footprint See more on pages 24-29, 32, 36-38. →
Employees	<ul style="list-style-type: none"> Ongoing dialog with employees and unions through our management Systematic dialog within our people performance process Employee engagement surveys 	<ul style="list-style-type: none"> Health and safety Diversity and inclusion People development 	<ul style="list-style-type: none"> Competitive compensation, sustainable working environment, learning and development See more on pages 7, 44-47. →
Investors and owners	<ul style="list-style-type: none"> We communicate through direct meetings, questions, ESG surveys, capital market days, and the Annual General Meeting where a dialog can take place. One of our investors is also represented in the Board of Directors 	<ul style="list-style-type: none"> Ethical business practices Diversity and inclusion Health and safety Climate action Supply chain management 	<ul style="list-style-type: none"> Reduced risks and long-term value generation. See more on pages 7, 164-167. →
Suppliers	<ul style="list-style-type: none"> Dialog with suppliers is mainly conducted through supplier meetings, negotiations, and discussions Gathering of information about the suppliers during the RFQ phase Signing of our supplier workplace standard 	<ul style="list-style-type: none"> Labor conditions Health and safety Environmental management 	<ul style="list-style-type: none"> Jobs, mutual benefits, and reduced risks. See more on pages 7, 45-47, 63-64. →
Society and local communities	<ul style="list-style-type: none"> Contacts with local communities regarding local environmental requirements Monitor of public opinions and changes in legislation 	<ul style="list-style-type: none"> Environmental impact Social impact Contribution to local community 	<ul style="list-style-type: none"> Taxes and reduced carbon footprint See more on pages 7, 54-55, 65. →
Academia and NGO's	<ul style="list-style-type: none"> Participation in networks, meetings, and partnerships 	<ul style="list-style-type: none"> Sustainable innovation Strategic partnerships Mutual benefits 	<ul style="list-style-type: none"> Mutual benefits and development of opportunities. See more on pages 49, 65. →

Sustainability governance and management, the GRI index, and our performance are described on pages 150-161. →



2022 stakeholder engagement

Society and local communities

- > Electrolux Professional products were installed in a refugee center in Ukraine and a Romanian orphanage in 2022, a donation made in cooperation with Mercy Chefs, a non-profit US relief organization.
- > We joined the Electrolux Food Foundation as part of a donation drive organized to support the relief efforts in Ukraine. Electrolux Professional matched employee donations by EUR 25,000.
- > In spring 2022, we donated a kitchen with a full range of kitchen products to Poland to support it in catering for Ukrainian refugees. It was installed in a school canteen close to the Ukraine border, providing meals to refugees.

Corporate governance

The Corporate Governance Report describes the organizational bodies, rules, and other governance structures by which the Electrolux Professional Group is controlled and operated. The Group's external auditors have reviewed this report and their opinion has been included in the Auditor's Report.

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Group Management Team	78
Remuneration report 2022	80
Risk and risk management	82

Chairman's comments

Steady course in a turbulent world

2022 turned out to be another year of global turmoil defined by Russia's war against Ukraine, component shortages, and rising inflation. Despite the external challenges, it was a good year financially for the Group and operationally as well as strategically, important steps have been taken to reinforce and future-proof the company.

In this environment, Electrolux Professional Group managed to deliver record high sales and a strong profit growth which is a sign of the strength of the company.

Monitoring developments related to geopolitical and macroeconomic uncertainty has inevitably been high on the Board agenda. It resulted in the decision to divest our operations in Russia. Also related to the global turmoil, challenges stemming from the shortage of components continued last year, and balancing inflation with price increases was also followed closely.

Other important topics for the Board have centered on the integration of Unified Brands and investments in digitalization to future-proof our capabilities and deliver greater customer value. The Board also decided to take up a new EUR 140m syndicated term loan facility for general corporate purposes.

Organizational development was also given a lot of airtime by the Board during

the year. Within the two reportable segments of Food & Beverage and Laundry, five Business Areas have been established, focusing on customer categories and geographies. The objective of these Business Areas is to strengthen business ownership, move decision-making closer to the customer, and thereby increase agility and speed.

Sustainability has continued to be an important topic for the Board, and it is rewarding to see that Electrolux Professional Group is recognized as the sustainability leader in our industry. To further embed this work within the company, the proposed Long-Term Incentive Program for key managers will also include a sustainability target in 2023.

This year the Board has held almost all meetings physically, including a visit to the business in the US. It was truly rewarding to visit units in both Food Service and Laundry, including the recent, strategically acquired Unified Brands.

Despite the external challenges and uncertainty, 2022 was a good year for Electrolux Professional Group. Sales increased substantially, and although the margins have not yet returned, profit is back to pre-pandemic levels. Strategically and operationally important steps have been taken to reinforce and future-proof the company. Consequently, the Board proposes a dividend of SEK 0.70 (0.50) per share, in line with the dividend policy.

The Board would like to express its gratitude to Electrolux Professional Group's management and employees for their great contributions during the year.

Kai Wärn,
Chairman of the Board



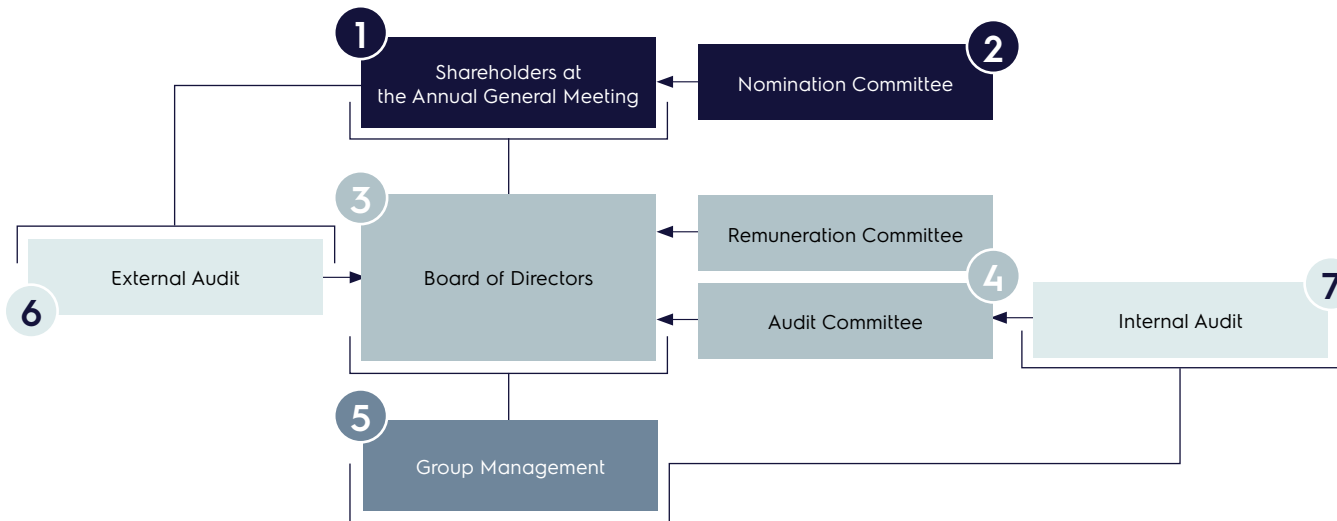
It is rewarding to see that Electrolux Professional Group is recognized as the sustainability leader in our industry.

Kai Wärn, Chairman of the Board

Corporate governance report

Good corporate governance is about ensuring that Electrolux Professional Group is managed as responsibly and efficiently as possible to meet our obligations as a public company, and also to create value for shareholders in an efficient, responsible, and sustainable manner. Corporate governance determines how rights and responsibilities are distributed between a company’s various bodies in accordance with internal processes and the laws and regulations in effect.

Corporate governance structure



External and internal rules

The governance of the Group is defined by external and internal rules. The external rules comprise the Swedish Companies Act, Nasdaq Stockholm’s Rule Book for Issuers, and the Swedish Code of Corporate Governance (the “Code”), as well as other relevant Swedish and foreign laws and regulations. The Code is available at www.corporategovernanceboard.se and describes good practices in the stock market. The internal rules consist of the Articles of Association, the Rules of Procedure of the Board of Directors, the Electrolux Professional Code of Conduct, policies for information, finance, credit, internal control, risk management, anti-corruption and other group policies.

Application of the Code

Electrolux Professional applies the Code without deviations and did not report any deviations from the Code in 2022. There were no infringements of applicable stock exchange rules by Electrolux Professional and no breach of good practice on the securities market were reported by the Disciplinary Committee of Nasdaq Stockholm or the Swedish Securities Council in 2022. This corporate governance report has been drawn up as part of Electrolux Professional’s application of the Code.

Shares

According to Electrolux Professional's Articles of Association, the share capital shall not be less than SEK 20,000,000 and not be more than SEK 80,000,000, divided into not less than 200,000,000 shares and not more than 800,000,000 shares.

The Electrolux Professional registered share capital is SEK 28,739,745, represented by 287,397,450 shares of which 8,045,314 are Class A shares and 279,352,136 are Class B shares (as of December 31, 2022), each with a quota value of SEK 0.1. Each Electrolux Professional Class A share entitles the holder to one vote and each Electrolux Professional Class B share entitles the holder to one tenth of a vote at the General Meeting.

The Class B shares of Electrolux Professional are listed on Nasdaq Stockholm and traded on the Large Cap list.

Since September 2020, Class A shares have been delisted from trading on Nasdaq Stockholm. Holders of Electrolux Professional Class A shares have the right to require that Class A shares are converted to Class B shares. During 2022, 2,668 Class A shares were converted to Class B shares.

1 Shareholders

The number of registered shareholders at December 31, 2022 was 46,436. On December 31, 2022, Investor AB was the largest shareholder, with a holding corresponding to 32.4% of the votes and 20.5% of the share capital in Electrolux Professional AB. For more informa-

tion about the shares and shareholders, see page 164-166.

Dividend Policy

Electrolux Professional's target is for the dividend to correspond to approximately 30% of the income for the period. For the financial year of 2022 the Board of Directors proposes a dividend to the shareholders of SEK 0.70 (0.50) per share, corresponding around 30% of the profit for the year.

General Meeting of shareholders

Pursuant to the Swedish Companies Act, the General Meeting is the supreme decision-making body in a Swedish limited liability company, and shareholders exercise their voting rights at such meetings. The Annual General Meeting (AGM) was held on April 28, 2022 in Stockholm and in combination with advance postal voting.

The AGM of Electrolux Professional is held annually before the end of June. In addition to the AGM, Extraordinary General Meetings (EGM) can be convened when required. The General Meetings of Electrolux Professional are held in the municipality of Stockholm, where the company's registered office is located. The date and place of the AGM is communicated on the company's external website no later than the publication of the quarterly report for the third quarter.

At the AGM, shareholders of Electrolux Professional resolve on several matters, including confirmation of income statements and balance sheets, the disposition of the company's profit or loss, discharge of liability for the members

of the Board and the CEO, composition of the Nomination Committee, election of members of the Board (including the Chairman of the Board) and auditor, remuneration for the members of the Board and auditor, as well as guidelines for remuneration for the CEO and other senior executives.

The shareholders of Electrolux Professional also resolve on other matters that are important to the company, for example any changes to the Articles of Association, at the General Meeting.

Shareholders who wish to have a matter dealt with must submit a written request to the Board to that effect. The request must have been received by Electrolux Professional no later than seven weeks prior to the General Meeting.

Right to attend the General Meeting

All shareholders who are directly recorded in the share register maintained by Euroclear Sweden five week days prior to the General Meeting, and who have notified the company of their intention to participate, are entitled to attend the General Meeting and vote in proportion to the number of shares they hold.

Shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden, in order to be entitled to participate in the General Meeting.

The next AGM will be held on April 26, 2023, in Stockholm.

2 Nomination Committee

At the Extraordinary General Meeting held on December 5, 2019, the current instruction for the Nomination Committee was adopted to apply until further notice. No changes were proposed or adopted during 2022.

The Nomination Committee shall comprise five members. The members should be one representative of each of the four largest shareholders, in terms of voting rights, that wish to participate in the Committee, together with the Chairman of the Electrolux Professional Board. The composition of the Nomination Committee shall be based on shareholder statistics from Euroclear Sweden as of the last banking day in August in the year prior to the AGM and on other reliable shareholder information which is provided at such time. The names of the representatives and the names of the shareholders they represent shall be announced as soon as they have been appointed. If the shareholder structure changes during the term of office of the Nomination Committee, the composition of the Nomination Committee may be adjusted accordingly. Changes in the composition of the Nomination Committee shall be published as soon as any such changes have been made.

The Nomination Committee's task includes preparing a proposal to the next AGM regarding:

- The Chair of the AGM
- The number of Board members
- The nominees for election to the Board
- The Chair of the Board

- Remuneration for Board members including work on Board committees
- Auditors and auditor's fees
- Amendments to instructions for the Nomination Committee

The Company's Audit Committee shall assist the Nomination Committee in preparing proposals for auditors, and the Nomination Committee's proposal shall include the Audit Committee's recommendation on the election of auditors. The Nomination Committee's proposals are publicly announced no later than on the date of notification of the AGM. Shareholders may submit proposals for nominees to the Nomination Committee.

The Chairman of the Board conducts a yearly evaluation of the Board by way of a survey to the Board members and subsequent discussions, to assess the Board's composition, qualification, efficiency, and work procedures. The conclusions are presented to the Nomination Committee. On this basis and if deemed appropriate after subsequent discussions and interviews, the Nomination Committee determines whether the existing Board should be strengthened with additional expertise or if there are any other reasons to make changes to the composition of the Board. In making such determinations and (if applicable) evaluating potential new candidates for the Board, the Nomination Committee takes into consideration the objective to achieve a gender balance in the Board. The Nomination Committee applies rule 4.1 of the Swedish Code as its diversity policy.

In addition, the Nomination Committee takes into consideration the need to ensure that the indepen-

dence requirements of the Swedish Code are met. These requirements stipulate that at least the majority of Board members must be independent from Electrolux Professional's management, and that at least two (from such majority) are also independent of Electrolux Professional's largest shareholders. The Nomination Committee also takes into account any proposals made to the Nomination Committee about the composition of the Board that may have been suggested by other shareholders.

Nomination Committee for the AGM 2022

The Nomination Committee for the AGM 2022 was comprised of five members, led by Petra Hedengran of Investor AB. For the proposal for the AGM 2022, the Nomination Committee assessed the composition and size of the Board and the demands on the Board that are expected from the Group's future strategy. The Nomination Committee applied rule 4.1 of the Code as diversity policy in its nomination work.

The Nomination Committee proposed re-election of all Board members including reelection of Kai Wärn as Chairman of the Board. The Nomination Committee also proposed, in accordance with the recommendation by the Audit Committee, re-election of Deloitte AB as the company's auditors for the period until the end of the AGM 2023.

Nomination Committee ahead of 2023 AGM

The Nomination Committee for the 2023 AGM is based on the ownership structure as of August 31, 2022, and was announced in a press release on October 4, 2022.

The Nomination Committee members are:

- Petra Hedengran, Chairman, appointed by Investor AB
- Joachim Spetz, appointed by Swedbank Robur Funds
- Jesper Wilgodt, appointed by Alecta
- Suzanne Sandler, appointed by Handelsbanken Funds
- Kai Wärn, Chairman of the Board of Electrolux Professional AB

3

Board of Directors

The Board of Directors has the overall responsibility for Electrolux Professional's organization and administration. The duties of the Board of Directors are set forth in the Swedish Companies Act, the company's Articles of Association and the Code. In addition, the work of the Board of Directors is governed by the Rules of Procedure of the Board of Directors, adopted annually by the Board. The instructions for the Board of Directors govern, among other things, the division of work and responsibility between the Board of Directors, its Chairman and the CEO, and specify financial reporting procedures for the CEO. The Board of Directors also adopts instructions for the Board committees.

Composition and Independence of the Board of Directors

According to Electrolux Professional's Articles of Association, the Board of Directors shall be comprised of no less than three and no more than nine members, with no more than three deputy members, elected by the shareholders at the AGM. In addition and by law,

employee organizations are entitled to appoint employee representatives. The Board of Directors currently comprises seven members elected by the 2022 AGM for a term of office extending until the close of the 2023 AGM, with no deputies, as well as two ordinary members and one deputy appointed by Swedish employee organizations.

The AGM elects the Chairman of the Board. Directly after the AGM, the Board holds a meeting for formal constitution at which the members of the committees of the Board are elected. The Chairman of the Board of Electrolux Professional is Kai Wärn. All current members of the Board are non-executive members.

According to the Code, the majority of the Board members appointed by the General Meeting must be independent in relation to the company and its Group Management Team. No more than one Board member elected by the General Meeting may be a member of the Group Management Team of the company or a subsidiary. At least two of the Board members that are independent in relation to the company and the Group Management Team must also be independent in relation to the major shareholders of the company. According to the Code, a major shareholder is a shareholder that directly or indirectly controls 10% or more of the shares or votes in the company. The independence is to be assessed by the Nomination Committee.

The Board is considered to be in compliance with relevant requirements for independence. All Directors apart from Daniel Nodhäll are considered to be independent. Daniel Nodhäll is considered to

be independent in relation to the company and the Group Management Team, but not in relation to major shareholders of Electrolux Professional.

Management of the company's affairs

The Board of Directors is responsible for the organization of Electrolux Professional and the management of the company's affairs. The Board's tasks include adopting strategies, targets, business plans, budgets, interim reports, year-end financial statements, and policies. The Board of Directors is also required to monitor the company's financial performance and ensure that the company has good internal control, including formalized routines to ensure that approved principles for financial reporting and internal control are applied, and that financial reports are produced in accordance with legislation, applicable accounting standards, and other requirements for listed companies. Furthermore, the Board of Directors decides on major investments and changes in the organization and operations of the Group. The Board of Directors is responsible for regularly evaluating the work of the CEO.

Moreover, the Board of Directors is to ensure that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to operations, as well as the application of internal guidelines, and to evaluate operations on the basis of the objectives and policies set by the Board of Directors.

The Board of Directors is also tasked with identifying how sustainability issues impact risks to, and business opportunities for, the

company, and defining appropriate guidelines to govern the company's conduct in society with the aim of ensuring its long-term value creation capability. Read more about sustainability governance on page 150.

The Chairman of the Board of Directors leads and organizes the work of the Board, ensures that the Board fulfils its tasks, and ensures that the Board's decisions are implemented. The Chairman of the Board of Directors shall, together with the CEO, monitor the company's performance and prepare and chair Board meetings. The Chairman is also responsible for ensuring that the Board members evaluate their work each year and continuously receive the information necessary to effectively perform their tasks. The Chairman represents the company in relation to its shareholders.

The Group's external auditors report to the Board as necessary, but at least once a year. A minimum of one such meeting is held without the presence of the President or any other member of the Group Management Team. The external auditors also attend the meetings of the Audit Committee. The Audit Committee reports to the Board after each of its meetings. Minutes are taken at all meetings and are made available to all Board members and to the auditors.

Board meetings in 2022

In 2022, the Board held eleven meetings, nine of which were held either as physical meetings or web meetings. Two meetings were held per capsulam.

All scheduled Board meetings during the year followed an agenda, which, together with the

Board of Directors 2022 – AGM 2023

Name	Position	Board member of Electrolux Professional since	Independent in relation to the company and the Executive Management Team	Independent in relation to the company's major shareholders	Audit Committee	Remuneration Committee	Shareholding ¹
Kai Wärn ²	Chairman	2019	Yes	Yes	-	Member	104,000
Katharine Clark	Member	2020	Yes	Yes	-	-	9,000
Lorna Donatone	Member	2019	Yes	Yes	Member	-	9,000
Hans Ola Meyer	Member	2019	Yes	Yes	Chairman	-	9,000
Daniel Nodhäll	Member	2019	Yes	No	Member	Member	20,000
Martine Snels	Member	2019	Yes	Yes	-	Chairman	7,000
Carsten Voigtländer	Member	2019	Yes	Yes	-	-	10,000
Ulf Karlsson	Member*	1998	-	-	-	-	-
Joachim Nord	Member*	2019	-	-	-	-	110
Per Magnusson ³	Deputy*	1995	-	-	-	-	-
Jens Pierard ³	Deputy*	2022	-	-	-	-	-

* Employee representative.

1) Own holdings and holdings of related persons and affiliated companies. The Board members' respective shareholding in Electrolux Professional as per March 13, 2022

2) Kai Wärn also has 778,816 call options issued by Investor AB entitling him to the right to purchase Electrolux Professional B shares

3) Per Magnusson resigned as Deputy Employee representative on August 15, 2022. Jens Pierard was elected as Deputy Employee Representative on August 15, 2022.

serves as input for the Nomination Committee's work.

Each year, the evaluation of the Board is initiated and led by the Chairman of the Board. Evaluation tools include questionnaires and discussions. In 2022, Board members responded to written questionnaires. The evaluations were discussed individually and at a Board meeting. The result of the evaluations was presented to the Nomination Committee.

Fees for Board Members

The AGM determines the compensation for the Board of Directors for a period of one year until the next AGM. The compensation is distributed between the Chairman, other members of the Board, and remuneration for committee work.

The AGM 2022 resolved that the Board fees for the period up until the next AGM should be SEK 1,630,000 for the Chairman of the Board of Directors, and SEK 545,000 for each other Board member (not employed by the company) elected by the AGM. In addition, it was resolved that a fee of SEK 170,000 shall be paid to the Chairman of the Audit Committee and a fee of SEK 110,000 to each of the other committee members, while a fee of SEK 110,000 shall be paid to the Chairman of the Remuneration Committee and SEK 80,000 to each of the other committee members.

The compensation paid in 2022, shown in the table on page 72 refers to compensation until the AGM in 2022 and three quarters of the compensation authorized by the AGM in 2022, see also note 26.

Gender distribution



documentation for each item on the agenda, was sent to Board members in advance of the meetings. Ordinary Board meetings usually last for half a day or one entire day in order to allow time for presentations and discussions. Electrolux Professional's General Counsel serves as the secretary at the Board meetings. Each scheduled Board meeting includes a review of the Group's results and financial

position, as well as the outlook for the forthcoming quarters, as presented by the CEO. The meetings also deal with investments, credit limits, and other matters that are to be submitted to the Board under the Rules of Procedure or the company's policies. The Board decides on all investments exceeding SEK 25m and receives reports on all investments exceeding SEK 10m. Finally, in most scheduled Board meetings a business function or strategic item is presented and reviewed.

Key focus areas for the Board during 2022

At the beginning of 2022, the business was still affected by the coronavirus pandemic, and the consequences continued to be addressed and monitored including

the effects of increased raw material costs and component shortages. Russia's invasion of Ukraine and the resulting macro-economic effects, including general inflation, affected the business and the Board resolved to cease operations in Russia and to divest the subsidiary in Russia to the local management in July.

In June the board visited the US operations including Unified Brands and the production facility in Vicksburg, Mississippi.

On July 1 the company implemented a new and simplified organization to be able to execute faster on the company's strategic priorities. The new organization consists of the two reportable segments Food & Beverage and Laundry, with five Business Areas focused on customer categories

and geographies: Food Europe, Food Americas, Food APAC & MEA, Beverage & Food Preparation, and Laundry. This also led to changes in Group Management.

In September the company took out a new EUR 140m syndicated term loan facility, for general corporate purposes, restoring the revolving credit facility to its full EUR 200m capacity.

Evaluation of the Board of Directors

The Board evaluates its work annually with regard to working procedures, the working climate, and the focus of the Board's work. This evaluation also focuses on access to, and requirements for, special competence on the Board. The evaluation is a tool for the development of the Board work and also

4 Board committees

According to the Swedish Companies Act and the Code, the Board of Directors shall institute an audit committee and a remuneration committee. The majority of each committee's members are independent in relation to the company and its Group Management. For the Audit Committee, at least one of the members who is independent in relation to the company and its Group Management team is also to be independent in relation to the company's major shareholders.

The major tasks of these committees are preparatory and advisory, but the Board may delegate decision-making powers on specific issues to the committees. The issues considered at committee meetings shall be recorded in minutes of the meetings and continuously reported to the Board of Directors. The members and Chairmen of the committees are appointed at the statutory Board meeting following the election of Board members. The Board has also determined that issues may be referred to ad hoc committees dealing with specific matters.

Audit Committee

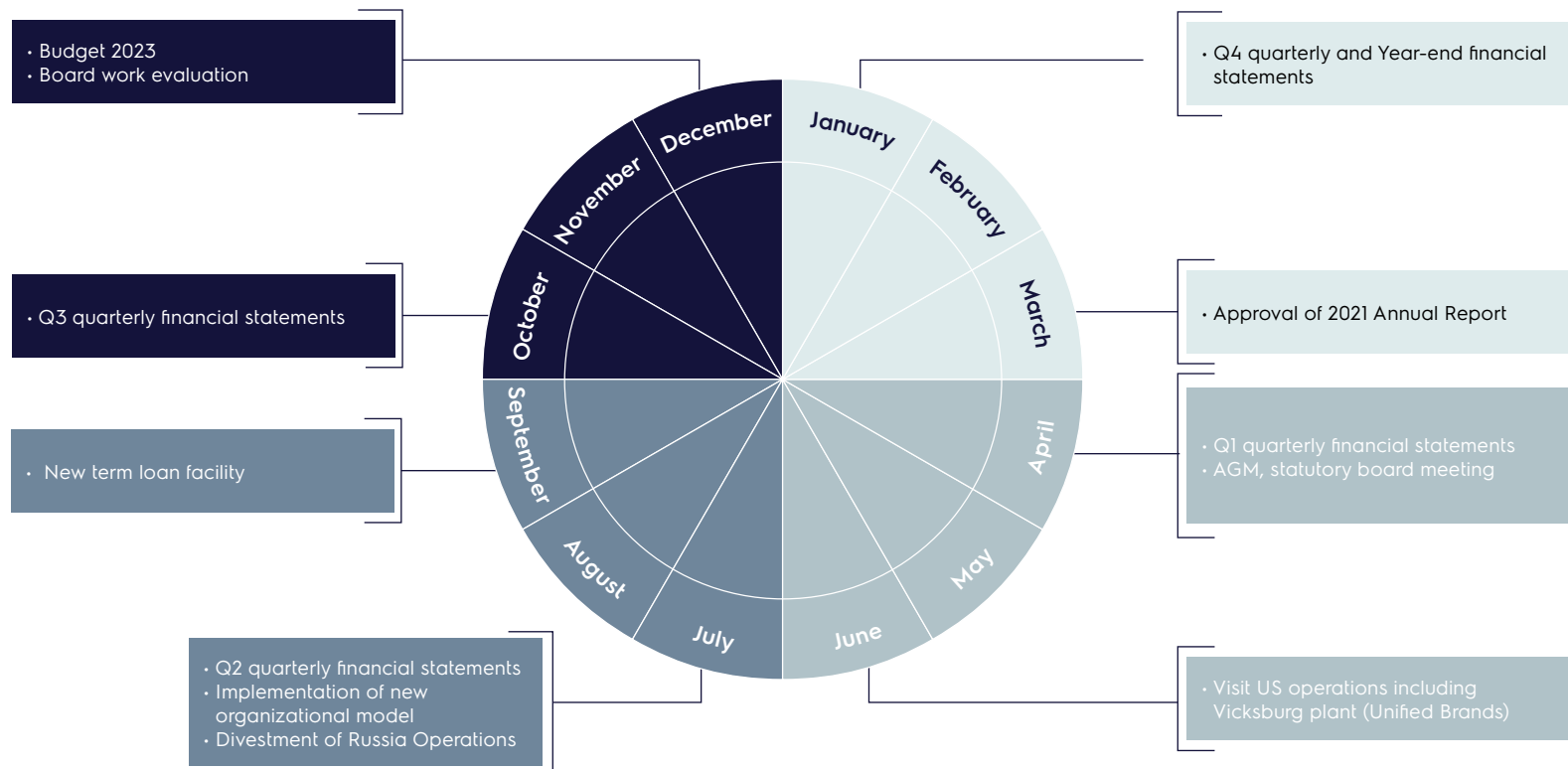
The main tasks of the Audit Committee are to oversee the process of Electrolux Professional's financial reporting, internal control, and internal auditing in order to secure the quality of the Group's external reporting. The Audit Committee is also tasked with supporting the Nomination Committee with proposals when electing external auditors.

The Audit Committee consists of the following three Board members:

Hans Ola Meyer (Chairman), Lorna Donatone, and Daniel Nodhäll. The external auditors report to the Committee at each ordinary meeting. The CEO, CFO, Head of Group internal audit, and General Counsel participated in all the committee meetings in 2022.

During 2022 the Audit Committee held five meetings. All audit committee members attended all the meetings.

The work of the Board in 2022



Board of Directors – remuneration and meeting attendance

	Total remuneration 2022, '000 SEK	Board meeting attendance	Remuneration Committee attendance	Audit Committee attendance	Independence ¹
Kai Wärn	1,693	11/11	5/5		Yes
Katharine Clark	539	11/11			Yes
Lorna Donatone	648	11/11		5/5	Yes
Hans Ola Meyer	705	11/11		5/5	Yes
Daniel Nodhäll	728	11/11	4/5	5/5	No
Martine Snels	648	11/11	5/5		Yes
Carsten Voigtländer	539	11/11			Yes

1) For further information about the independence assessment, see page 71.

Remuneration Committee

One of the Remuneration Committee's primary tasks is to propose guidelines for the remuneration of the members of the Group Management Team. The Committee also proposes changes in remuneration of the President, for resolution by the Board, and reviews and resolves on changes in remuneration of other members of the Group Management Team as proposed by the CEO.

The Remuneration committee consists of the following three Board members: Martine Snels (Chairman), Kai Wärn, and Daniel Nodhäll. The Chief Human Resources Officer participated in the meetings and was responsible for the meeting preparations.

During 2022 the Remuneration Committee held five meetings. The attendance is presented in the table in the previous page.

5 Group Management Team

The Group Management Team currently includes the CEO and eleven members. The CEO is appointed by, and receives instructions from, the Board of Directors. The CEO, in turn, appoints other members of the Group Management Team and is responsible for the ongoing management of the Group in accordance with the Board's guidelines and instructions.

The Group Management Team holds monthly meetings online and quarterly in-person meetings lasting two or three days to review the previous month's results, update forecasts and plans, and discuss strategic issues. During 2022 one of the planned longer meetings was replaced by web meetings and not

all members were able to travel to the physical meetings as a result of pandemic-related restrictions.

Key focus areas for the Group Management Team during 2022:

- Creation and Implementation of the new organization consisting of the two reportable segments Food & Beverage and Laundry, with five Business Areas focused on customer categories and geographies: Food Europe, Food Americas, Food APAC & MEA, Beverage & Food Preparation, and Laundry
- Digital Transformation
- Integration of Unified Brands
- Continued development of sustainability strategy
- Addressing the business and macro-economic effects resulting from Russia's invasion of Ukraine and its geopolitical consequences.

Electrolux Professional has established procedures and internal bodies ("boards") for the preparation and execution of key activities and processes, such as the Insider and Disclosure Committee, the Finance Governance Board, the Code of Conduct Steering Group, the Audit Board, the Enterprise Risk Management Board, and the Sourcing Board. In addition and as a result of the new organizational model, boards and forums have been created to secure collaboration and coordination between the newly created Business Areas such as the Chains and Food product board.

Management changes

As a result of the new organization, the former Executive Team was replaced by the Group Management teams consisting of the heads of the group functions and the heads

of the five Business Areas.

Pending the recruitment of the head of the Business Area Food Europe, Alberto Zanata, President and CEO has been acting in that position since July 1 2022. In September 2022 it was announced that Camilla Monefeldt Kirstein was recruited to head the Business Area Food Europe. She started this position on March 6, 2023.

6 Auditors

The 2022 AGM re-elected Deloitte AB for the period up and including the 2023 AGM. Jan Berntsson, authorized public accountant and a member of FAR (the professional institute for authorized public accountants in Sweden), is the auditor-in-charge.

Deloitte provides an audit opinion regarding Electrolux Professional AB, the financial statements of the majority of its subsidiaries, the consolidated financial statements for the Electrolux Professional Group, and the admin-

istration of Electrolux Professional AB. The auditors also conduct a review of the interim report for the second quarter. The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA), and generally accepted auditing standards in Sweden. Audits of local statutory financial statements for legal entities outside of Sweden are performed as required by law or applicable regulations in each country, including issuance of audit opinions for the various legal entities.

7 Internal Audit

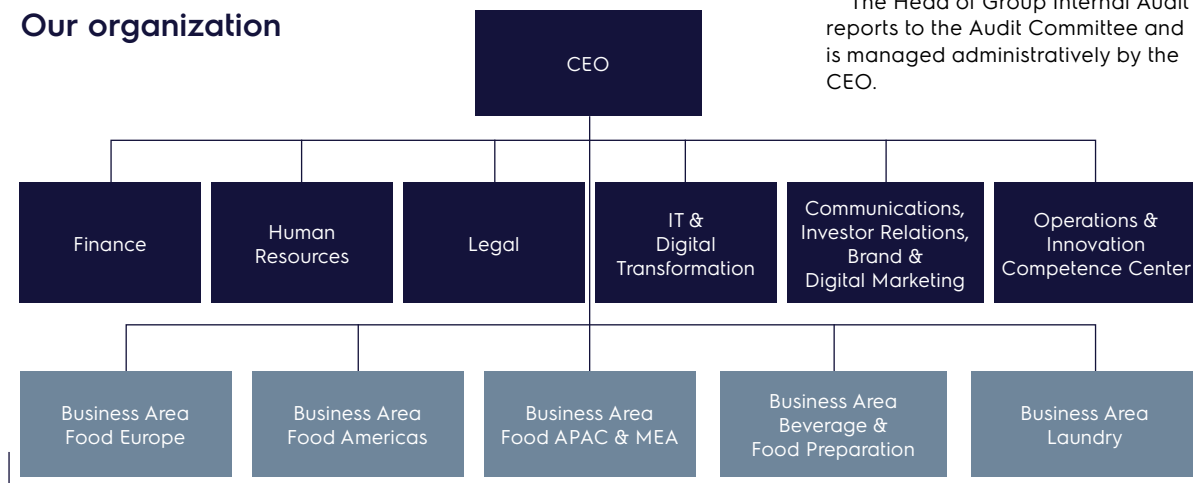
The Group Internal Audit function provides independent, objective assurance designed to add value and improve Electrolux Professional's operations. Group Internal Audit assists Electrolux Professional in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the

organization's governance, internal control, and risk management processes.

Group Internal Audit assignments are conducted according to a risk-based plan developed annually and approved by the Audit Committee. The audit plan is derived from an independent risk assessment conducted by Group Internal Audit to identify and evaluate risks associated with the execution of the Company's strategy, operations, and processes. The audits are executed using a methodology for evaluating the design and implementation of internal controls to ensure that risks are adequately addressed, and processes operate efficiently. Opportunities for improving the effectiveness of the governance, internal control, and risk management processes identified in the internal audits are reported to management for action. A summary of audit results is provided to the Audit Committee, as is the status of management's implementation of agreed actions to address findings identified in the audits.

The Head of Group Internal Audit reports to the Audit Committee and is managed administratively by the CEO.

Our organization





Internal control over financial reporting

Electrolux Professional uses the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) as a basis for internal control over financial reporting. The processes for internal control, risk assessment, control activities, information and communication, and monitoring regarding the financial reporting are designed to ensure reliable overall financial reporting and external financial statements in accordance with IFRS, applicable laws and regulations, and other requirements. This process involves the Board of Directors, the Audit Committee, the Group Management Team and all employees.

Control environment

The Board has overall responsibility for establishing an effective system of internal control. The Audit Committee regularly reviews and evaluates the adequacy of the internal control framework. It monitors control deficiencies identified within the Group's internal control environment and oversees implementation of action plans if applicable. The CEO and the Group Management Team have the ultimate responsibility for internal controls within their areas of responsibility.

All entities within the Group must maintain adequate internal controls. As a minimum requirement, control activities should address key risks identified within the Group. Limits of responsibilities

and authorities are provided in the Delegation of Authority Policy, manuals, policies and procedures and codes, including the Code of Conduct, the Group Workplace Policy, and the Group Anti-Corruption Policy, as well as in policies for information, finance and in the finance manual. Together with laws and external regulations, these internal guidelines form the control environment and all Electrolux Professional employees are held accountable for compliance.

Risk assessment

Risk assessment is the assessment of risks in the various processes and data points that feed into the Company's financial reports. This includes identifying risks of not fulfilling the fundamental criteria, i.e., completeness, valuation, existence and occurrence, rights and obligations, and presentation and disclosure of significant accounts in the financial reporting for the Group, as well as the risk of loss or misappropriation of assets and potential fraud.

Control activities

Control activities aim to mitigate the risks identified and ensure accurate and reliable financial reporting as well as process efficiency. Control activities include ongoing evaluations, self-assessments, and internal audit to ascertain whether the components of internal control are present and functioning.

Information and communication

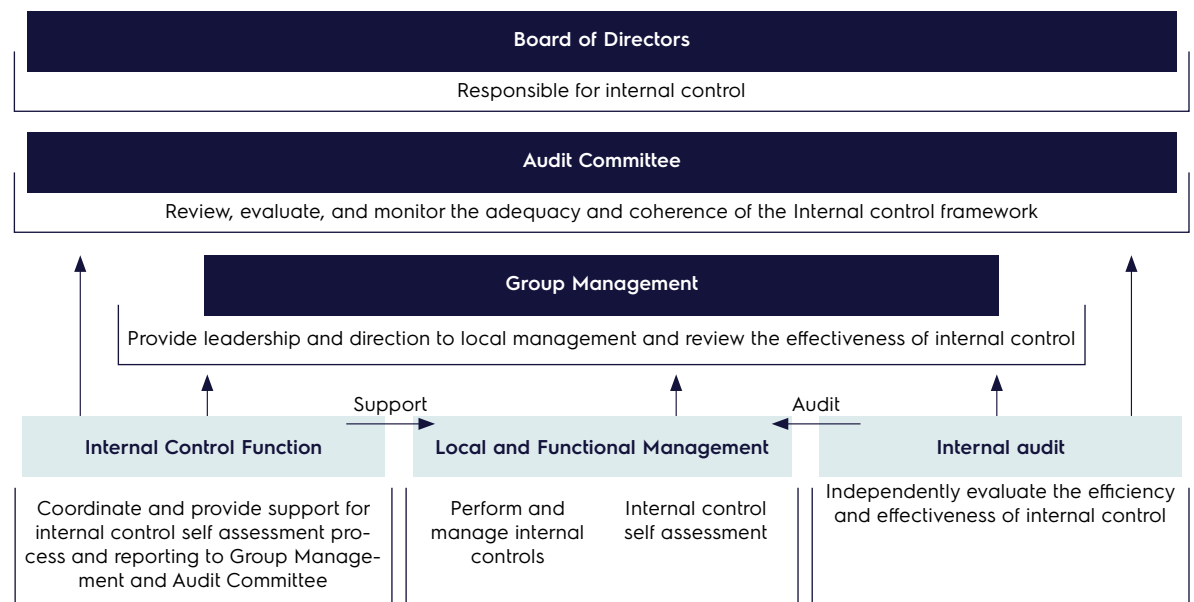
Information and communication within the Group regarding risks and controls helps to ensure that the right business decisions are made. Guidelines for financial reporting are communicated to employees, for instance by ensuring that manuals and policies are published and accessible through the Group-wide intranet.

Monitoring

Monitoring and testing of control activities is performed periodically to ensure that risks are properly mitigated. The effectiveness of control activities is monitored continuously at three levels: Group, legal unit, and process. Monitoring involves both formal and informal procedures applied by management, process owners, and control operators, including reviews of results in comparison with budgets and plans, analytical procedures

and key-performance indicators, and self-assessment results.

Internal audit independently evaluates the design and implementation of controls based on the audit scope, and proactively proposes improvement to the control environment. Controls that have failed must be remediated. Management establishes and implements action plans to correct weaknesses. The Audit Committee reviews, evaluates and monitors the internal control process for financial reporting.



Board of Directors

**KAI WÄRN****KATHARINE CLARK****LORNA DONATONE****HANS OLA MEYER****DANIEL NODHÄLL**

	KAI WÄRN	KATHARINE CLARK	LORNA DONATONE	HANS OLA MEYER	DANIEL NODHÄLL
Position & year elected	Chairman of the Board of Directors and Board member since 2019. Member of the Remuneration Committee.	Board member since 2020.	Board member since 2019. Member of the Audit Committee.	Board member since 2019. Chairman of the Audit Committee.	Board member since 2019. Member of the Remuneration Committee and the Audit Committee.
Year of birth	1959	1979	1957	1955	1978
Nationality	Swedish	British	American	Swedish	Swedish
Education	M.Sc. in Mechanical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden.	B.Sc. (Hons) Business Information Systems Management, Bournemouth University, UK. Professional Diploma, Chartered Institute of Marketing, UK.	MBA, Texas Christian University, USA. B.Sc. Tulane University, USA.	B.Sc. in Economics and Business Administration from Stockholm School of Economics, Sweden.	M.Sc. in Economics and Business Administration, Stockholm School of Economics, Sweden.
Other board assignments	Board member of Sandvik AB, Mälarhamnar AB, SunStreet Energy AB, Exandio Holding AB and Comparsio AB.	-	Board member of Dawn Food Products Inc., Sbarro, LLC and National Restaurant Association Educational Foundation, USA.	Board member of Azelio AB.	Board member of Husqvarna AB and Saab AB.
Current and previous positions	Previously CEO and President Husqvarna AB, Partner at IK Investment Partners Norden AB, President and CEO of Seco Tools AB, various positions within ABB.	VP BD, Innovation and Sustainability at Gunnebo. Previously VP Commercial Development/CCO, ASSA ABLOY Opening Solutions EMEA.	Previously various senior positions within the Sodexo Group	Previously CFO, Senior Vice President Controlling and Finance at Atlas Copco AB.	Head of Listed Companies at Investor AB.
Independence	Independent in relation to the company and the Group Management Team as well as the company's major shareholders.	Independent in relation to the company and the Group Management Team as well as the company's major shareholders.	Independent in relation to the company and the Group Management Team as well as the company's major shareholders.	Independent in relation to the company and the Group Management Team as well as the company's major shareholders	Independent in relation to the company and the Group Management Team, but not in relation to the company's major shareholders.
Shareholding at March 13, 2023	104,000 Class B shares and 778,816 call options issued by Investor AB entitling him to the right to purchase Electrolux Professional B shares.	9,000 Class B shares.	9,000 Class B shares.	9,000 Class B shares.	20,000 Class B shares.

**MARTINE SNELS****CARSTEN VOIGTLÄNDER****JOACHIM NORD****JENS PIERARD****PER MAGNUSSON**

	MARTINE SNELS	CARSTEN VOIGTLÄNDER	JOACHIM NORD	JENS PIERARD	PER MAGNUSSON
Position & year elected	Board member since 2019. Chairman of the Remuneration Committee.	Board member since 2019.	Board member since 2019. Employee representative of the Council for Negotiation and Cooperation (PTK).	Board member since January 1, 2023. Employee representative of the Swedish Confederation of Trade Unions (LO).	Deputy board member since 2023. Employee representative of the Swedish Confederation of Trade Unions (LO).
Year of birth	1969	1963	1966	1968	1964
Nationality	Belgian	German	Swedish	Swedish	Swedish
Education	M.Sc. Industrial engineering, K.U. Leuven, Campus Geel, Belgium. Studies in mathematics, Universiteit Antwerpen, Belgium. Advanced Finance, London Business School, England. Finance for non-financials, Singapore Institute of Management, Singapore. B2B Marketing, Vlerick Business School, Belgium.	Degree in Mechanical Engineering, Technical University of Braunschweig, Germany. Doctoral Degree/Dr.-Ing., Process Engineering, Technical University of Braunschweig, Germany. Advanced Management Programme, INSEAD			
Other board assignments	Board member of SIG Group AG, member of the Audit Committee and member of the Nomination and Governance Committee, Board member of Urus Group LLC, Board member of Prodrive Technologies Group B.V.	Board member of Arbonia AG and BBC Group AG. Non-Executive Director of INNIO Group, OIKOS International and STULZ GmbH. Member of the Foundation Board of Friedhelm Loh Stiftung. Member of the Supervisory Board of Testo Management SE.			
Current and previous positions	CEO and owner of L'Advance B.V. Previous Non-Executive Director of Resilux NV and Member of the Supervisory Board of Vion Food Group NV. Previous member of the Executive Board of GEA Group AG and various positions within FrieslandCampina NV, including Chief Operating Officer in the Board and Executive Director Ingredients.	CEO and owner of Voigtlaender Board Advisory. Previously CEO of Vaillant Group.			
Independence	Independent in relation to the company and the Group Management Team as well as the company's major shareholders.	Independent in relation to the company and the Group Management Team as well as the company's major shareholders.			
Shareholding at March 13, 2023	7,000 Class B shares	10,000 Class B shares	130 Class B shares.	-	

ULF KARLSSON was board member Employee representative of the Swedish Confederation of Trade Unions (LO), from 1998 until December 31, 2022.

Group Management Team

**ALBERTO ZANATA****JACOB BROBERG****CARLO MARIO CARONI****RICHARD FLYNN****DAVE HERRING****PIA HOVLAND**

	ALBERTO ZANATA	JACOB BROBERG	CARLO MARIO CARONI	RICHARD FLYNN	DAVE HERRING	PIA HOVLAND
Position	President and Chief Executive Officer since 2009.	Chief Communication and Investor Relations Officer since July 2022.	COO (Operations & R&D) since 2014 (Operations) and 2019 (R&D) respectively.	President Business Area Food APAC and MEA since July, 2022.	President Business Area Food Americas, since July, 2022	Chief Human Resources Officer since 2020.
Year of birth	1960	1964	1968	1980	1964	1965
Nationality	Italian	Swedish	Italian	British	American	Swedish
Education	Master's degree in Electronic Engineering with Business Administration, Padua University, Italy.	B.A., Political Science and Economics, Lund University, Sweden.	Master's degree in Mechanical Engineering in Economics and Management, Politecnico di Torino, Italy.	Business management, University of Gloucestershire, England.	MBA, University of Southern New Hampshire, USA. B.Sc in Mechanical Engineering, University of Iowa, USA.	Bachelor's degree in Computer Science, Stockholm University, Sweden.
Other assignments	-	Board member of Sveriges Kommunikatörer AB.	-	-	-	-
Previous positions	Head of Professional Products, Executive Vice President within the Electrolux Group	Most recently, since 2019 SVP Investor Relations and Corporate Communications in Electrolux Professional. Previously SVP Corporate Communications and Investor Relations, Cloetta AB.	SVP Global Operations within the Professional Products business area of the Electrolux Group.	Most recently, since 2021 SVP & GM Commercial Organization APAC & MEA. Previously Sales Director Chains, APAC & MEA. Various roles within Electrolux Professional in Europe and Asia.	Most recently President Unified Brands, part of the Group Management Team in Electrolux Professional since December 2021. VP/GM positions at Avery Dennison Inc.	Various senior HR positions in Britannia Airways, Effnet Group and Electrolux including SVP HR, Communications & Continuous Improvement at Electrolux Business Area Europe.
Shareholding at March 13, 2023	114,803 Class B shares.	10,000 Class B shares.	-	-	-	3,882 Class B shares.

**CAMILLA MONEFELDT
KIRSTEIN****GUILHEM SENEGAS****PAOLO SCHIRA****CAROLINA TENDORF****FABIO ZARPELLON****PHILIPPE ZAVATTIERO**

	CAMILLA MONEFELDT KIRSTEIN	GUILHEM SENEGAS	PAOLO SCHIRA	CAROLINA TENDORF	FABIO ZARPELLON	PHILIPPE ZAVATTIERO
Position	President Business Area Food Europe since March 2023	Chief Information Officer and Head of Digital Transformation, since 2020	President Business Area Laundry, since July 2022.	General Counsel since July, 2022	CFO since 2009.	President Business Area Beverage and Food Preparation, since 2021.
Year of birth	1972	1975	1975	1968	1967	1961
Nationality	Norwegian	French	Italian	Swedish	Italian	French
Education	Master's degree in Industrial Economics, Norwegian University of Science and Technology. Master's degree in Operational Research, London School of Economics and Political Science.	Master's degree in engineering from CentraleSupélec, Paris and MBA from Le Collège des Ingénieurs, Paris.	Master's Degree, Engineering, University of Trieste, Italy.	Master's Degree of Law, University of Stockholm, Sweden	Degree, Business Administration, Ca' Foscari University of Venice, Italy.	Master's Degree of Engineering, National Institute Polytechnique of Grenoble, France. Master's degree ESSEC Business School Paris, France.
Other assignments	Board member of Knowit AB.	-	-	-	President, La Vela srl.	Board member of Institut Paul Bocuse, France.
Previous positions	Recently President Personal Equipment Protection Division at Hultafors Group. Previously Executive Vice President Snickers Workwear and Fristads AB, and various management positions at Oriflame Cosmetics, SAS Group, K-World, and Management consultant at McKinsey & Company.	Various Senior IT roles for bioMérieux & Mérieux Nutrisciences, IT consultant for Capgemini.	Most recently SVP & GM Commercial Organization Europe. Various senior positions within the Professional Products business area of the Electrolux Group, including SVP Business Development and Vice President Business Unit Laundry.	Most recent, since 2019, Head of Legal Electrolux Professional Group, Senior Group Legal Counsel, Electrolux Group, Partner and member of the Swedish Bar Association (Advokat) Ashurst law firm, General Counsel Mandator, Lawyer/Advokat Advokatfirman Södermark.	CFO of Professional Products within the Electrolux Group.	SVP & GM Europe Electrolux Professional, SVP of the Commercial Organization Europe within the Professional Products business area of the Electrolux Group. Board member of Institut Paul Bocuse, France.
Shareholding at March 13, 2023	-	-	7,330 Class B shares.	2,000 Class B shares.	5,944 Class B shares.	8,084 Class B shares.

Electrolux Professional Group remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of Electrolux Professional AB, adopted by the Annual General Meeting 2020, have been implemented in 2022. The report also provides information on remuneration for the President and CEO. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Group Management and on Incentive Programs issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 26 (Employees and personnel costs) on pages 134-137 of the 2022 Annual Report. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report available on page 72 of the 2022 Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 26 on page 135 of the 2022 Annual Report.

Key business developments in 2022

The President and CEO summarizes the company's overall performance in his statement on pages 4-5 of the 2022 Annual Report.

Group remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Group can recruit and retain qualified personnel. To this end, the Group must

offer competitive remuneration in relation to the country or region of employment of each Group Management member. The Group's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be

on market terms and may consist of the following components: fixed cash compensation, variable compensation, pension benefits, and other benefits.

Variable compensation consists of both short-term cash compensation and long-term share related or cash-based compensation.

The guidelines are found in the administration report on pages 94-95 of the 2022 Annual Report. During 2022, the Group has complied with the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been decided and no derogations from

Table 1 – Total remuneration of the President and CEO in 2022 (kSEK)¹

kSEK	Fixed compensation		Variable compensation		Extraordinary items	Pension expense ⁶	Total remuneration	Proportion of fixed and variable remuneration
	Fixed cash compensation ³	Other benefits ⁴	One-year variable	Multi-year variable ⁵				
Alberto Zanata (President and CEO) ²	6,227	406	4,188	-	-	510	11,331	63%/37%

1) Except for Multi-year variable compensation, the table reports remuneration earned in 2022 (irrespective of whether payments have been made the same year). Multi-year variable compensation is reported if vested in 2022. In 2022 no multi-year variable compensation has vested.

2) As the compensation for the President and CEO is set in Euro, any fluctuations in the currency exchange rate will affect the reported compensation in SEK.

3) The annual fixed salary includes annual base salary, vacation salary, paid vacation days and fixed non-compete components.

4) Company car and medical insurance.

5) Vested long-term incentive awards. The 2021 and 2022 long-term incentive programs currently running vest in 2024 and 2025, respectively.

6) Pension expense, consisting of defined contributions according to collective bargaining agreement entitlements, has been counted entirely as fixed remuneration.

Table 2 – Share based remuneration (for the President and CEO)

The main conditions of share award plans				Information regarding the reported financial year						
				Opening Balance (Jan 1, 2022)		During the year				Closing balance (Dec 31, 2022)
Specification of plan ¹	Performance period	Award date ²	Vesting date and end of retention period	Share awards held at the beginning of the year ³	No. of shares	Value (kSEK) ⁵	No. of shares	Value (kSEK) ⁷	Awards subject to vesting ⁸	Awards forfeited ⁹
LTI 2021 ¹⁰	Jan 1 - Dec 31, 2021	May 5, 2021	Dec 31, 2023	102,457	0	0	0	0	102,457	0
LTI 2022 ¹¹	Jan 1 - Dec 31, 2022	May 5, 2022	Dec 31, 2024	0	105,176	5,811	0	0	49,181	55,995

1) All plans have a three-year vesting period, including a one-year performance period.

2) Refers to the date when the share awards were awarded to the participant.

3) Refers to the number of share awards under vesting period at the beginning of the year. See column 'Vesting date and end of retention period' for vesting date.

4) Assuming a maximum performance outcome.

5) Value at award date calculated as the market price per share multiplied by the number of awarded shares.

6) Actual number of shares based on performance outcome and their value at vesting date.

7) The share value based on closing price on vesting date.

8) Refers to number of shares awarded based on actual performance outcome, but for which the vesting date is after the end of the reported financial year.

9) Refers to number of shares forfeited based on actual performance outcome.

10) The maximum number of shares that could be awarded under LTI 2021 for the CEO was 102,457 shares. Outcome was 100% and resulted in the maximum numbers of shares for the CEO.

11) The maximum number of shares that could be awarded under LTI 2022 for the CEO was 105,176 shares. The outcome was 47% and resulted in 49,181 shares for the CEO.

the procedure for implementation of the guidelines have been made.

The auditor's report regarding the Group's compliance with the guidelines is available on the corporate website.

No remuneration has been reclaimed.

Share-based remuneration

The intention with Electrolux Professional's long-term incentive plans (LTI) is to be able to attract and retain competent senior employees, and to increase the commitment and the motivation of the program participants. The plans have been designed to align management incentives with shareholder interests.

The company had during 2022 two ongoing performance share programs (LTI 2021 and LTI 2022) for senior managers and key employees, including the President and CEO. Both programs run over a three-year vesting period including a one-year performance period. The allocation of shares in the 2021 and 2022 program is determined by the participant's position level and the outcome of two objectives: (i) earnings per share and (ii) operating cash flow after investments.

Performance outcome of the two financial objectives in the two plans has been determined by the Board after the expiry of the respective one-year performance period for each program.

Allocation of shares is based on performance, and performance objectives are linear from minimum to maximum. If the maximum is reached or exceeded, 100% of the maximum granted shares to each participant will be allocated. If the performance is below the maximum level but exceeds the minimum level, a proportionate allocation of

Table 3(a) – Performance of the President and CEO in the reported financial year: variable short-term cash compensation

kSEK	Description of the performance criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance b) Actual award/remuneration outcome
Alberto Zanata (President and CEO)	Group EBITA Growth (%) ¹	55%	a) 38.6% b) 2,904 kSEK
	Group Net Sales Growth (%) ²	15%	a) 16.9% b) 765 kSEK
	Group Operating Working Capital (%) ³	10%	a) 16.7% b) - kSEK
	Group Customer Care Net Sales Growth (%) ⁴	20%	a) 13.6% b) 519 kSEK

1) Year on year EBITA value growth %, adjusted to average rate 2022 in SEKm. EBITA = EBIT (absolute) plus amortization. Effects of acquisitions and divestments excluded.

2) Year on year External Net Sales growth (%), adjusted to average rate 2022 in SEKm. Effects of acquisitions and divestments excluded.

3) Operating Working Capital (OWC) % = OWC (excluding factoring contribution) divided by External Net Sales. OWC: 12 months average OWC (Acc. Receivables excluding factoring contribution + Inventory + Acc. Payable) adjusted to average rate 2022. External Net Sales: 12 months External Net sales adjusted to average rate 2022. Effects of acquisitions and divestments excluded.

4) Year over year External Net Sales growth (%), adjusted to average-rate 2022 in SEKm. Effects of acquisitions and divestments excluded.

shares will be made. No allocation will be made if performance does not reach the minimum level. The shares will be allocated after the vesting period free of charge except for tax liabilities.

If a participant's employment is terminated during the respective three-year vesting period of each program, the participant will be excluded from the program and will not receive any shares or other benefits under the program. However, in certain instances, including for example a participant's death, disability, retirement or the divestiture of the participant's employing company, a participant could be entitled to reduced benefits under the program.

All programs comprise Class B shares. Additional information about the outstanding LTI programs can be found in Note 26 in the Annual Report 2022.

Application of performance criteria

The performance measures for the President and CEO's variable compensation have been defined to

Table 3(b) – Performance of the President and CEO in the reported financial year: variable long-term share-based compensation

kSEK	Name of plan	Description of the performance criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance b) Actual award/remuneration outcome
Alberto Zanata (President and CEO)	LTI 2022	Earnings per share ¹	60%	a) 2.39 SEK b) 49,181 shares ³
		Operating cash flow after investments ²	40%	a) 636 mSEK b) -

1) Income for the period (attributable to equity holders of Electrolux Professional) shall be divided by the weighted average number of basic shares outstanding during the period.

2) Cash flow from operations and investments shall be adjusted for financial items paid, taxes paid and, acquisitions/divestments of operations.

3) Shares will vest after January 1, 2025 subject to continued employment.

deliver the Group's strategy and to encourage behavior which is in the long-term interest of the Group. In the definition of performance measures, the strategic objectives and short-term and long-term business priorities for 2022 have been taken into account.

Set out in Tables 3(a) and 3(b) above are descriptions of how the performance measures for payment of variable short-term and long-term compensation have been applied during the financial year.

Table 4 – Comparative information on the change of remuneration and company performance¹

Actual Value and Annual Change ²	2022	2021	2020
President and CEO Remuneration in kSEK (change in %)	11,331 (-9%)	12,453 (+102%) ³	6,163
Group EBITA in mSEK (change in %)	1,146 (+72%)	665 (+25%)	533
Average remuneration on a full-time equivalent basis of employees of the parent company, Electrolux Professional AB in kSEK (change in %) ⁴	539 (+10%)	489 (-4%)	509

1) Electrolux Professional AB was listed on the NASDAQ Stockholm on March 23, 2020 and consequently comparative information for previous financial years is not provided.

2) The table presents the actual value for the reported financial year and, in parenthesis, the annual change vs the previous year.

3) The increase in 2021 compared to 2020 is due to close to maximum outcome for 2021 incentive programs and zero outcome for 2020 programs.

4) Total remuneration, excluding Board members and members of the Group Management Team, of Electrolux Professional AB.



Risk and risk management

Electrolux Professional Group is an international company with a wide geographical presence, entailing exposure to various forms of strategic, operational, and financial risks. Risks are managed through a systematic and enterprise-wide risk management framework to enhance resilience and empower the Group to achieve its goals and objectives.

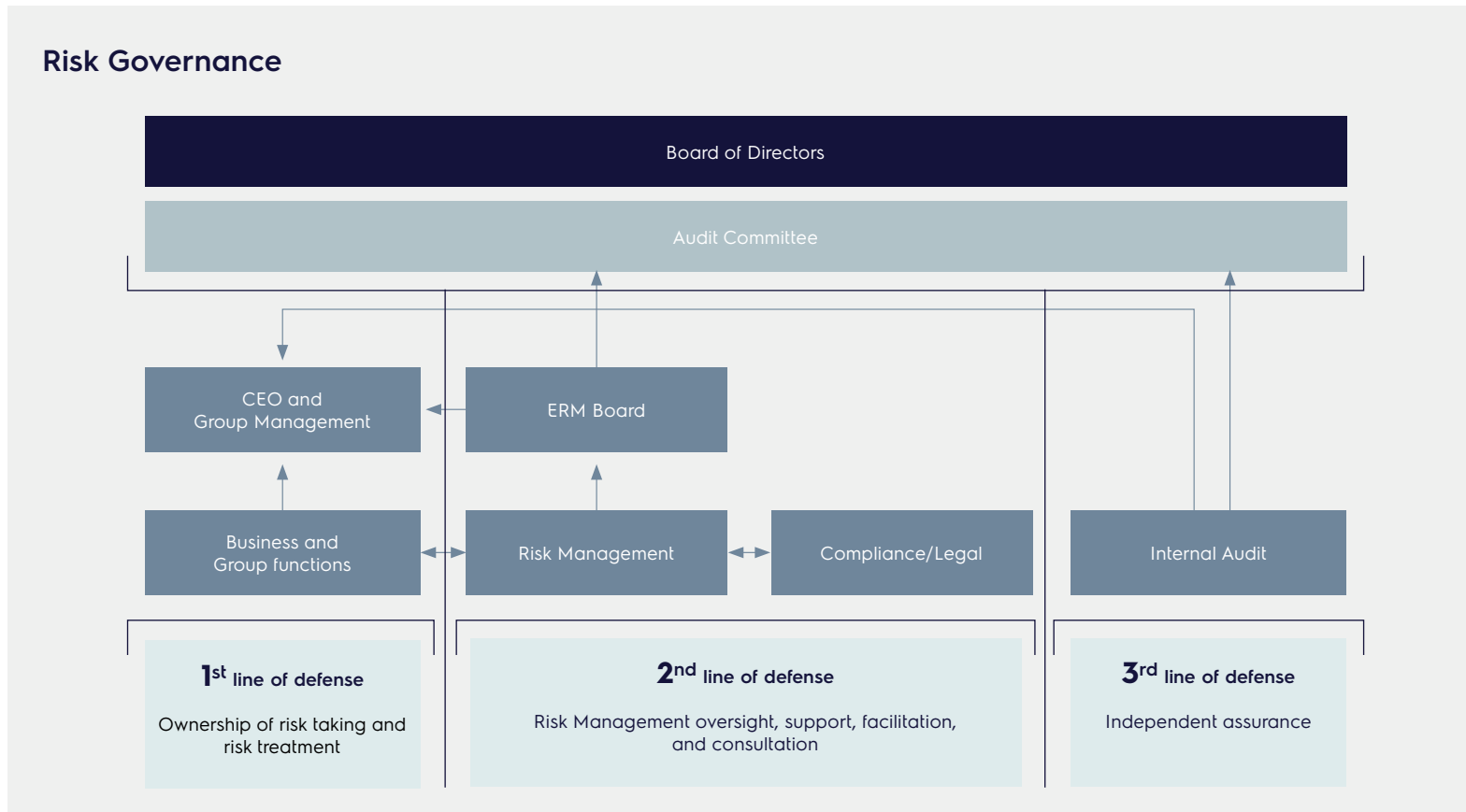
Enterprise Risk Management

The purpose of the Enterprise Risk Management (ERM) process is to proactively manage the risks that, in management’s opinion, have the greatest potential to affect Electrolux Professional Group’s ability to fulfill the company’s mission, strategy, and business goals.

The ERM process objectives and process

- Promote an enterprise-wide approach by integrating risk management processes with business strategy, project management processes, and decision making.
- Ensure continuity and transparency in methodology, assessment, and management processes.
- Establish appropriate, consistent, and transparent risk ownership and accountability for risk mitigation.

The Group’s ERM process includes the following risk activities: context definition, risk assessment, risk treatment, monitoring and review, and communication and consultation of risks.



Risk Governance

Electrolux Professional’s Board of Directors has the ultimate responsibility for risk oversight. The ERM governance structure is based on the three lines of defense model, which determines the roles, responsibilities, and relationships between risk management functions.

The CEO, Group Management, Business and Group functions form the first line of defense with ownership of risks, ensuring monitoring of

risks, and the responsibility for risk treatment.

The role of the second line of defense, fulfilled by the ERM Board, is to provide risk management oversight, support, facilitation, and consultation. The ERM Board oversees and facilitates the Electrolux Professional Group’s ERM activities, ensuring that they are conducted in a holistic and proactive manner, to strengthen the development of integrated risk assessment processes, thus supporting the achieve-

ment of the Group’s strategic goals. The ERM Board consists of the President and Group CEO, the Group CFO, the General Counsel, and the Group Risk Manager.

Internal audit is the third line of defense. It provides independent assurance by evaluating the efficiency and effectiveness of the Group’s risk governance model and risk management processes, including the implementation of internal control and other risk treatment actions.

Electrolux Professional Group transfers certain risks to commercial insurance markets, with a minimum financial security equal to Standard & Poor’s A minus rating or equivalent to AM Best’s ratings. Further actions are also taken to reduce insurable risks as part of the Group’s loss prevention strategy, to reduce the potential for significant losses, and to ensure the Group’s ability to deliver to its customers without interruptions.



Risks

The Group's most significant strategic, operational, financial, and sustainability risks are described in the following pages.

Sustainability risks

Electrolux Professional Group's global operations expose the Group to risks related to sustainability factors such as environmental impact, human rights, employment conditions, and corruption. These risks could arise in several phases of the value chain, such as in purchasing and sales, but also in connection with third-party service partners providing preventive and corrective maintenance services to end customers.

Countries are increasingly adopting new rules and regulations aimed at imposing mandatory rules on sustainability-related areas, particularly in human rights and modern slavery. Failure to comply with standards and regulations on the work environment, anti-corruption, human rights, and business ethics could have an adverse effect on the Group's reputation, results of operations, and financial position.

Climate scenario analysis

The purpose of a scenario analysis is to analyze future events by considering possible alternative outcomes. It is meant as a tool for companies to make strategic risk management decisions, and it provides insights and clarifies predictable and uncertain elements in different futures. It is meant to help frame and evaluate the strategic and financial consequences of climate change. Electrolux Professional Group have made a climate scenario risk and opportunity analysis for 2022 according to the recommendations from Taskforce on Climate-related Financial Disclosures (TCFD). On the following risk pages, transition risks and physical risks have been included.

- A. Transition risks are related to the financial risk of not being prepared for the socio-economic changes of a world striving to meet the Paris ambition of limiting global warming to well below 2°C.
- B. Physical risks are related to the financial risk of not being prepared for the physical changes of a world where ambitious climate policies fail or fall short, and the global warming of the world pushes towards 4°C.

Strategic risks

Strategic risks are related to macro-economic factors and geopolitical conditions resulting in changes in the business environment with potential significant effects on operations and business objectives. Read about climate scenario terms on page 84 and in Note 31 on page 140.

	Risk	Management
Economic climate	<p>Demand for Electrolux Professional Group 's products depends on the general economic climate within the professional equipment industry, which in turn is affected by macroeconomic factors in the countries and regions where the Group conducts operations, including the rate of growth in the global and local economy.</p> <p>Climate change is expected to drive global tourism/business travel geographic shifts due to changing climate as a chronic physical risk. A large part of the customer base might become exposed to a high risk of climate change in 2050 in a 4-degree scenario.</p>	<p>Strategic risks are managed through strategic plans and business decisions taken by the Board of Directors, the Group Management Team, and management teams throughout the Group.</p> <p>Changes to global tourism/business travel geographic shifts could have a financial impact in terms of reduced demand for products and a shift to new geographies towards the higher latitudes, unless we keep up with this shift in demand. Shifting peak season tourism to shoulder seasons could open a future business opportunity and increase sales in these current off-peak seasons.</p>
Opportunity for acquisitions	<p>Part of the Group's strategy is to accelerate growth through acquisitions. Mergers and acquisitions generate risks related to the ability to achieve expected growth synergies and profitability and to retain key employees.</p>	<p>Mergers and acquisitions are decided by the Board of Directors, and managed and implemented by dedicated teams of senior executives and employees during the acquisition and integration process. External expert support and advice are obtained as required and according to customary practices.</p>
Pandemics	<p>The effect of the coronavirus pandemic continues to affect the economic situation and business environment in parts of the world. The subsequent uncertainty affects both markets and manufacturing mainly in APAC.</p>	<p>The Group is closely monitoring developments and based on previous experience, is prepared to take necessary measures to mitigate potential new impacts from the coronavirus pandemic.</p>
Political instability	<p>Denial of access to markets due to geopolitical decisions, aggressions, sanctions, export controls, etc. as well as the general currently prevailing political discourse, e.g. globalization or protectionism, that ultimately affects the legal possibilities to do business in certain areas of the world as well as general supply and demand.</p>	<p>Close monitoring of the geopolitical developments in countries with political risk exposure. Readiness to act to ensure continuity of business.</p>
Energy legislation	<p>Potential energy labeling and circular economy legislation changes have been identified as transition risks associated with climate change. This transitional risk can demand a change in product mix and drive increases in product cost.</p>	<p>We have a clear strategy for developing low carbon and water/energy efficient solutions given the EU's potential regulations in Eco-design and/or energy labeling, and we continue to be the market leader in sustainability. By offering integrated products and services, including logistics and transportation, compared to our competitors, we can reduce complexity for our customers, thereby reducing greenhouse gas emissions.</p>
Other	<p>Other strategic risks include increased market competition, inability to adopt new technologies or new business models, and the inability to find suitable targets for a merger or acquisition to leverage as an accelerator in line with market expectations.</p>	<p>Electrolux Professional Group develops its technologies through continuous investments in research and development with a strong focus on development of products and services.</p>

Operational risks

Operational risks are risks that stem from business operations with a potential impact on the financial position and performance. These risks are mainly associated with the development, design, and manufacturing of the Group’s products, the supply chain, and the sales of these products and services worldwide. Read about climate scenario terms on page 84 and in Note 31 on page 140.

	Risk	Management
<p>Manufacturing</p>	<p>The Group has 12 manufacturing plants in seven countries and manufacturing comprises a chain of processes. Geopolitically unfavorable developments, fire, natural disasters, extreme weather conditions, epidemics, pandemics, systems failure, mechanical failure, or equipment failure could affect the Group’s manufacturing capacity.</p> <p>Any extensive outages or disruptions due to such events could have an adverse effect on the Group’s business and financial position.</p> <p>Disruption to the Group’s manufacturing capacity in operations and supply chain due to extreme weather events has been identified as an acute climate change physical risk. Electrolux Professional’s manufacturing and supplier sites may become increasingly affected by extreme weather events in the coming years.</p>	<p>Manufacturing units continuously monitor the production process, test the safety and quality of products, conduct risk assessments, and train employees. The Group works in a structured manner to ensure the health and wellbeing of its employees and by regularly assessing and managing safety and health risks in operations.</p> <p>Manufacturing sites are surveyed annually through a group-wide loss prevention standard which includes risk management, emergency procedures, business continuity, and security. The program ensures continuous improvement and sharing lessons learned between sites.</p> <p>The Group has transferred part of its property damage and business interruption risks to the direct insurance market.</p> <p>The long-term view of the location of sites is managed through strategic plans and business decisions taken by the Board of Directors, the Group Management Team, and management teams throughout the Group. Read more about production and logistics on pages 40–43.</p>
<p>Supply chain</p>	<p>The Group’s manufacturing process depends on the availability and timely supply of components and raw materials, sourced and purchased primarily from third-party suppliers. A shortage of electronics and raw materials poses risks related to product costs and to timely delivery to customers.</p> <p>Some key parts and customized components are available only from a single supplier or a limited group of suppliers and there is a risk that the Group will be unable to obtain these products for a certain period, which could have an adverse effect on the Group’s ability to manufacture single types or categories of products within a reasonable time or at an acceptable cost. Potentially increased costs for materials, energy, and transportation as a knock-on effect of carbon pricing has been identified as a climate change transition risk.</p>	<p>Proactive efforts are being made to establish a robust and flexible supply chain with multiple sourcing that follows laws and the Group’s business principles. We carry out regular supplier audits and continued surveillance of supplier performance and financial stability, and long-term agreements are in place with single-source suppliers. In addition, dual-sourcing is in place for key components and raw materials.</p>
<p>Products</p>	<p>Most of Electrolux Professional Group’s products and product lines are subject to regulations that set out basic health and safety requirements applicable to products released onto the market. Should any of the Group’s products have defects that lead to serious accidents or ill-health when used, there is a risk that competent authorities could decide to prohibit sales, require recall of the product from the market, or provide warning information. Such market interventions and any product liability claim from contracting parties or third parties could have an adverse effect on the Group’s business, reputation, results of operations, and financial position.</p>	<p>The Group aims to ensure customer safety and reduce risks by focusing on product safety during the product development phase and the manufacturing of its products. Tests are performed on the products during the manufacturing process as well as through field tests on customer sites. The Group also uses third-party laboratories to review products from a safety standpoint. In recent years we have started to perform ergonomic certifications on certain products (ERGOCERT). The Group has transferred part of its product liability risk to the direct insurance market.</p>

Risk	Management
<p>Legal and compliance</p> <p>Electrolux Professional Group conducts its business in many jurisdictions with different legislation, rules and regulations. Non-compliance with trade compliance rules, product certification requirements, privacy rules, and so on could result in fines and penalties, trade restrictions, and reputational impact.</p>	<p>In addition to the Code of Conduct, the Group has issued policies and procedures on legal compliance that are applicable to all employees worldwide. The procedures are regularly reviewed and followed up, and whistleblowing procedures are implemented.</p> <p>Regular training is held for relevant employees (face-to-face, via video or e-learning).</p>
<p>IT systems and cyber security</p> <p>The Group is dependent on information technology and systems. Cyber security risks are increasing globally, and the risk of a cyber intrusion is continuously increasing. A cyber security breach could disrupt manufacturing processes and IT systems, which could impact the Group's financial position and result</p>	<p>The Group has an IT security strategy including information security policies and procedures, and IT General Controls (ITGC). There are different levels of access controls for internal employees and contractors, and regular vulnerability testing is carried out. Internet Security training for employees is regularly conducted. The system landscape is based on well-proven products and market-leading service providers. There is a designated Chief Information Security Officer function at Group level.</p>
<p>Human resources</p> <p>Electrolux Professional Group is dependent on technical experts and industry talent, mainly for its production facilities and research and development departments, and it is also dependent on key personnel for certain Group functions. Difficulties in recruiting and retaining qualified personnel could result in a loss of competitive edge and increased costs.</p>	<p>To offer attractive positions, personal and professional development, a good working environment and competitive compensation and benefits are prioritized within the Group.</p> <p>Salaries and other conditions are adapted to the market and linked to business priorities. The Group strives to maintain good relationships with unions.</p>

Financial risks

The Group is exposed to several risks from liquid funds, trade receivables, borrowings, commodity prices, tax, foreign exchange etc. These risks are categorized as financial risks, some of which are presented below. More information about financial risks and management of the risks can be found in Note 1 Accounting Principles on page 104, Note 2 Financial risks on page 107 and Note 17 Trade receivables on page 120.

Foreign exchange risk

Electrolux Professional's solutions and products are manufactured in twelve facilities located in seven countries around the world and sold in approximately 110 countries. Accordingly, the Group is exposed to currency risks. Foreign exchange risk is defined as the risk that fluctuations in currency exchange rates have a negative impact on the Group's financial position, profitability or cash flow and includes transaction exposure and translation exposure.

Credit risk

Credit risk on financial transactions is the risk that the counterpart is not able to fulfill its contractual obligations related to the Group's investments of liquid funds and derivatives. Credit risks also arise in connection with trade receivables. Electrolux Professional's client base is characterized by a mix of recurring customers such as distributors and one-time customers, as well as multi-operator stores or spare-part customers. If Electrolux Professional is unable to fully collect its trade receivables from major customers, the Group's result would be adversely affected.

Interest-rate risk

Interest-rate risk refers to the adverse effects of changes in interest rates on the Group's income. The main factors determining this risk include the interest-fixing period. In 2022, the Group's average interest-fixing period was 0.42 years.

Tax risk

The Group is comprised of subsidiaries that are subject to taxation in approximately 30 jurisdictions. There is a risk that Electrolux Professional's understanding and interpretation of tax laws, tax treaties, and other provisions are not correct in all aspects. There is also a risk that tax authorities in the relevant jurisdictions make assessments and decisions that differ from Electrolux Professional's understanding and interpretation, which could negatively impact the Group's tax expense and effective tax rate. In addition, valuation of deferred taxes is based on projections of future taxable income and there is a risk that changes in assumptions or erroneous estimates result in significant differences in the valuation of deferred taxes.

Financial information



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Financial information

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Administration report

The Board of Directors and President and CEO of Electrolux Professional AB (publ), corporate identity number 556003-0354 and registered office in Stockholm, Sweden, hereby submit the annual report and consolidated accounts for the financial year January 1, 2022 to December 31, 2022.

Information on operations

Electrolux Professional Group is one of the leading global providers of food service, beverage, and laundry equipment for professional users. Our innovative products and worldwide service network make our customers' work-life easier, more profitable and truly sustainable every day. The Group serves a wide range of customers globally, from restaurants and hotels to healthcare, educational, and other service facilities.

Electrolux Professional has two segments; Food & Beverage and Laundry. The segments are regularly reviewed by the President and CEO, who is the Group's chief operating decision maker.

- **Food & Beverage** offers equipment to various professional users within the hospitality industry. Products within Food & Beverage are mainly comprised of modular

cooking, ovens, dishwashing and refrigeration, dispensers for hot beverages (e.g. coffee grinders, brewers, and espresso machines), cold beverages (beverage and juice dispensers), and frozen beverages (frozen drinks and ice cream dispensers), as well as equipment for soft serve.

- **Laundry** offers equipment designed to meet a diverse array of professional users, from self-service and the hospitality industry to healthcare providers and commercial laundries. Customers include hospital and hotel laundries, apartment-building laundries, and laundrettes. Products offered within the laundry segment include washing machines, tumble dryers, ironers, and finishing equipment.

In addition to product offerings, each segment provides Customer Care services to customers throughout the equipment lifecycle.

Markets

Electrolux Professional's solutions and products are sold in more than 110 countries. Our commercial activities focus on three main geographical regions – Americas, Europe, and Asia Pacific & Middle East and Africa (APAC & MEA). Our products are sold through a global network of dealers and distributors.

Production

On December 31, 2022, Electrolux Professional's production units operated through 12 manufacturing sites, organized mainly by product category to ensure proximity and agility to serve customer needs. All manufacturing sites commit to a systematic approach for the responsible use of resources, occupational health and safety, and environmental management. Our factories are specialized by product categories, with food and laundry plants producing the majority of the appliances on order, while for the beverage plants there is a mix between make-to-order and make-to-stock.

Significant events during the financial year

Operations in Russia divested

Following the assessment that business continuity in Russia was not feasible after the Russian invasion of Ukraine, the Group decided to divest its operations in Russia to local management. This incurred a cost of SEK 35m.

Electrolux Professional had 25 employees in Russia, and in 2021 sales in the country were approximately 1% of Group sales.

New organization

A new organization was implemented on July 1, consisting of the two reportable segments Food & Beverage and Laundry, with five Business Areas focusing on customer categories and geographies: Food Europe, Food Americas, Food APAC & MEA, Beverage & Food Preparation, and Laundry.

The purpose of the new organization is to be able to focus and faster execute on the company's strategic priorities. The new organization also led to changes in Group Management.

Integration of Unified Brands

Unified Brands, which was acquired on December 1, 2021, was fully integrated into Electrolux Professional Group during the year. Electrolux Professional is now operating as one organization in the US, and over time this is expected to create synergies in both cost and sales.

New term loan facility

On September 29, Electrolux Professional AB took out a new EUR 140m syndicated term loan facility. The facility is for general corporate purposes. The loan has a tenure of 18 months, with the possibility of two 6-month extensions. The loan has no financial covenants.

New Group brand

To clarify the role of Electrolux Professional as both a company, and a business brand, the Electrolux Professional Group corporate brand was introduced in 2022. The majority of sales remain under the Electrolux Professional brand, while the other brands can add "part of Electrolux Professional Group" when needed to benefit from the strength of being part of a larger Group. The introduction of the corporate brand is also a way to make a distinction between the company (Electrolux Professional Group) and the main business brand (Electrolux Professional).

Conversion of shares

According to Electrolux Professional's Articles of Association, owners of A shares have the right to have such shares converted to B shares. Conversion reduces the total number of votes in the company. 2,668 shares were converted during 2022. On December 31, 2022, the company's registered share capital amounted to SEK28,739,745, represented by 287,397,450 shares of which 8,045,314 were Class A shares and 279,352,136 were Class B shares. The total number of votes amounted to 35,980,527.6.

Coronavirus pandemic

The global coronavirus pandemic continued to affect the hospitality industry at the beginning of the year, but as restrictions gradually were eased, the hospitality industry saw a return to pre-pandemic levels. At the end of 2022, only China was still being affected by restrictions, affecting sales in the country.

Financial targets

Electrolux Professional's financial targets are as follows:

Organic sales growth

Organic annual growth of more than 4% over time, complemented by value-accretive acquisitions.

Key ratios Food & Beverage performance

SEKm	2022	2021	Change
Net sales	7,290	4,704	+55
Organic growth, %	17.4	14.3	
Acquisitions, %	28.3	2.5	
Divestments	-0.9	-	
Changes in exchange rates, %	10.3	-4.7	
EBITA	679	299	+127.3
EBITA margin, %	9.3	6.4	
Operating income	542	244	+121.9
Operating margin, %	7.4	5.2	

Key ratios Laundry performance

SEKm	2022	2021	Change
Net sales	3,747	3,159	+18.6
Organic growth, %	16.2	5.5	
Divestments	-0.7	-	
Changes in exchange rates, %	3.2	-2.5	
EBITA	608	492	+23.6
EBITA margin, %	16.2	15.6	
Operating income	590	475	+24.2
Operating margin, %	15.7	15.0	

EBITA margin

EBITA margin of 15%.

Operating working capital

Operating working capital below 15% of net sales.

Net debt/EBITDA

Leverage ratio below 2.5x Net debt/EBITDA. Higher levels may be temporarily acceptable in the event of acquisitions, provided there is a clear path to deleveraging.

Dividend policy

Approximately 30% of net income.

Operational and financial review

Net sales

Net sales for 2022 amounted to SEK 11,037m (7,862), an increase of 40.4% compared to the same period last year. Organically, sales increased by 16.9%, acquisitions contributed 17.2%, currency contributed 7.1% while the divestment of the Russian operations had an effect of -0.8%.

The organic sales increase was driven by an increased demand as pandemic restrictions were eased at the beginning of the year, the comeback in the hospitality industry, and price increases.

Sales of Food & Beverage increased organically by 17.4%. Sales of Laundry increased organically by 16.2%. Sales increased in Europe by approximately 15%, in the Americas by 29% excluding the acquisition of Unified Brands, and in Asia-Pacific, Middle East and Africa by 11%.

Changes in net sales

%	2022	2021
Organic growth	16.9	10.6
Acquisitions	17.2	1.4
Divestments	-0.8	-
Changes in exchange rates	7.1	-3.7
Total	40.4	8.2

Operating income and EBITA

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 1,111m (663), corresponding to a margin of 10.1% (8.4). Operating income amounted to SEK 955m (592), corresponding to a margin of 8.7% (7.5). The

higher operating income is due to higher sales volumes, higher prices, and the contribution from Unified Brands. Operating income also includes SEK -35m related to the divestment of the Russian business.

Performance per segment

The Group's operations are reported in two segments which have been identified based on the monitoring and reporting structures to the President and CEO

Food & Beverage

Sales for Food & Beverage were SEK 7,290m (4,704), an increase of 55% compared to last year. Organically sales increased by 17.4% (14.3) and currency had a n effect of 10.3% (-4.7). The acquisition of Unified Brands contributed 28.3%, and the divestment of the operations in Russia had an effect of -0.9%.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 679m (299), corresponding to a margin of 9.3% (6.4). EBITA improved mainly due to prices and the inclusion of Unified Brands. Operating income amounted to SEK 542m (244), corresponding to a margin of 7.4% (5.2).

Laundry

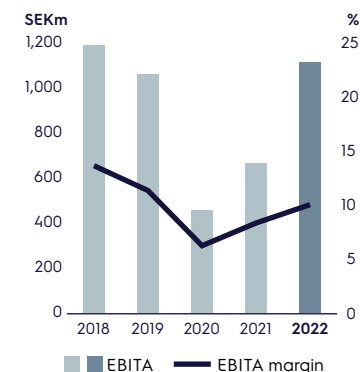
Sales for Laundry were SEK 3,747m (3,159), an increase of 18.6% compared to last year. Organically, sales increased by 16.2% (5.5) and currency had a negative effect of 3.2% (-2.5).

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 608m (492), corresponding to a margin of 16.2% (15.6). Operating income amounted to SEK 590m (475), corresponding to a margin of 15.7% (15.0).

Total net sales

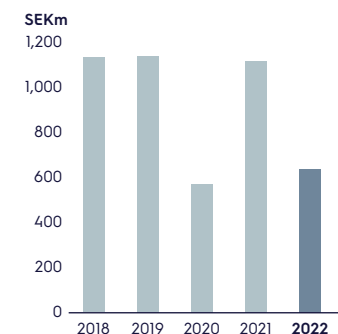


EBITA and EBITA margin



2019 includes items affecting comparability of SEK -32m, 2020 of SEK -77m and 2022 of SEK -35m.

Operating cash flow after investments



Seasonal variation

No seasonal variations exist.

Financial net

Net financial items amounted to SEK -61m (-4). The increase in financial net is due to higher interest rates and indebtedness as a result of the acquisition of Unified Brands.

Income for the period

Income for the period amounted to SEK 686m (487), corresponding to SEK 2.39 (1.69) in earnings per share. Income tax for the period amounted to SEK 209m (101). The tax rate was 23.3% (17.1). The tax rate in 2021 was positively affected by a fiscal revaluation of assets in Italy.

Group common cost

Group common cost was SEK 177m (128). The increase is mainly due to projects and increased employee and advisory costs.

Cash flow

Operating cash flow after investments amounted to SEK 636m (1,116). Cash flow was negatively affected by an increase in operating working capital. Both trade receivables and inventory increased, partially due to higher material cost and a higher stock of components.

Operating working capital

Operating working capital as a percent of annualized net sales was 16.7% compared to 14.9% at the end of 2021. The change is due to higher trade receivables and inventory, partially due to higher material cost and a higher stock of components in relation to net sales.

Financial position

Net debt

As of December 31, 2022, Electrolux Professional Group had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 1,643m compared to SEK 1,418m as of December 31, 2021. Lease liabilities amounted to SEK 304m and net provisions for post-employment benefits amounted to SEK 103m.

In total, net debt amounted to SEK 2,050m as of December 31, 2022, compared to SEK 1,705m as of December 31, 2021.

Long-term borrowings amounted to SEK 2,824m. Short-term borrowings amounted to SEK 69m.

Total borrowings amounted to SEK 2,894m compared to SEK 2,268m as of December 31, 2021. Total borrowings have been negatively impacted by currency revaluations.

Liquid funds as of December 31, 2022, amounted to SEK 1,251m compared to SEK 849m as of December 31, 2021.

Credit facilities and loans

Electrolux Professional Group has a term loan of SEK 600m with a tenure of seven years from 2020, a sustainability linked loan of EUR 60m with a tenure of seven years from 2021, a syndicated loan facility of EUR 140m with a tenure of 18 months from September 2022 with the possibility of two 6-month extensions, and a revolving credit facility of EUR 200m with a tenure until 2027. As of December 31, 2022, the revolving credit facility was unutilized.

Related-party transactions,

See Note 28 on page 137.

Employees

The number of employees at year-end was 4,022 (3,973).

Corporate governance report

Electrolux Professional has prepared the Corporate Governance report presented on pages 68-79.

Sustainability Report

Electrolux Professional Group has prepared a Sustainability Report in accordance with the updated Global Reporting Initiative (GRI) Standards from 2021. The sustainability report has been prepared in accordance with disclosure requirements set out in the Swedish Annual Accounts Act, chapter 6 paragraph 11. The Sustainability Report is presented on pages 48-65 and 149-161 of this report.

Environmental impact and approach

A systematic environmental approach is the basis for reducing Electrolux Professional Group's environmental impact. The greatest direct environmental impact relates to water and energy consumption, wastewater, waste, and transportation. From a product lifecycle perspective, the main environmental impact occurs in the product-use phase at the customer's location. The company complies with environmental legislation and is not involved in any environmental disputes. As of December 31, 2022, Electrolux Professional had manufacturing operations at 12 sites in 7 countries.

The Swedish factory in Ljungby conducts notifiable activities according to Swedish legislation. There are no injunctions under the

Swedish Environmental Legislation. The factories operate according to national legislation, apply for necessary permits, and report to local authorities in accordance with applicable legislation.

All factories conduct systematic environmental work that includes action plans and monitoring of a number of environmental aspects. Our environmental work is an integral part of our operations and environmental matters are taken into account during decision making. Evaluation and follow-up of measures taken increases awareness of the impacts the business has on the environment. The Group's environmental policy and environmental work are described in more detail on pages 54-55, 59-62, and 150.

Other disclosures

Risk and uncertainty factors

The Group is exposed to several risks from liquid funds, trade receivables, borrowings, commodities, tax, foreign exchange, credit, and other financial risks. Electrolux Professional's Board of Directors has the ultimate responsibility for risk oversight. The ERM Governance Structure is based on the three-lines-of-defense model. Risk and risk management is described on pages 82-88 and note 2 on page 107-108.

Research and development

A key factor for Electrolux Professional's success is its ability to develop new products that serve customer needs and increase their productivity. This is mainly driven by management decisions to make investments in product development and the right technologies, leading to a stronger and more competitive range of products,

which makes it possible for Electrolux Professional to retain its competitiveness and pricing.

The product development starts and ends with the customer in mind. The Group's sales organization has continuous interaction with customers in order to understand their needs. Continued investments in research and development are paramount to the company's future profitability.

Electrolux trademark license agreement

Since the separation from the AB Electrolux group, the "Electrolux" component of the Electrolux brand and trademark (to be used exclusively in combination with "Professional", i.e. "Electrolux Professional") and the "Zanussi" brand and trademark are licensed from AB Electrolux to Electrolux Professional pursuant to a license granted to Electrolux Professional under a trademark license agreement. The license agreement has an initial term of 50 years, which is automatically renewed with two consecutive ten-year periods, unless terminated with two years' notice by either party. For the first 15 years of the term, the licenses will be royalty-free. Thereafter, Electrolux Professional will pay a royalty for the licenses amounting to 0.1% of the net sales of licensed products and services, subject to more detailed calculation principles set forth in the agreement.

The trademark license agreement is subject to a change-of-control clause, which gives AB Electrolux a right to terminate the agreement or any licenses therein, with immediate effect, in the event that Electrolux Professional is subject to change of

control. Such change of control is deemed to occur if, for example, any sale or transfer of the ownership of a controlling interest or majority stake in Electrolux Professional (or a parent company), to another entity which has a substantial consumer appliances business (meaning a consumer appliance business with an annual sales revenue of more than SEK 10bn) in the first twelve-month period of the term of the agreement, and thereafter increasing annually in line with the Swedish Consumer Price Index (Sw. konsumentprisindex), decided at the sole reasonable discretion of AB Electrolux.

The company's expected future progress

For the coming years, the company will remain focused on its strategic pillars to grow sales and profit.

In the short term, the company may be affected by the general economic uncertainty, inflation, and negative consumer sentiment, which gives us reason for caution and to be prepared for various scenarios.

Remuneration Remuneration Guidelines for Group Management

The guidelines set forth below were resolved by the 2020 Annual General Meeting and shall apply to the remuneration and other terms of employment for the President and CEO and other members of the Group Management of Electrolux Professional Group ("Group Management"). The Group Management currently (December 2022) comprises eleven executives, including the CEO.

The principles shall be applied to employment agreements entered into after the Annual General Meeting in 2021 and to changes made to existing employment agreements thereafter.

The guidelines shall be in force until new guidelines are adopted by the General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Remuneration for the President and CEO is resolved upon by Electrolux Professional AB's Board of Directors, based on the recommendation of the Remuneration Committee.

Remuneration for other members of Group Management is resolved upon by the Remuneration Committee and reported to the Board of Directors. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the Group Management, the application of the guidelines for executive remuneration, as well as the current remuneration structures and compensation levels in the company.

The Board of Directors shall, based on the recommendation from the Remuneration Committee, prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting.

The President and CEO and other members of the Group Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters insofar as they are affected by such matters. Electrolux Professional has a clear strategy to deliver profitable growth and create shareholder value.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration in relation to the country or region of employment of each Group Management member.

These guidelines enable the company to offer the Group management a competitive total remuneration.

More information on the company's strategy can be found on the company's website and in the Annual Report.

The remuneration terms shall emphasize 'pay for performance', and vary with the performance of the individual and the Group. The total remuneration for the Group Management shall be in line with market practice and may comprise the following components: fixed compensation, variable compensation, pension benefits, and other benefits.

Employment contracts governed by rules other than those in Sweden may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Fixed compensation

The Annual Base Salary ("ABS") shall be competitive relative to the relevant market and reflect the scope of the job responsibilities.

Salary levels shall be reviewed periodically (usually annually) to ensure continued competitiveness and to recognize individual performance.

Variable compensation

Variable compensation consists of both short-term and long-term incentives. Long-term incentives ("LTI program") can be cash based or share-related.

Share-related LTI programs are resolved upon by the General Meeting and are therefore excluded from these guidelines. Each year, the Board of Directors will evaluate whether or not an LTI program shall be adopted or, in case of a share-related LTI program, proposed to the General Meeting.

LTI programs shall be distinctly linked to the business strategy and shall always be designed with the aim to further enhance the common interest of participating employees and Electrolux Professional shareholders of good long-term development for Electrolux Professional Group.

Following the 'pay for performance' principle, variable compensation shall represent a significant portion of the total compensation opportunity for Group Management.

Variable compensation shall always be measured against pre-defined targets and have a maximum above which no payout shall be made.

The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be determined by the Remuneration Committee when the measurement period has ended. For financial objectives, the evaluation shall be based on the annual financial result in accordance with the most recent interim report for the fourth quarter made public by the company.

Short Term Incentive (STI)

Members of the Group Management shall participate in an STI

plan under which they may receive variable compensation. The objectives in the STI plan shall be financial and the measurement period shall be one year. The objectives may include EBITA Growth and Net Sales Growth.

The maximum STI entitlements shall be dependent on job position and may amount to no more than 100% of ABS.

Cash-based LTI programs

Variable remuneration may also be paid as a part of cash-based LTI programs. The objectives for cash-based LTI programs shall be financial and aim to measure the company's growth and profitability.

The objectives may include Earnings per Share and Operating Cash Flow. The measurement period for the satisfaction of the objectives shall be one year, however, any payout under the program shall not be awarded until two years after the expiry of the measurement period provided that the conditions for payout are fulfilled.

The payout, if any, shall be used by the participant to purchase shares in Electrolux Professional and the participant shall be required to hold such shares for a holding period of two years after the payout. The purpose of a cash based LTI program is thus for the participants to build up a shareholding in the company in order to create a common ownership interest between the participants and the shareholders.

Cash based LTI programs shall always be designed with the aim to further enhance the common interest of participating employees and Electrolux Professional shareholders of good long-term development for Electrolux Professional.

The maximum LTI entitlements shall be dependent on job position and may amount to no more than 100% of ABS.

Extraordinary arrangements

Additional variable compensation may be approved in extraordinary circumstances under the condition that such extraordinary arrangements are made for recruitment or retention purposes, are agreed on an individual basis, do not exceed three (3) times the ABS, and are earned and/or paid out in instalments over a minimum period of two (2) years. Such additional variable remuneration may also be paid on an individual level for extraordinary performance beyond the individual's ordinary tasks and shall in these situations not exceed 30% of the ABS and be paid in one instalment.

Right to reclaim variable remuneration

Terms and conditions for variable remuneration should be designed to enable the Board, under exceptional financial circumstances, to limit or cancel payments of variable remuneration provided that such action is deemed reasonable (malus). The Board shall also have the possibility, under applicable law or contractual provisions and subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

Pension and Benefits

Old age and survivor's pension, disability benefits, and health-care benefits shall be designed to reflect home-country practices and requirements.

When possible, pension plans shall be based on defined contribution. In individual cases, depending on provisions in collective agreements, tax and/or social security legislation to which the individual is subject, other schemes and mechanisms for pension benefits may be approved.

For the Group Management the defined pension contributions shall not exceed 40% of the ABS unless the entitlement is higher under applicable collective agreements.

Other benefits, such as company cars and housing, may be provided on an individual level or to the entire Group Management. Costs relating to such benefits may amount to no more than 20% of the ABS.

Members of the Group Management who are expatriates or relocated permanently to another country, may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the relocation arrangement.

Such benefits shall be determined in line with the Group's Directive on International Assignments or applicable local relocation policy, and may for example include relocation costs, housing, tuition fees, home travel, tax support, and tax equalization.

Notice of Termination and Severance Pay

The notice period for the President and CEO shall be twelve months if Electrolux Professional takes the initiative to terminate the employment and six months if the President and CEO takes the initiative to terminate the employment.

For other members of the Group Management the notice period shall be between six to twelve

months if Electrolux Professional takes the initiative to terminate the employment and three to six months if the Group Management member takes the initiative to terminate the employment. In individual cases, contractual severance pay may be approved in addition to the notice periods.

Contractual severance pay may only be payable upon Electrolux Professional's termination of the employment arrangement or where an Group Management member gives notice as the result of an important change in the working situation, because of which he or she can no longer perform to standard. This may be the case for instance in the event of a substantial change in ownership of Electrolux Professional in combination with a change in reporting line and/or job scope.

Contractual severance pay for the individual may include the continuation of the ABS for a period of up to twelve months following termination of the employment agreement; no other benefits shall be included. These payments shall be reduced by the equivalent value of any income that the individual earns during that period of up to twelve months from other sources of income, either from employment or from other business activities.

In addition to the above, compensation for any non-compete undertaking may be awarded. Such compensation shall be based on the ABS at the time of notice of termination of the employment, unless otherwise stipulated by mandatory collective agreement provisions, and be awarded over the period for which the non-compete clause applies, which should not exceed twelve months after termination of the employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Deviations from the guidelines The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

The Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Note 26 of the Annual Report includes a detailed description of existing remuneration arrangements for the Group Management Team.

Variable long-term share programs

The LTI 2021 and LTI 2022 programs are described in note 26.

Proposed appropriation of profit

Electrolux Professional's target is for the dividend to correspond to approximately 30% of the income for the period. The Board of Directors proposes to pay a dividend of SEK 0.70 (0.50) per share, corresponding to around 30% of the income for the period, in total SEK 201m. SEK 6,497m to be carried forward.

Parent Company

The Parent Company's activities include head office as well as production and sales in and from Sweden.

Net sales for the Parent Company, Electrolux Professional AB, for the period amounted to SEK 2,963m (2,364) of which SEK 1,158m (908) referred to sales to Group Companies and SEK 1,805m (1,456) to external customers. Income after financial items was SEK 431m (519). Income for the period amounted to SEK 392m (489).

Capital expenditure in tangible and intangible assets was SEK 21m (42). Cash and cash equivalents at the end of the period, including short term investments, amounted to SEK 877m, as against SEK 391m in the beginning of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 6,495m, year against SEK 6,263m at the beginning of the year.

The income statement and balance sheet for the Parent Company are presented on pages 100-101.

Consolidated statement of total comprehensive income

SEKm	Note	2022	2021
Net sales	3, 4	11,037	7,862
Cost of goods sold	5, 7	-7,421	-5,210
Gross operating income		3,616	2,653
Selling expenses	5, 7	-1,829	-1,382
Administrative expenses	5, 7	-819	-652
Other operating income/expenses	5, 6	-13	-27
Operating income		955	592
Financial items, net	9	-61	-4
Income after financial items		895	587
Taxes	10	-209	-101
Income for the period		686	487

SEKm	Note	2022	2021
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	21	-152	141
Income tax relating to items that will not be reclassified		14	-18
Total		-138	124
Items that may be subsequently reclassified to income for the period:			
Exchange-rate differences on translation of foreign operations		360	154
Other comprehensive income, net of tax	11	223	278
Total comprehensive income for the period		909	764
Income for the period attributable to:			
Equity holders of the Parent Company		686	487
Total		686	487
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company		909	764
Total		909	764
Earnings per share, SEK	20		
For income attributable to the equity holders of the Parent Company:			
Basic, SEK		2.39	1.69
Diluted, SEK		2.39	1.69
Average number of shares	20		
Basic, million		287.4	287.4
Diluted, million		287.4	287.4

Consolidated balance sheet

SEKm	Note	December 31 2022	December 31 2021
ASSETS			
Non-current assets			
Property, plant and equipment, owned	12	1,577	1,486
Property, plant and equipment, right-of-use	8	294	318
Goodwill	13	3,381	3,068
Other intangible assets	13	997	999
Deferred tax assets	10	428	372
Pension plan assets	21	0	165
Other non-current assets	14	19	20
Total non-current assets		6,696	6,428
Current assets			
Inventories	15	1,981	1,416
Trade receivables	17, 18	2,028	1,625
Tax assets		70	80
Other current assets	16	416	225
Short-term financial assets	18	200	-
Cash and cash equivalents	18	898	836
Total current assets		5,592	4,182
Total assets		12,288	10,609

SEKm	Note	December 31 2022	December 31 2021
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent Company			
Share capital	20	29	29
Other paid-in capital	20	5	5
Other reserves	20	517	157
Retained earnings	20	3,719	3,334
Equity attributable to equity holders of the Parent Company		4,270	3,525
Total equity		4,270	3,525
Non-current liabilities			
Long-term borrowings	18	2,824	1,215
Long-term lease liabilities	18	225	251
Deferred tax liabilities	10	116	135
Provisions for post-employment benefits	21	103	125
Other provisions	22	288	270
Total non-current liabilities		3,557	1,996
Current liabilities			
Trade payables	18	2,040	1,814
Tax liabilities		416	429
Other liabilities	23	1,773	1,597
Short-term borrowings	18	7	1,045
Short-term lease liabilities	18	79	75
Other provisions	22	146	130
Total current liabilities		4,461	5,088
Total equity and liabilities		12,288	10,609

Change in consolidated equity

SEKm	Attributable to equity holders of the Parent Company					Total equity
	Note	Share capital	Other paid-in capital	Other reserves	Retained earnings	
Opening balance, January 1, 2021		29	5	3	2,747	2,784
Income for the period		-	-	-	487	487
Remeasurement of provisions for post-employment benefits		-	-	-	141	141
Exchange differences on translation of foreign operations		-	-	154	-	154
Income tax relating to other comprehensive income		-	-	-	-18	-18
Other comprehensive income, net of tax		-	-	154	124	278
Total comprehensive income for the period		-	-	154	610	764
Dividend		-	-	-	-	-
Share-based incentive program		-	-	-	7	7
Equity swap for share-based incentive program		-	-	-	-30	-30
Total transactions with equity holders		-	-	-	-23	-23
Closing balance, December 31, 2021		29	5	157	3,334	3,525
Opening balance, January 1, 2022		29	5	157	3,334	3,525
Income for the period		-	-	-	686	686
Remeasurement of provisions for post-employment benefits		-	-	-	-152	-152
Exchange differences on translation of foreign operations		-	-	360	-	360
Income tax relating to other comprehensive income		-	-	-	14	14
Other comprehensive income, net of tax		-	-	360	-138	223
Total comprehensive income for the period		-	-	360	548	909
Dividend		-	-	-	-144	-144
Share-based incentive program		-	-	-	13	13
Equity swap for share-based incentive program		-	-	-	-33	-33
Total transactions with equity holders		-	-	-	-164	-164
Closing balance, December 31, 2022		29	5	517	3,719	4,270

Consolidated cash flow statement

SEKm	Note	2022	2021
Operations			
Operating income		955	592
Depreciation and amortization		413	295
Other non-cash items		47	4
Interest and similar items received		10	14
Interest and similar items paid		-65	-16
Taxes paid		-226	-141
Cash flow from operations, excluding change in operating assets and liabilities		1,135	746
Change in operating assets and liabilities			
Change in inventories		-433	-139
Change in trade receivables		-277	-216
Change in accounts payable		88	398
Change in other operating assets, liabilities and provisions		-37	312
Cash flow from change in operating assets and liabilities		-660	355
Cash flow from operations		475	1,101
Investments			
Acquisition of operations	25	4	-2,103
Divestment of operations	25	-35	-
Capital expenditure in property, plant and equipment	12	-130	-155
Capital expenditure in other intangibles	13	-9	-4
Other		18	31
Cash flow from investments		-152	-2,231
Cash flow from operations and investments		323	-1,130

SEKm	Note	2022	2021
Financing			
Change in short-term investments, net	18	-200	-
Change in short-term borrowings, net	18	-1,362	656
New long-term borrowings	18	1,534	615
Amortization of long-term borrowings	18	-0	-0
Payment of lease liabilities	18	-80	-74
Dividend		-144	-
Equity swap for share-based incentive program		-33	-30
Cash flow from financing		-285	1,166
Total cash flow		38	36
Cash and cash equivalents at beginning of period		836	797
Exchange-rate differences pertaining to cash and cash equivalents		24	3
Cash and cash equivalents at end of period		898	836

Parent Company income statement

SEKm	Note	2022	2021
Net sales	4	2,963	2,364
Cost of goods sold		-2,078	-1,691
Gross operating income		885	673
Selling expenses		-405	-349
Administrative expenses		-222	-185
Other operating income/expenses	6	-20	11
Operating income		238	150
Financial income/expenses	9	660	369
Impairment of shares in subsidiaries	14	-467	-
Income after financial items		431	519
Appropriations	29	12	5
Income before taxes		443	524
Taxes	10	-51	-35
Income for the period		392	489

Parent Company statement of total comprehensive income

SEKm	Note	2022	2021
Income for the period		392	489
Items that may be subsequently reclassified to income for the period:			
Exchange-rate differences on translation of foreign operations		3	-
Other comprehensive income, net of tax		3	-
Total comprehensive income for the period		395	489

Parent Company balance sheet

SEKm	Note	December 31 2022	December 31 2021
ASSETS			
Non-current assets			
Property, plant and equipment, owned	12	216	225
Intangible assets	13	38	61
Deferred tax assets	10	14	13
Shares in subsidiaries	14, 30	5,946	6,422
Long-term receivables from subsidiaries	14	2,890	2,560
Total non-current assets		9,104	9,281
Current assets			
Inventories	15	303	209
Receivables from subsidiaries		746	584
Trade receivables	17	332	265
Tax assets		59	44
Other current assets		208	41
Short-term financial assets		200	-
Cash and cash equivalents	18	677	391
Total current assets		2,525	1,534
Total assets		11,629	10,815

SEKm	Note	December 31 2022	December 31 2021
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	20	29	29
Statutory reserve		5	5
Development reserve		6	10
		40	44
Non-restricted equity			
Retained earnings		6,103	5,774
Income for the period		392	489
		6,495	6,263
Total equity		6,535	6,307
Untaxed reserves			
		97	108
Non-current liabilities			
Other provisions		104	95
Other non-current loans		2,824	1,215
Total non-current liabilities		2,928	1,310
Current liabilities			
Payables to subsidiaries		1,301	1,418
Trade payables		388	337
Tax liabilities		64	38
Other liabilities		315	253
Short-term borrowings		-	1,039
Other provisions		1	5
Total current liabilities		2,069	3,090
Total equity, untaxed reserves, and liabilities		11,629	10,815

Parent Company change in equity

SEKm	Restricted equity			Non-restricted equity		Total equity	
	Note	Share capital	Statutory reserve	Development reserve	Fair value reserve		Retained earnings
Opening balance, January 1, 2021		29	5	13	-	5,794	5,841
Income for the period		-	-	-	-	489	489
Total comprehensive income for the period		-	-	-	-	489	489
Share-based Incentive program		-	-	-	-	7	7
Equity swap for share-based incentive program		-	-	-	-	-30	-30
Development reserve		-	-	-3	-	3	-
Total transactions with equity holders		-	-	-3	-	-20	-23
Closing balance, December 31, 2021		29	5	10	-	6,263	6,307
Income for the period		-	-	-	-	392	392
Exchange differences on translation of foreign operations		-	-	-	-	3	3
Total comprehensive income for the period		-	-	-	-	395	395
Dividend		-	-	-	-	-144	-144
Share-based incentive program		-	-	-	-	10	10
Equity swap for share-based incentive program		-	-	-	-	-33	-33
Development reserve		-	-	-4	-	4	-
Total transactions with equity holders		-	-	-4	-	-163	-167
Closing balance, December 31, 2022		29	5	6	-	6 495	6 535

Parent Company cash flow statement

SEKm	Note	2022	2021
Operations			
Operating income		238	150
Depreciation and amortization	12, 13	64	63
Other non-cash items		10	-
Financial items paid, net		26	-4
Taxes paid		-41	-74
Cash flow from operations, excluding change in operating assets and liabilities		297	135
Change in operating assets and liabilities			
Change in inventories		-94	-15
Change in trade receivables		-66	-18
Change in accounts payable		51	84
Change in other operating assets, liabilities and provisions		-63	13
Cash flow from change in operating assets and liabilities		-172	64
Cash flow from operations		125	199
Investments			
Capital expenditure in property, plant and equipment	12	-21	-42
Cash flow from investments		-21	-42
Cash flow from operations and investments		104	157

SEKm	Note	2022	2021
Financing			
Change in short-term investments		-200	-
Change in internal lending and borrowing		-564	-1,515
Change in external short-term borrowing	18	-1,129	635
New long-term borrowing	18	1,610	615
Equity swap for share-based incentive program		-33	-30
Dividend to shareholders		-144	-
Dividend from subsidiaries		642	104
Cash flow from financing		182	-191
Total cash flow		286	-34
Cash and cash equivalents at beginning of period		391	425
Cash and cash equivalents at end of period		677	391

Notes

NOTE 1 ACCOUNTING PRINCIPLES

This section describes the comprehensive basis of preparation which has been applied in preparing the consolidated financial statements. Accounting principles for specific accounting areas and individual line items are described in the related notes.

Electrolux Professional AB's city of residence is Stockholm, Sweden. The address is Franzégatan 6, 112 51 Stockholm. The consolidated financial statements were authorized for issue by the Board of Directors on March 29, 2023. The balance sheets and income statements are subject to approval by the Annual General Meeting of shareholders on April 26, 2023.

The terms "Electrolux Professional", "Electrolux Professional Group", the "Group" or the "Company" refer to Electrolux Professional AB (publ) (corporate ID No. 556003-0354) or the Group in which Electrolux Professional AB (publ) is the Parent company and its subsidiaries, depending on the context. Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line items due to rounding differences. The aim is for each line item to agree with its source and there may therefore be rounding differences affecting the total when the presented line items are added up.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU). The consolidated financial statements have been prepared under the historical cost convention, except for financial instruments at fair value (including financial derivative instruments). Some additional information is disclosed based on the requirements in standard 'RFR 1' issued by the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. As required by IAS 1, Electrolux Professional companies apply uniform accounting rules, irrespective of national legislation, as defined in Electrolux Professional's Accounting Manual which is fully compliant with IFRS. The policies set out below have been consistently applied to all years presented except for new accounting standards where the application follows the rules in each particular standard. For information on new standards, see the section on new or amended accounting standards. The Parent Company applies the same accounting principles as the Group, except in the cases specified in the section entitled 'Parent Company accounting principles'.

Principles applied for consolidation

The consolidated financial statements have been prepared using the acquisition method of accounting, whereby the assets and liabilities and contingent liabilities assumed in a subsidiary on the date of acquisition are recognized and measured to determine the acquisition value to the Group.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs directly attributable to the acquisition effort are expensed as incurred.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If the fair value of the acquired net assets exceeds the cost of the business combination, the identification and measurement of the acquired assets must be reassessed. Any excess remaining after that reassessment represents a 'bargain purchase' and is recognized immediately in the statement of comprehensive income.

The consolidated financial statements for the Group include the financial statements of the Parent Company, Electrolux Professional AB, and its directly and indirectly owned subsidiaries after:

- » elimination of intra-group transactions, balances and unrealized intragroup profits, and
- » carrying values, depreciation and
- » amortization of acquired surplus values.

Definition of Group companies

The consolidated financial statements include Electrolux Professional AB and all companies over which the Parent Company (Electrolux Professional AB) has control, i.e., the power to direct the activities; exposure to variable return and the ability to use its power. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured at its fair value, with the change in carrying amount recognized in profit or loss. At year-end 2022, the Group consisted of 44 companies.

The following apply to acquisitions and divestments:

- » Companies acquired are included in the consolidated statement of comprehensive income as of the date when Electrolux Professional gains control.
- » Companies divested are included in the consolidated statement of comprehensive income up to and including the date when Electrolux Professional loses control.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of each transaction.

Monetary assets and liabilities denominated in foreign currencies are valued at end-of-period exchange rates and any exchange-rate differences are included in income for the period.

The consolidated financial statements are presented in Swedish krona (SEK), which is Electrolux Professional AB's functional currency and the Group's presentation currency according to IAS 21.

The balance sheets of foreign subsidiaries are translated into SEK at end of period closing rates. The consolidated statement of comprehensive income is translated at the average rates for the year. Translation differences thus arising are included in other comprehensive income.

Currency	2022		2021	
	Average	End of period	Average	End of period
CNY	1.50	1.51	1.33	1.42
CZK	0.4326	0.4612	0.3950	0.4111
DKK	1.43	1.50	1.36	1.38
EUR	10.63	11.12	10.15	10.24
GBP	12.45	12.54	11.78	12.21
JPY	0.0773	0.0791	0.0781	0.0785
NOK	1.05	1.06	1.00	1.03
RUB	0.1484	0.1452	0.1159	0.1207
THB	0.2881	0.3019	0.2685	0.2705
TRY	0.62	0.56	0.98	0.70
USD	10.09	10.43	8.57	9.04

NOTE 1 ACCOUNTING PRINCIPLES, CONT.

New or amended accounting standards to be applied in 2022

The following new, amended or improved accounting standards were applicable from January 1, 2022: Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued on 14 May 2020). The new, amended or improved standards mentioned above have not had any material impact on Electrolux Professional's consolidated financial statements.

New or amended accounting standards to be applied after 2023

The following new, amended or improved accounting standards have been published but are not mandatory for 2022 and have not been adopted early by Electrolux Professional; IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021), Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021), Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021), Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022), Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

The new, amended or improved standards mentioned above are not expected to have any material impact on Electrolux Professional's consolidated financial statements.

New interpretations of accounting standards

No new interpretations effective after 2022 have been issued by the International Financial Reporting Interpretation Committee (IFRIC).

Critical accounting policies and key sources of estimation uncertainty

Use of estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in preparing the consolidated financial statements in conformity with IFRS. Actual results may differ from these estimates under different assumptions or conditions. In the following, Electrolux Professional has summarized the accounting policies that require more subjective judgment by

management when making assumptions or estimates regarding the effects of matters that are inherently uncertain.

Asset impairment and useful lives

Non-current assets, including goodwill, are evaluated for impairment yearly or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impaired asset is written down to its recoverable amount, being the higher of fair value less costs of disposal and value in use. Impairment charges are recorded when the information shows that the carrying amount of an asset is not recoverable. The fair value is estimated by using the discounted cash flow method based on expected future cash flows. Differences in the estimation of expected future cash flows and the discount rates used may result in different asset valuations.

The yearly impairment testing of goodwill and other intangible assets with indefinite useful lives has not indicated any impairment. See Note 13 for more information.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Useful lives for property, plant and equipment are estimated at between 10 and 40 years for buildings and 15 years for land improvements and between 3 and 15 years for machinery, technical installations, and other equipment. Management regularly reassesses the useful lives of all significant assets. See Note 12 for more information.

See note 31 for assessments related to the climate change.

Deferred taxes

In the preparation of the consolidated financial statements, Electrolux Professional estimates the income taxes in each of the tax jurisdictions in which the Group operates as well as any deferred taxes based on temporary differences. Deferred tax assets relating to tax loss carry-forwards and temporary differences are recognized in those cases when future taxable income is expected to permit the recovery of those tax assets. Changes in assumptions in the projection of future taxable income as well as changes in tax rates could result in significant differences in the valuation of deferred taxes. See Note 10 for more information.

Current taxes

Electrolux Professional's provisions for uncertain outcomes of tax audits and tax litigations are based on management's best estimates and recorded in the balance sheet. The best estimate of the expected tax to be paid is based on a qualitative assessment of all relevant information. In assessing any appropriate provision requirements for uncertain tax items, the Group considers progress made in discussions with tax authorities, expert advice on the likely outcome and any recent developments in case law.

The estimates might differ from the actual outcome and the timing of the potential effect on Electrolux Professional's tax cost and

cash flow is normally not possible to predict. Any such variations will affect the financial results in the year in which such a determination is made.

In recent years, tax authorities have been focusing on transfer pricing. Transfer-pricing matters are normally very complex, include large amounts, and might take several years to conclude.

Trade receivables and calculation of loss allowance

Receivables are reported net of provision for expected credit losses. The net value reflects the amounts that are expected to be collected, based on circumstances known at the balance sheet date. When measuring expected credit loss the Group uses a model based on historical and forward looking information. The most important components of the model are historical credit losses and assumptions about various future market effects such as GDP development and ability to pay for individual customers. Changes in circumstances such as higher than expected defaults or changes in the financial situation of a significant customer could lead to significantly different valuations. See Note 17 for more information.

Post-employment benefits

Electrolux Professional sponsors a number of defined contribution and defined benefit pension plans for its employees. The pension calculations, referring to defined benefit plans, are based on actuarial assumptions regarding, e.g., discount rate, mortality rates, future salary and pension increases. Changes in assumptions directly affect the defined benefit obligation, service cost, interest income and expense. See Note 21 for more information.

Restructuring

The Group's definition of restructuring charges include estimated costs for personnel reductions and other direct costs related to the termination of an activity, as well as required write-downs of assets and other non-cash items. The charges are calculated based on detailed plans for activities that are expected to improve the Group's cost structure and productivity. In general, the outcomes of similar historical events in previous plans are used as a guideline to minimize these uncertainties. See Note 22 for more information.

Warranties

As is customary in the industry in which Electrolux Professional operates, some of the products sold are covered by an original warranty, which is included in the price and which extends for a predetermined period of time. Provisions for this original warranty are estimated based on historical data regarding service rates, cost of repairs, etc. An epidemic failure can have a significant effect on the amount reported as warranty provision. See Note 22 for more information.

NOTE 1 ACCOUNTING PRINCIPLES, CONT.

Disputes

Electrolux Professional is involved in disputes in the ordinary course of business. The disputes may concern matters such as product liability, alleged defects in delivery of goods and services, patent rights and other rights, and other issues on rights and obligations in connection with Electrolux Professional's operations. Such disputes may prove costly and time consuming and may disrupt normal operations. In addition, the outcome of complicated disputes is difficult to foresee. It cannot be ruled out that a disadvantageous outcome of a dispute may prove to have a material adverse effect on the Group's earnings and financial position.

Hyperinflation

Turkey is regarded as a hyperinflation economy and accordingly Electrolux Professional has analyzed whether hyperinflation accounting should be applied, in accordance with IAS 29. Given that Turkey corresponds to less than 1% of the Group's total assets, the effect has been considered as immaterial.

Climate

For information about climate related matters see note 31.

Parent Company accounting principles

Electrolux Professional AB is the parent company of the group, and has offices in Stockholm, Ljungby, Malmö, and Partille. Stockholm is the base for the corporate functions whereas the operational part of the business is located in Ljungby including a factory and sales.

The Parent Company prepares the annual report in compliance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR2, Accounting for legal entities of the Swedish Financial Reporting Board. RFR2 prescribes the amendments and exceptions from IFRS applicable to the Parent Company. This means that all IFRS standards and statements are applied when possible within the frame of the Annual Accounts Act with consideration given to Swedish legislation in accounting and taxation.

The financial reports of the parent company are presented in Swedish krona (SEK), rounded to millions. The accounting principles are applicable for all periods unless otherwise stated. More detailed information on accounting principles can be found in the above text regarding the Group's application of these.

Shares in subsidiaries

Holdings in subsidiaries are recognized according to the cost method of accounting. If there is an indication that the recognized value of shares has declined, they are tested for impairment according to IAS36. According to RFR2, transaction costs are recog-

nized as part of the acquisition value in the parent company, unlike the group where they are considered as costs.

Anticipated dividends

Dividends decided at each of the subsidiaries' annual general meetings are recognized in the income statement. Anticipated dividends are recognized if the Parent Company has exclusive rights to decide on dividends from subsidiaries and has decided on an amount before the Parent Company's annual report or quarterly report has been published.

Taxes

Untaxed reserves are recognized including deferred tax liability in the Parent Company. In the group's income statement it is divided between deferred tax liability and equity. Tax on group contribution is included in the parent company's income statement.

Appropriations and untaxed reserves

Under Swedish tax legislation, the Parent Company has the possibility to make depreciations in excess of those planned. They are recognized as appropriations in the income statement and as untaxed reserves in the balance sheet.

Group and shareholders' contribution

In Sweden, group contributions are deductible and when given by subsidiaries or the Parent Company they are recognized as appropriations in the income statement. Shareholders' contribution is not deductible and if paid by the Parent Company it is recognized as shares in subsidiaries and is subject to impairment if needed. This is described in more detail above in "shares in subsidiaries".

Post-employment benefits

Electrolux Professional AB applies the simplified rule according to RFR2, for recognition of defined benefit plans. For further information see Note 21.

Intangible assets

According to RFR2 the Parent Company amortizes goodwill and trademarks over 5 years.

Reserve for development

Own developed intangible assets are recognized as a reserve for development in the Parent Company. It is amortized, and the closing balance of the reserve is transferred from unrestricted to restricted equity in compliance with the Swedish Annual Accounts Act.

Leases

Lease agreements for the Parent Company are reported as operational, where the cost is linear over the lease period.

Financial guarantees

Financial guarantees for the Parent company to the benefit of subsidiaries are reported as contingent liabilities.

A provision is booked if there is any indication that any of these may lead to a payment.

Financial instruments

The Parent Company does not apply the simplification rules for IFRS 9 Financial Instruments, allowed under RFR2.

Expected credit loss

The Parent Company calculates an expected credit loss provision for its trade receivable position and lending to each of its subsidiaries. The default probability of each subsidiary is based on a credit rating model per country.

NOTE 2 FINANCIAL RISK MANAGEMENT

Financial risk management

The Group is exposed to a number of risks from liquid funds, trade receivables, trade payables, borrowings, commodities and foreign exchange. The risks include:

- » Financing risk in relation to the Group's capital requirements;
- » Foreign-exchange risk on commercial flows and net investments in foreign subsidiaries;
- » Commodity-price risk affecting the expenditure on raw materials and components;
- » Credit risk related to financial and commercial activities; and
- » Interest-rate risk on liquid funds and borrowings.

The Board of Directors of Electrolux Professional AB has established several policies (hereinafter all policies are referred to as the Financial Policy) to monitor and manage the financial risks related to the operations of the Group. The primary responsibility for ensuring that these risks are managed in an efficient and professional manner lies within Group Treasury with the support of the management of each operational unit. Moreover, the commercial credit risk is managed at an operating level by the controlling department, and is guided by the Group Credit Policy.

NOTE 2 FINANCIAL RISK MANAGEMENT, CONT.

The policies are adopted through a delegation of authority matrix, which defines roles and responsibilities within the Group management structure. Applications of the policies are monitored through internal controls and breaches are managed according to pre-agreed procedures. The Board of Directors meets on a regular basis (at least quarterly) to discuss business, policy compliance, and governance matters.

Group Treasury in Stockholm provides services to the business, co-ordinates access to financial markets, and monitors and manages the financial risks through internal risk reports, which analyze exposures by degree and magnitude of the risk.

The Group's Financial Policy governs the use of financial derivatives. The internal auditors review compliance with policies and exposure limits on a continuous basis.

Capital structure

The Group defines its capital as equity stated in the balance sheet. The Group's objective is to have a capital structure resulting in an efficient weighted cost of capital and sufficient credit worthiness, with consideration given to operating needs, and the needs for potential acquisitions.

Financing risk

Financing risk refers to the risk that financing of the Group's capital requirements and refinancing of existing borrowings could become more difficult or more costly. This risk can be decreased by ensuring that maturity dates are evenly distributed over time, and that total short-term borrowings do not exceed liquidity levels. According to the Financial Policy, Group Treasury shall assure that the remaining average credit duration of the total debt portfolio exceeds two years and at any given point in time, liquidity reserves are monitored and kept in line with the Policy.

Liquidity risk

Liquid funds as defined by the Group consist of cash and cash equivalents, short-term investments, financial derivative assets, prepaid interest expenses and accrued interest income. Electrolux Professional's target is that the level of liquid reserves, including cash and bank balances, short-term investments, and unutilized committed credit facilities do not fall below SEK 500m. If that level is not maintained, the Board of Directors is to be immediately informed, and appropriate actions taken to restore that preferred level.

Foreign exchange risk

Foreign exchange risk is defined as the risk that fluctuations in currency exchange rates have a negative impact on the company's financial position, profitability or cash flow. In order to manage such effects, the Group covers these risks within the framework of the Financial Policy, and the Group's overall currency exposure is managed centrally by Group Treasury.

As general rule, financing is to be made in each company's local currency and net foreign exchange exposures on financial assets and liabilities are to be hedged by Group Treasury. After hedging, the foreign exchange exposure on financial items is immaterial.

Transaction exposure from commercial flows

Transaction exposure is defined as the confirmed future net of operational and financial in- and outflows of currencies. The Financial Policy stipulates the extent to which commercial flows are to be hedged.

The Group's geographically widespread production reduces the effects of changes in exchange rates. The remaining transaction exposure is either related to internal sales from producing entities to sales companies or external exposures from purchasing of components and input material for the production paid in foreign currency.

If the currency exposure is significant based on long term contracts in foreign currencies, Group Treasury be is contacted for decisions on potential hedges. Group Treasury is the sole party authorized to execute financial hedge transactions and derivative contracts with external parties.

Translation exposure from consolidation of entities outside Sweden

Translation exposure is defined as the risk that fluctuations in currency exchange rates have a negative impact on the balance sheet or consolidated equity. This occurs when a portion of consolidated

equity, net assets or a financial asset or liability are denominated in a foreign currency. Electrolux Professional does not hedge such exposure. The translation exposures arising from income statements of foreign subsidiaries are included in the sensitivity analysis below.

Foreign-exchange sensitivity from transaction and translation exposure

The major net export currencies that Electrolux Professional is exposed to are the EUR, THB and SEK. The major import currencies that Electrolux Professional is exposed to are the USD, GBP, JPY, DKK, NOK and CNY. These currencies represent the majority of the exposures of the Group.

The currency exposure from foreign investments should, when possible, be mitigated by loans in local currency. The remaining foreign net investment should not generally be hedged by financial derivatives. In exceptional cases the Group CFO may decide to use financial derivatives to hedge net investments in foreign subsidiaries.

The sensitivity analysis below takes into consideration the net transaction flow as disclosed in Note 18 and operating income (EBIT - i.e. before tax) by functional currency as per the end of each year. The table does not cover the equity effect of changes in FX rates. The model assumes the distribution of earnings and costs effective at year-end and does not include any dynamic effects, such as changes in competitiveness or consumer behavior arising from such changes in exchange rates.

Sensitivity analysis of major currencies

Currency	Exposures				Sensitivity Analysis					
	12m net flows (in and out)	12m net flows including Hedges	EBIT	12m net flows and EBIT	Transaction exposure	EBIT Translation exposure	Profit or loss impact 2022	Profit or loss impact 2021		
USD/SEK	-10%	678	-	678	239	917	-68	-24	-92	-53
GBP/SEK	-10%	181	-	181	53	234	-18	-5	-23	-20
DKK/SEK	-10%	87	-	87	21	108	-9	-2	-11	-10
NOK/SEK	-10%	68	-	68	15	82	-7	-1	-8	-8
TRY/SEK	-10%	19	-	19	43	63	-2	-4	-6	-5
JPY/SEK	-10%	86	-	86	-32	54	-9	3	-5	-7
CHF/SEK	-10%	9	-	9	26	35	-1	-3	-3	-2
CNY/SEK	-10%	43	-	43	-12	30	-4	1	-3	-7
EUR/SEK	-10%	-614	-	-614	531	-83	61	-53	8	24
THB/SEK	-10%	-287	-	-287	80	-208	29	-8	21	24

NOTE 2 FINANCIAL RISK MANAGEMENT, CONT.

Commodity-price risks

Commodity risk exposure is defined as the risk that fluctuations in the price of commodities result in an unexpected impact on the consolidated statement of comprehensive income or the consolidated balance sheet of the Group. The Purchasing department is responsible for the overall commodity risk management and follow-up on commodity exposures. The Purchasing department strives to reach a commercial hedge via matching of terms in sales contracts with terms in contracts with existing raw material suppliers. If a significant exposure occurs without the possibility to fix prices with suppliers or pass on potential profit and loss effects to the customer, a financial hedge should be considered. In this case Group Treasury is to be contacted for discussion on the hedge strategy and hedge counterpart. The Purchasing department is not permitted to enter into any financial hedges or financial contracts.

Credit risk

Credit risk in financial activities

Credit risk in financial transactions is the risk that the counterpart is not able to fulfill its contractual obligations related to the Group's investments of liquid funds and derivatives. In order to limit exposure to credit risk, the Group has adopted a policy stating that excess liquidity shall be deposited at bank accounts in the Group's core banks, invested in securities issued by the core banks, or invested in government securities. The Financial Policy states that:

- » Short term investments in the form of deposits should be done with the Revolving Credit Facility Banks (RCF Banks) or with Banks with a minimum rating of BBB- (investment grade) according to Standard & Poor.
- » Short term investments in the form of securities should have a minimum rating of A.

The Group aims to have master netting agreements (ISDA) with all counterparties for derivative transactions. Assets and liabilities will only be netted from a credit risk perspective for counterparties with valid ISDA agreements. Further, derivatives should be spread between counterparties to reduce the credit risk. No financial assets or liabilities are offset in the balance sheet.

Outstanding net position for derivative instruments

SEKm	Gross	Offset in BS	Net in BS	Master netting agreement	Cash collateral	Net position
Assets						
Derivatives	152	-	152	-38	-	114
Liabilities						
Derivatives	54	-	54	-38	-	16

Credit risk in trade receivables

Electrolux Professional's client base contains a mix of recurring customers such as distributors, and one-time customers, as well as multi-operator stores or spare-parts customers.

The Financial Policy defines how credit management is to be performed in the Group to achieve competitive and professionally performed credit assessment, limited bad debts, and improved cash flow and optimized profit.

Electrolux Professional has adopted a Rating Model (EPRM), which is managed by the Group Credit Manager. The purpose of the EPRM is to have a common and objective approach to credit risk assessment that enables more standardized and systematic credit evaluations to minimize inconsistencies in decisions. The EPRM is based on a risk/reward approach and is the basis for the customer assessment. The risk of a customer is determined by the EPRM Risk Score in which customers are classified. EPRM calculates a Risk score that is translated to a Risk class: Low Risk (1), Moderate Risk (2), Medium Risk (3), Marked Risk (4), High Risk (5) and Default (6). The amount of information required for the assessment varies with the size of the credit limit and the risk. EPRM is the mandatory tool for credit assessment within the Group. External sources of information are used for basic and credit information on customers, such as unique identifiers (DUNS number) and legal hierarchy. The required type and source of information is determined by Group Credit Management. EPRM must be used for customers with a credit limit of a minimum of SEK 750k unless a higher minimum amount is approved by the Group Credit Manager or the Group CFO. EPRM is also used for customers with full credit protection since the credit decision is taken on the gross credit limit.

As far as possible customer receivables are insured and are covered by a global insurance program. Under the existing arrangements the trade credit insurance covers not only the risk of customer insolvency but also the risk of protracted default.

Interest-rate risk on liquid funds and borrowings

Interest-rate risk refers to the adverse effects of changes in interest rates on the Group's income. The main factors determining this risk include the interest-fixing period.

Interest-rate risk in liquid funds

All liquidity is invested in interest bearing instruments, normally with maturities between 0 and 3 months. For more information, see Note 18, liquidity profile.

The Financial Policy states that:

- » Surplus cash holdings shall be avoided. Excess liquidity shall be offset against external debts.
- » Short term investments shall have a time to maturity that matches large disbursements, planned investments or dividend, and must not exceed 12 months.

Borrowings

According to the Financial Policy, the debt financing of the Group is to be managed by Group Treasury in order to ensure efficiency and risk control. Debt is primarily be raised at the Parent Company level and transferred to subsidiaries through internal loans or capital injections. In this process, swap instruments might be used to convert the funds to the required currency. Short-term financing might also be undertaken locally in subsidiaries where there are capital restrictions. At year-end 2022, the Electrolux Professional Group was primarily funded by a syndicated term loan with its core banking group, and two bilateral term loans with the Swedish Export Credit Corporation (AB Svensk Exportkredit) and the Nordic Investment Bank. For more information, see Note 18.

Interest-rate risk in borrowings

The Financial Policy states that the average interest duration in the debt portfolio (including overdrafts, RCF, term loans and interest rate derivatives) shall be between 0 and 3 years. Group Treasury is responsible for managing the long-term debt portfolio and seeks a balance between floating and fixed interest rates in order to limit the negative impact that a rise in market rates may have. Derivatives, such as interest-rate swap agreements, might be used to manage the interest-rate risk by changing the interest from fixed to floating or vice versa. Any binding of interest rates for a longer time period than 5 years, is not permitted without the approval of the Board of Directors.

On the basis of 2022 borrowings with an average interest fixing period of 0.4 years and considering that the amount of loans outstanding as at December 31, 2022 was approximately SEK 2.9bn, a 1% point shift in interest rates would impact the Group's interest expenses by approximately SEK 27m. This calculation is based on a parallel shift of all relevant yield curves (EUR and SEK) simultaneously by one percentage point. In this assessment Electrolux Professional acknowledges that the calculation is an approximation and does not take into consideration the fact that the interest rates on different maturities and different currencies might change differently.

NOTE 3 SEGMENT INFORMATION

During 2022 Electrolux Professional simplified the organization to be able to execute faster on the company's strategic priorities. The two operating segments have been split into five operating segments (business areas). Certain functions that are currently at Group level have been transferred to the business areas, which are fully responsible for the business, to enable a complete customer-centric business perspective.

Electrolux Professional Group has five business areas which are aggregated into two reportable segments:

- » Food & Beverage, and
- » Laundry.

The business areas are aggregated into reportable segments (segment) based on the following aggregation criteria: similar economic characteristics and long-term financial performance, similar nature of products and production processes, purchasing and logistic activities, and customers.

The segment Food & Beverage consists of three geographical business areas, Food Europe, Food Americas, Food APAC & MEA and a global business area, Beverage and Food Preparation. Food & Beverage offers equipment for various professional users within the hospitality industry. Products within Food & Beverage comprise mainly modular cooking, ovens, dishwashing and refrigeration, dispensers for hot beverages (e.g., coffee grinders, brewers and coffee urns), cold beverages (beverage and juice dispensers) and frozen

beverages (frozen drinks and ice cream dispensers) and equipment for soft serve as well as Customer Care.

The segment Laundry consists of one global business area. Laundry offers equipment designed to meet a diverse array of professional requirements, from self-service and the hospitality industry to healthcare providers and commercial laundries. The customers include hospital and hotel laundries, apartment-building laundries in Scandinavia, and launderettes. Products offered within the laundry segment include washing machines, tumble dryers, ironers and finishing equipment.

The five business areas are regularly reviewed by the President and CEO, the Group's chief operating decision maker.

The business areas are responsible for operating income before interest, tax, and amortizations (EBITA), which is the primary measurement, and operating income, whereas net assets, financial items and taxes, as well as net debt and equity, are not reported per business area. The operating income of the business areas are consolidated using the same principles as for the Group. The business areas consist of separate legal units as well as divisions in multi-business area legal units where some allocations of costs are made. Operating costs not included in the business areas are shown under Group common costs, which mainly are costs related to Group management activities typically required to run a Group.

Sales between business areas are made at market conditions with arm's-length principles if applicable.

Net sales and operating income per segment

SEKm	2022				2021			
	Food & Beverage	Laundry	Group shared costs	Total	Food & Beverage	Laundry	Group shared costs	Total
Net sales	7,290	3,747	-	11,037	4,704	3,159	-	7,862
EBITA	679	608	-176	1,111	299	492	-127	663
Amortization intangible assets	-137	-18	-1	-155	-55	-17	-1	-72
Operating income	542	590	-177	955	244	475	-128	592
Financial items, net				-61				-4
Income after financial items				895				587
Taxes				-209				-101
Income for the period				686				487

Depreciation of tangible assets including right-of-use assets

SEKm	2022				2021			
	Food & Beverage	Laundry	Group shared costs	Total	Food & Beverage	Laundry	Group shared costs	Total
Depreciation	-174	-79	-5	-258	-142	-77	-4	-223

Geographical information, net sales¹

SEKm	2022	2021
United States	3,048	1,167
Italy	1,377	999
France	861	745
Sweden	851	799
Germany	675	567
Great Britain	407	353
Finland	302	334
Switzerland	278	227
Denmark	273	247
Spain	241	165
Japan	201	257
China	195	291
Norway	161	137
Turkey	152	75
Netherlands	127	117
Australia	121	100
Belgium	114	89
Austria	109	95
Other	1,545	1,098
Total	11,037	7,862

1) Net sales attributable to countries on the basis of customer location.

Property, plant and equipment and intangible assets located in the Group's country of domicile, Sweden, amounted to SEK 270m (281). Property, plant and equipment and intangible assets located in all other countries amounted to SEK 5,978m (5,590). Individually, material countries in this regard are the US with SEK 3,380m (3,093), Italy with SEK 895m (854) and France with SEK 537m (505).

No single customer of the Group represents 10% or more of the external revenue.

NOTE 4 REVENUE RECOGNITION

Revenue recognition

Electrolux Professional manufactures and sells a wide range of products for the hospitality industry, healthcare providers and commercial laundries.

Sales are recorded net of value-added tax, specific sales taxes, returns, and trade discounts.

Sales of finished products including spare parts and accessories

Revenue from sales of products are recognized at a point in time when control of the products has been transferred to the customer. Depending on the contractual terms, transfer of control and thus revenue recognition occurs when Electrolux Professional has a present right to payment for the products, the customer has legal title of the products, the products have been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the goods.

Transaction price – Volume discounts

The products are sometimes sold with volume discounts based on aggregate sales over a specific time period, normally 3-12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

Receivables, contract assets, and contract liabilities

A receivable is recognized when the control of the products has transferred as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the consideration is conditional to additional performance, a contract asset is recorded.

If Electrolux Professional receives prepayment from customers a contract liability is recorded.

Sale of goods and services combined

When contracts include both goods and services the sales value is split into separate performance obligations based on relative stand-alone selling prices, and revenue is recognized when each of the separate performance obligations are satisfied. In general, types of performance obligations that may occur are products, spare parts, installation, service and support.

Sale of services in a separate contract

Electrolux Professional recognizes revenue from services related to installation of products, repairs or maintenance service when control is transferred over the time the service is provided. For service contracts revenue is recognized on a linear basis over the contract period.

Payments from customers

Payment terms are based on local market conditions and are always shorter than one year. The Group has no significant financing component included in the payment terms.

Payments to customers

Agreements can, in a limited number of cases, be made with customers to compensate for various services or actions the customer takes. As an example, this may relate to agreements under which Electrolux Professional agrees to compensate the customer for e.g. marketing activities undertaken by the customer. The main rule is that if the payment is related to a distinct service or product it shall be accounted for as a purchase of that service or product. If not, it shall be deducted from the related revenue stream. In practice, if the contract doesn't include any requirement of follow up from Electrolux Professional and/or reporting back from the customer that the service is performed, the payment shall be accounted for as a reduction of revenue.

Warranties

The most common warranty for Electrolux Professional is to replace a faulty component under legal and common practice warranty terms. In those cases warranty is recognized as a provision. Electrolux Professional also sells extended warranty where the revenue is recognized during the warranty period, which usually starts after the legal warranty period. Sometimes warranty offered is including a service part and if it is not possible to separate the warranty from the service, the two are bundled together and revenue is recognized over the warranty period.

Freight charges

Freight charges can be included in the price of the product sold based on the contractual terms and conditions, and revenue is recognized at the same time as for the product.

Revenue types and flows

The vast majority of the Group's revenues of SEK 11,037m (7,862) during the year consisted of finished products, spare parts, services and accessories. The Group's net sales in Sweden amounted to SEK 851m (799). Exports from Sweden during the year amounted to SEK 2,125m (1,556), of which SEK 1,158m (884) were to Group subsidiaries.

The Group does not disclose information about the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period since the majority of the Group's performance obligations are related to contracts with an original expected duration of less than one year.

Disaggregation of revenue

Electrolux Professional manufactures and sells a wide range of products for the hospitality industry. Sales of services are not material in relation to Electrolux Professional's total net sales. Geography is an important attribute when disaggregating Electrolux Professional's revenue. The table below therefore presents net sales per geographical region based on the location of the customer. See Note 3 for net sales per country based on customer location.

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Geographical region				
Europe	6,429	5,416	1,956	1,658
Asia Pacific, Middle East and Africa	1,377	1,164	383	293
Americas	3,232	1,282	624	413
Total	11,037	7,862	2,963	2,364

NOTE 4 REVENUE RECOGNITION, CONT.

The table below presents the opening and closing balances of contract liabilities as well as movements during the year. There are no contract assets to report

Group	Contract liabilities			
	Advances from customers	Customer bonuses/incentives	Prepaid income – service/warranty	Contract liabilities, total
SEKm				
Opening balance, January 1, 2021	115	45	193	353
Gross increase during the period	339	85	63	487
Paid to/settled with customer	-	-74	-	-74
Revenue recognized during the year	-218	-	-24	-242
Contracts canceled during the year	-0	-	-	-0
Acquisition of operations	-	32	19	51
Other	-	-	4	4
Exchange-rate differences	6	4	5	15
Closing balance, December 31, 2021	242	93	260	595
Opening balance, January 1, 2022	242	93	260	595
Gross increase during the period	106	220	501	827
Paid to/settled with customer	-	-191	-	-191
Revenue recognized during the year	-168	-	-491	-658
Contracts canceled during the year	-	-	-	-
Acquisition of operations	-13	-	-	-13
Other	-	-	-1	-1
Exchange-rate differences	18	11	20	49
Closing balance, December 31, 2022	186	132	289	607

Parent Company	Contract liabilities			
	Advances from customers	Customer bonuses/incentives	Prepaid income – service/warranty	Contract liabilities, total
SEKm				
Opening balance, January 1, 2021	21	22	41	85
Gross increase during the period	24	48	16	88
Paid to/settled with customer	-	-49	-	-49
Revenue recognized during the year	-15	-	-7	-22
Closing balance, December 31, 2021	30	22	50	102
Opening balance, January 1, 2022	30	22	50	102
Gross increase during the period	16	49	14	79
Paid to/settled with customer	-	-49	-	-49
Revenue recognized during the year	-23	-	-14	-37
Other	-	-	-1	-1
Closing balance, December 31, 2022	23	22	49	94

NOTE 5 OPERATING EXPENSES

Cost of goods sold and additional information on costs by nature

Cost of goods sold includes expenses for the following items:

- » Finished goods i.e. cost for production and sourced products
- » Warranties
- » Environmental fees
- » Warehousing and transportation
- » Exchange-rate changes on payables and receivables and the effects from currency hedging

SEKm	2022	2021
Operating expenses		
Direct material and components	3,278	2,047
Sourced products	1,694	1,370
Depreciation and amortization	413	295
Salaries, other remuneration and employer contribution ¹⁾	2,788	2,263
Other	1,908	1,296
Total	10,081	7,271

1) Year 2021 includes government grants related to short-term furlough of personnel amounting to SEK 45m.

Cost of goods sold includes direct material and components amounting to SEK 3,278m (2,047) and sourced products amounting to SEK 1,694m (1,370). The depreciation and amortization charge for the year amounted to SEK 413m (295). Costs for research and development amounted to SEK 381m (333). The Group's operating income includes net exchange rate differences in the amount of SEK 16m (9).

Government grants and government assistance

Government grants and government assistance are recognized in the financial statements when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Grants that are dedicated to a specific and clearly identified expense item are reported as a deduction of the specific expense. Grants of a more general character are reported as other operating income. Grants related to assets are reported as prepaid income in the balance sheet. The grant is amortized over the useful life of the asset for which it has been received.

Government grants relating to furlough of personnel have been included in personnel cost in the amount of SEK 0m (45) and grants of a more general character of SEK 3m (0) are reported as other operating income.

For the Parent Company, the corresponding government grants for furlough of personnel amounts to SEK 0m (0).

Selling and administration expenses

Selling expenses include expenses for brand communication, communication to drive sales, and costs for sales and marketing staff. Selling expenses also include the cost for impairment of trade receivables.

Administration expenses include expenses for general management, finance, human resources, and IT expenses related to the named functions. Administration costs related to manufacturing are included in cost of goods sold.

NOTE 6 OTHER OPERATING INCOME AND EXPENSES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Other operating income				
Gain on sale of property, plant and equipment	10	15	1	-
Government grant/subsidy	2	0	-	-
Other	16	13	1	12
Total	28	28	2	12
Other operating expenses				
Loss on sale of property, plant and equipment	-1	-1	-	-
Transaction costs, acquired operations	-4	-50	-	-
Loss on sales of operations and shares	-35	-	-10	-
Other	-1	-5	-12	-1
Total	-41	-55	-22	-1
Other operating income and expenses	-13	-27	-20	11

NOTE 7 MATERIAL PROFIT AND LOSS ITEMS

This note summarizes events and transactions that have a significant effect and are therefore relevant for understanding financial performance when comparing income for the current period with previous periods, including items such as:

- » Capital gains and losses from divestments of product groups or major units
- » Close-down or significant down-sizing of major units or activities
- » Larger cost-saving programs
- » Significant impairment
- » Other major cost or income items

Material profit and loss items in 2022 consists of the costs related to the divestment of the operation in Russia. There were no material profit and loss items in 2021.

Material profit and loss items

SEKm	2022	2021
Loss from divesting the operation in Russia	-35	-
Total	-35	-

Material profit and loss items per function

SEKm	2022	2021
Other operating income and expenses	-35	-
Total	-35	-

NOTE 8 LEASES

The majority of the Group's lease arrangements are those under which the Group is a lessee. This applies to a number of assets such as warehouses, office premises, vehicles, and certain office equipment. The normal rental period ranges between 3-10 years for office and warehouse premises and 3-5 years for vehicles. A few lease contracts include an option for extension. The Group's activities as a lessor are limited.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Such an assessment is performed at the inception of a contract. An identified lease agreement is further categorized by the Group as either a short-term lease, a lease of a low-value asset, or a standard lease. Short-term leases are defined

NOTE 8 LEASING, CONT.

as leases with a lease term of 12 months or less. The Group's definition of low-value assets comprises all personal computers and laptops, phones, office equipment and furniture, and all other assets of a value less than SEK 100k when new and are applied on a lease-by-lease basis. Lease payments related to short-term leases and leases of low value assets are recognized as operating expenses on a straight-line basis over the term of the lease. The Group applies the term 'standard lease' to all identified leases which are categorized as neither short-term leases nor leases of a low-value asset. Thus, a standard lease is a lease agreement for which a right-of-use asset and a corresponding lease liability are recognized at commencement of the lease, i.e. when the asset is available for use. The Group's right-of-use assets and its long-term and short-term lease liabilities are presented as separate line items in the consolidated balance sheet.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease liability is determined as the present value of all future lease payments at the commencement date, discounted using the Group's calculated incremental borrowing rate determined by country and contract duration (>12–36 months, >37–72 months, and >72 months).

The following lease payments are included in the measurement of a lease liability:

- » fixed payments, less any lease incentives,
- » variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- » amounts expected to be payable under residual value guarantees,
- » the exercise price of a purchase option if it is reasonably certain that the option will be exercised, and
- » payments of penalties for terminating the lease, if the lease term reflects the exercise of that option.

Variable lease fees that do not depend on an index or rate (including property tax related to leased buildings) are not included in the measurement of the lease liability. The related variable payments are charged to the statement of comprehensive income as incurred.

The lease liability is subsequently measured by reducing the carrying amount to reflect the lease payments made and by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method.

A right-of-use asset is measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs, and restoration costs (unless incurred to produce inventories) with the corresponding obligation recognized and measured as a provision under IAS 37. The right-of-use asset is subsequently measured at cost less accumulated depreciation, any impairment losses, and any remeasurement of the lease liability.

A remeasurement of the lease liability, and a corresponding applicable adjustment to the related right-of-use asset, is performed when:

- » The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- » The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- » A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

A right-of-use asset is normally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. However, if it is reasonably certain that ownership of the asset will be

transferred at the end of the lease, the right-of-use asset is depreciated over its useful life. Depreciation of a right-of-use asset starts at the commencement date of the lease. Impairment of a right-of-use asset is determined and accounted for in accordance with IAS 36.

Lease payments related to standard leases are accounted for partly as amortization of the lease liability and partly as interest expense in the statement of comprehensive income.

When a lease contract for buildings includes non-lease components they are separated, if possible, from lease components and are not part of the lease liability. For lease contracts regarding other asset classes (machinery, vehicles etc.) the lease components and any associated non-lease components are accounted for as a single arrangement.

Extension options are only included if it is determined that the lease term is reasonably certain to be extended. Periods after termination options are only included in the lease term if it is reasonably certain that the lease will not be terminated. A lease term is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment.

Property, plant and equipment, right-of-use

SEKm	Buildings	Machinery	Vehicles	Other equipment	Total
Carrying amount					
Opening balance, January 1, 2021	156	2	51	2	211
Acquisitions of operations	95	-	-	-	95
Additions	56	0	24	1	81
Cancellations	-	-	0	0	0
Depreciation	-47	-1	-28	-1	-77
Reclassification	-	-	-	-	-
Exchange rate differences	7	0	1	0	8
Closing balance, December 31, 2021	267	1	48	2	318
Opening balance, January 1, 2022	267	1	48	2	318
Divestment of operations	-1	-	-	-	-1
Additions	5	-	32	-0	37
Cancellations	-9	-	-	-	-9
Depreciation	-54	-1	-26	-1	-82
Reclassification	-	-	-	-	-
Exchange rate differences	28	0	3	0	31
Closing balance, December 31, 2022	236	0	57	1	294

NOTE 8 LEASES, CONT.

Lease expenses

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Lease expenses				
Short-term leases	-0	-2		
Leases of low-value assets	-1	-0		
Depreciation	-82	-77		
Variable lease payments	-4	-1		
Total	-87	-80		
Lease liability, interest expense	-10	-7		

Total cash outflow from lease contracts for 2022 amounts to SEK 97m (87). Future payments for committed lease contracts for which the commencement date has not yet occurred amount to SEK 0m (0). For information on maturity profile, see note 18.

NOTE 9 FINANCIAL INCOME AND FINANCIAL EXPENSES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Financial income				
Interest income				
from subsidiaries	-	-	90	13
from others	81	12	2	-
Exchange rate differences, gains	702	127	694	109
Dividends from subsidiaries	-	-	642	379
Pension interest income	2	0	-	-
Other financial income	2	0	-	-
Total financial income	787	139	1,428	501

NOTE 9 FINANCIAL INCOME AND FINANCIAL EXPENSES, CONT

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Financial expenses				
Interest expenses				
to subsidiaries	-	-	-3	-2
to others	-131	-19	-56	-8
Exchange rate differences, losses	-696	-110	-696	-109
Pension interest expenses	-3	-1	-	-
Lease liability interest expense	-10	-7	-	-
Other financial expenses	-9	-6	-14	-13
Total financial expenses	-848	-143	-768	-132
Financial items, net	-61	-4	660	369

NOTE 10 TAXES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Current taxes	-246	-135	-52	-38
Deferred taxes	37	34	1	3
Taxes included in in-come for the period	-209	-101	-51	-35
Taxes related to OCI	14	-18	-	-
Taxes included in total comprehensive income	-195	-119	-51	-35

Deferred taxes 2022 include an effect of SEK 0m (1) due to changes in tax rates. Current taxes 2022 includes adjustments related to prior years of SEK -7m (-1). The consolidated accounts contain SEK 20m (22) in deferred tax liabilities attributable to untaxed reserves in the Parent Company. Deferred tax is only recognized in subsidiaries when the group expects sufficient taxable income to utilize the tax benefit

Theoretical and actual tax rates

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Theoretical tax rate	23.3	23.7	20.6	20.6
Non-taxable/non-deductible income statement items, net	0.5	0.9	-7.8	-14.8
Non-recognized tax losses carried forward	-	-	-	-
Utilized non-recognized tax losses carried forward	-1.2	-1.0	-	-
Other changes in estimates relating to deferred tax	-4.7	0.0	-	-
Withholding tax	0.1	0.3	0.1	0.5
Other	5.3	-6.8	-1.3	0.5
Actual tax rate	23.3	17.1	11.6	6.8

The theoretical tax rate for the Group is calculated on the basis of the weighted income after financial items multiplied by the statutory tax rates.

NOTE 10 TAXES, CONT.**Non-recognized deductible temporary differences**

As of December 31, 2022, the Group had tax loss carry-forwards and other deductible temporary differences of SEK 7m (28), which have not been included in the computation of deferred tax assets. The decision not to recognize certain deferred tax assets on temporary differences is based on an assessment in which the likelihood of future utilization is evaluated for each of the temporary items. The Group typically does not recognize deferred tax assets on temporary differences in situations where the ability to utilize these is considered to be limited. The non-recognized temporary differences will expire as follows:

Non-recognized deductible temporary differences

SEKm	December 31, 2022
2023	-
2024	-
2025	-
2026	-
2027	-
And thereafter	7
Without time limit	0
Total	7

Deferred tax assets for the Parent Company relate to Other provisions of SEK 11m (11) and Expected Credit losses of 5m (4). Deferred tax liabilities relate to Property, plant and equipment of SEK 2m (2).

The following table shows deferred tax assets and liabilities for the Group, at the end of each reporting period and the change in net deferred tax assets and liabilities. Deferred tax assets and liabilities are netted in the balance sheet in case the Group has a right to them.

Deferred tax assets and deferred tax liabilities

SEKm	2022	2021
Deferred tax assets		
Property, plant and equipment	11	32
Provision for pension obligations	9	15
Provision for restructuring	1	1
Other provisions	38	39
Inventories	42	32
Accrued expenses and prepaid income	72	57
Unused tax losses carried forward	115	112
Other deferred tax assets	178	155
Deferred tax assets before netting of deferred tax assets and liabilities	466	443
Netting of deferred tax assets and liabilities	-38	-72
Deferred tax assets, net	428	371
Deferred tax liabilities		
Property, plant and equipment	14	26
Other provisions	16	6
Inventories	4	2
Intangible assets	58	59
Other taxable temporary differences	62	115
Deferred tax liabilities before netting of deferred tax assets and liabilities	154	208
Netting of deferred tax assets and liabilities	-38	-73
Deferred tax liabilities net	116	135

NOTE 11 OTHER COMPREHENSIVE INCOME

SEKm	2022	2021
Items that will not be reclassified to income for the period:		
Remeasurement of provisions for post-employment benefits		
Opening balance, January 1	161	37
Gain/loss to other comprehensive income	-152	141
Income tax relating to items that will not be reclassified	14	-18
Closing balance, December 31	23	161
Items that may subsequently be reclassified to income for the period:		
Exchange differences on translation of foreign operations		
Opening balance, January 1	157	2
Translation differences	360	154
Closing balance, December 31	517	157
Other comprehensive income, net of tax	223	278

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

Group SEKm	Land and land improvements	Buildings	Machinery and technical installations	Other equipment	Plants under construction and advances	Total
Acquisition costs						
Opening balance, January 1, 2021	149	878	1,827	299	160	3,313
Acquired during the year	0	4	51	9	91	155
Acquisition of operations	4	124	59	6	10	205
Transfer of work in progress and advances	0	139	37	24	-200	-
Sales, scrapping, etc.	-2	-8	-31	-12	-2	-55
Exchange rate differences	5	26	30	6	-2	63
Closing balance, December 31, 2021	156	1,163	1,973	331	60	3,683
Acquired during the year	-	6	55	17	53	131
Divestment of operations	-	-	-	-6	-	-6
Transfer of work in progress and advances	3	17	24	14	-58	-
Sales, scrapping, etc.	-1	-6	-27	-5	-0	-39
Exchange rate differences	18	118	140	24	3	304
Closing balance, December 31, 2022	176	1,298	2,166	375	58	4,073
Accumulated depreciation						
Opening balance, January 1, 2021	18	337	1,448	256	-	2,059
Depreciation for the year	1	33	93	18	-	146
Transfer of work in progress and advances	-	-1	-	-0	1	-
Sales, scrapping, etc.	-1	-1	-33	-12	-	-47
Impairment	-0	0	0	0	-	1
Exchange rate differences	0	9	24	5	0	37
Closing balance, December 31, 2021	19	377	1,533	268	2	2,197
Divestment of operations	-	-	-	-4	-	-4
Depreciation for the year	1	43	109	22	-	175
Transfer of work in progress and advances	-	1	-	0	-1	-
Sales, scrapping, etc.	-	-6	-25	-4	-	-35
Impairment	-	-0	-	-	-	-0
Exchange rate differences	1	35	108	18	0	162
Closing balance, December 31, 2022	21	450	1,725	299	1	2,497
Net carrying amount, December 31, 2021	137	787	440	63	58	1,486
Net carrying amount, December 31, 2022	155	848	441	76	57	1,577

NOTE 12 PROPERTY, PLANT AND EQUIPMENT, CONT.

Property, plant, and equipment are stated at historical cost less straight-line accumulated depreciation, adjusted for any impairment charges. Parts of property, plant and equipment with a cost that is significant in relation to the total cost of the item are depreciated separately. Land is not depreciated as it is considered to have an unlimited useful life. All other depreciation is calculated using the

straight-line method and is based on the following estimated

useful lives:

Land improvements

15 years

Buildings

10–40 years

Machinery and technical installations

3–15 years

Other equipment

3–10 years

No borrowing costs were capitalized during 2022 nor 2021.

Parent company SEKm	Land and land improvements	Buildings	Machinery and technical installations	Other equipment	Plants under construction and advances	Total
Acquisition costs						
Opening balance, January 1, 2021	8	86	487	84	6	671
Acquired during the year	-	-	-	-	42	42
Transfer of work in progress and advances	-	-	7	4	-12	-1
Closing balance, December 31, 2021	8	86	494	88	36	712
Acquired during the year	-	-	-	-	21	21
Transfer of work in progress and advances	2	9	10	11	-32	-
Closing balance, December 31, 2022	10	95	504	99	25	733
Accumulated depreciation						
Opening balance, January 1, 2021	4	22	356	78	0	460
Depreciation for the year	-	2	21	4	-	27
Closing balance, December 31, 2021	4	24	377	82	0	487
Depreciation for the year	-	3	21	6	-	30
Closing balance, December 31, 2022	-	27	398	88	-	517
Net carrying amount, December 31, 2021	4	62	117	6	36	225
Net carrying amount, December 31, 2022	6	68	106	11	25	216

NOTE 13 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill is recognized as an indefinite life intangible asset at cost less accumulated impairment losses.

Product development

Electrolux Professional capitalizes expenses for certain own development of new products provided that the level of their future economic benefit is high. The intangible asset is only recognized if the product is sellable on existing markets and if resources exist to complete the development. Only expenditures which are directly attributable to the new product's development are recognized. Capitalized development costs are amortized over their useful lives, between 3 and 5 years, using the straight-line method.

Software

Acquired software licenses and development expenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives, between 3 and 5 years, using the straight-line method.

Trademarks

Trademarks are reported at historical cost less amortization and impairment. Trademarks are amortized over their useful lives, estimated to 5 to 10 years, using the straight-line method.

Customer relationships

Customer relationships are recognized at fair value in connection with acquisitions. The values of these relationships are amortized over the estimated useful lives, between 5 and 15 years, using the straight-line method.

Intangible assets with indefinite useful lives

Goodwill as of December 31, 2022, had a total carrying value of SEK 3,381m (3,068). The allocation, for impairment-testing purposes, on cash-generating units is shown in the table.

All intangible assets with indefinite useful lives are tested for impairment at least once a year to ensure that the value does not deviate negatively from the carrying value and whenever there is any indication of impairment. Single assets are tested more often in case there are indications of impairment. The recoverable amounts of the cash-generating units have been determined based on value-in-use calculations. The cash-generating units are the operating segments (Business Areas). Costs related to Group services are carried by the cash-generating units and therefore included in the impairment testing of each cash-generating unit. Common Group costs that cannot be allocated on a reasonable and consistent basis to any of the individual cash-generating units are included in impairment testing of the total carrying amount of all cash-generating units combined.

Value-in-use is calculated using the discounted cash flow model based on forecasts approved by Group management for the coming four years. The forecasts are built up from the estimates of the units within each cash-generating unit. The preparation of the forecast requires a number of key assumptions such as volumes, prices, product mix, prices for raw material, and components, which creates a basis for future growth and gross margin. These figures are set in relation to historic figures and external reports on market growth.

During the year the war in Ukraine has created disruption in supply chains, higher energy prices, shortage of components, but the easing of covid-19 restrictions have had a positive effect. The increase in energy prices has made our customers even more conscious of the total cost of ownership being more important than the upfront investment cost of products. The pandemic has also underlined the importance of hygiene supporting the growth of the laundry market. Both sales and profit has grown significantly during the year through increase in volumes and price increases offsetting higher costs. Moreover, the trends driving the growth of the business is still valid and despite the potential down-turn in the economy, people continue to travel and spend money eating out and on take-away. These specific circumstances have been considered in building the forecasts.

The pre-tax discount rate used in 2022 was 13.1% (11.4) and is calculated based on market information in November 2022. When reliable information is missing to calculate the discount rate per Business Area, the pre-tax Group WACC (Weighted Average Cost of Capital) is used for all Business Areas. For the coming impairment test in 2023 enough information will have been collected to calculate the discount rate per Business Area.

The cash flow for the last year of the four-year period is used as the base for the perpetuity calculation. Gordon's growth model is used for the calculation of the in-perpetuity value. According to this model, the terminal value of a growing cash flow is calculated as the starting cash flow divided by cost of capital less the growth rate. Cost of capital less growth of 4.4% (2.0) is 8.7% (9.4). The impairment testing for 2022 did not lead to any impairment.

Sensitivity analysis, in the form of increasing the discount rate by two percentage points, has been performed and has not led to a need for impairment. A reduction of the cash flow forecast to a zero 'headroom' (calculated recoverable amount being equal to their carrying amount) has been performed and the conclusion is that such a deviation from the forecast is not probable for any of the cash-generating units.

In 2021 the cash-generating units (operating segments) corresponded to the reportable segments in 2022. See Note 3 for more information about the change in the organization.

Goodwill and discount rates

2022 SEKm	Goodwill	Discount rate, %
Food Europe	56	13.1
Food Americas	1,397	13.1
Food APAC & MEA	127	13.1
Beverage and Food Preparation	1,478	13.1
Laundry	323	13.1
Total	3,381	

2021 SEKm	Goodwill	Discount rate, %
Food & Beverage	2,771	11.4
Laundry	297	11.4
Total	3,068	

NOTE 13 GOODWILL AND OTHER INTANGIBLE ASSETS, CONT.

SEKm	Group Other intangible assets					Total other intangible assets	Parent Company Total Intangible assets
	Goodwill	Product development	Customer relations	Trademarks	Other		
Acquisition costs							
Opening balance, January 1, 2021	1,690	105	272	84	80	540	115
Acquired during the year	-	-	-	-	4	4	-
Acquisition of operations	1,284	-	398	118	237	753	-
Exchange rate differences	94	3	12	4	5	25	-
Closing balance, December 31, 2021	3,068	108	682	206	326	1,321	115
Acquired during the year	-	-	-	0	22	22	-
Acquisition of operations ¹	-73	-	-	-	-	-	-
Reclassification	-	-	-	-0	0	-	-
Sales, scrapping etc.	-	-	-	-	-3	-3	-
Exchange rate differences	386	9	92	28	48	178	-
Closing balance, December 31, 2022	3,381	117	774	234	394	1,519	115
Accumulated amortization							
Opening balance, January 1, 2021	-	69	87	26	53	235	31
Amortization for the year	-	13	31	10	18	72	23
Exchange rate differences	-	3	6	2	5	15	-
Closing balance, December 31, 2021	-	85	123	38	76	322	54
Amortization for the year	-	10	59	23	63	155	23
Impairment	-	-	-	3	-	3	-
Exchange rate differences	-	8	17	6	12	43	-
Closing balance, December 31, 2022	-	104	198	70	151	522	77
Carrying amount, December 31, 2021	3,068	22	559	168	251	999	61
Carrying amount, December 31, 2022	3,381	13	576	164	243	997	38

1) For more information about the reduction of acquired goodwill in 2022, see note 25.

Amortization of intangible assets is included in Cost of goods sold in the amount of SEK 69m (31), Administrative expenses of SEK 5m (1) and Selling expenses of SEK 82m (40) are included in

the consolidated statement of comprehensive income. No borrowing costs were capitalized during 2022 nor 2021.

NOTE 14 OTHER NON-CURRENT ASSETS

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Shares in subsidiaries	-	-	5,946	6,422
Long-term financial receivables from subsidiaries	-	-	2,890	2,560
Long-term operational receivables	19	20	-	-
Total	19	20	8,836	8,982

Long-term operational receivables include deposits and other operating customer receivables. For the Parent company, long-term financial receivables from subsidiaries include loans and expected credit loss of SEK 5m (6).

Shares in subsidiaries

SEKm	Parent Company	
	2022	2021
Accumulated cost		
Opening balance, January 1	8,461	8,186
Investments	-	275
Divestments	-10	-
Shareholders' contribution	-	-
Closing balance, December 31	8,451	8,461
Accumulated impairment		
Opening balance, January 1	2,039	2,039
Impairment	467	-
Closing balance, December 31	2,505	2,039
Total	5,946	6,422

Electrolux Professional AB has in the fourth quarter impaired SEK 467m related to some of its investments in subsidiaries. The main reasons are higher discount rates as well as a change in the transfer pricing model reducing future profits in specific companies.

NOTE 15 INVENTORIES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Raw materials	752	548	70	51
Work in progress	71	62	26	21
Finished products	1,151	803	207	137
Advances to suppliers	7	3	-	-
Total	1,981	1,416	303	209

Inventories and work in progress are valued at the lower of cost at normal capacity utilization, and net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale at market value. The cost of finished goods and work in progress comprises development costs, direct materials, direct labor, tooling costs, other direct costs, and related production overheads. The cost of inventories is assigned by using the weighted average cost formula. Provisions for obsolescence are included in the value for inventory.

The cost of inventories recognized as expense and included in Cost of goods sold amounted to SEK 5,981m (4,340) for the Group.

Write-downs due to obsolescence amounted to SEK 98m (72) and reversals, due to scrapping or sale, of previous write-downs amounted to SEK 65m (67) for the Group. The amounts have been included in the item Cost of goods sold in the statement of comprehensive income.

NOTE 16 OTHER CURRENT ASSETS

SEKm	2022	2021
VAT receivable	167	132
Prepaid expenses and accrued income	71	65
Prepaid interest expenses and accrued interest income	1	1
Derivatives	152	13
Miscellaneous short-term receivables	27	14
Total	416	225

Miscellaneous short-term receivables include advances to employees and receivables from tax agencies.

NOTE 17 TRADE RECEIVABLES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Trade receivables	2,116	1,718	343	276
Provisions for expected credit loss	-88	-93	-11	-11
Trade receivables, net	2,028	1,625	332	265
Provisions in relation to trade receivables, %	4.2	5.4	3.2	4.0

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected losses. The change in amount of the provision is recognized in the consolidated statement of comprehensive income within selling expenses. The fair value of trade receivables equals their carrying amount, as the impact of discounting is not significant.

The Group applies the simplified approach for trade receivables and measure the provision at an amount equal to lifetime expected credit loss. The internal policy uses an aging matrix as a base for the provision and the calculation is based on historical loss rate adjusted for specific factors such as customer credit rating, signs of bankruptcy, publicly known insolvency etc. and forward-looking country level GDP information. The Group uses credit insurance as a means of protection against credit risks. There is no significant effect from changes in forward-looking factors.

NOTE 17 TRADE RECEIVABLES, CONT.**Provisions for expected credit loss**

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Provisions, January 1	-93	-100	-11	-10
Acquisition of operations	-	-1	-	-
Divestment of operations	1	-	-	-
Release of provision	-4	2	-	-1
Actual credit losses	15	7	-	-
Exchange rate differences and other changes	-7	-2	-	-
Provisions, 31 December	-88	-93	-11	-11

Aging analysis of trade receivables past due

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Trade receivables not overdue	1,772	1,471	343	276
Past due date 1-15 days	115	57	-	-
Past due date 16-60 days	93	64	-	-
2-6 months overdue	72	56	-	-
6-12 months overdue	22	24	-	-
More than 1 year	43	46	-	-
Provision for expected credit loss	-88	-93	-11	-11
Total trade receivables	2,028	1,625	332	265

For accounts receivable that are not yet due and those past their due date by up to 60 days, 0.2% of the amount is reserved. For accounts receivable that are past their due date by between 2 and 6 months, 28% is reserved. Accounts receivable that are past their due date by between 6 and 12 months, and accounts receivable that are more than 12 months past their due date are reserved to 100%. The percentages refer to the 2022 year end. Based on historical experience, default is not considered until after 6 months past due.

NOTE 18 FINANCIAL INSTRUMENTS

Additional and complementary information is presented in the following notes: Note 2, Financial risk management, describes the Group's risk policies in general and the principal financial instruments of Electrolux Professional in more detail. Note 17, Trade receivables, describes the trade receivables and related credit risks.

The information in this note highlights and describes the principal financial instruments of the Group regarding specific major terms and conditions when applicable, and the exposure to risk and the fair values at year end.

Financial instruments*Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the entity becomes party to the contractual provisions of the instrument. The regular way that purchases and sales of financial assets are recognized is on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not carried at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets*Classification and subsequent measurement*

The Group classifies its financial assets as follows:

- » Fair value through profit or loss (FVPL);
- » Fair value through other comprehensive income (FVOCI); or
- » Amortized cost.

The classification requirements for debt and equity instruments are described below.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as trade receivables, loan receivables, and government bonds.

The Group classifies its debt instruments into one of the following two measurement categories depending on the business model for managing the instruments and the cash flow characteristics of the instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and are not designated as FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized (see "Impairment and expected losses" below). Interest income from

these financial assets is included in the financial net using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost are measured at fair value through profit and loss. A gain or loss on a financial debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the financial net in the period in which it arises. Interest income from these financial assets is included in the financial net using the effective interest rate method. Trade receivables sold on non-recourse terms are categorized as 'Hold to Sell' with the gain or loss reported in operating income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Gains and losses on equity investments at FVPL are included in the financial net. The Group does not have any investments in equity instruments.

Impairment and expected loss

The Group assesses expected credit losses (ECL) associated with its financial assets not carried at fair value on a forward-looking basis. Based on this, the Group recognizes a provision for such potential losses at each reporting date. The measurement of ECL reflects an unbiased and probability-weighted amount based on reasonable and supportable information available such as past events, current conditions and forecasts of future economic conditions.

For receivables other than trade receivables a rating model is used to assign a probability of default to calculate the provision. For cash, a rating-based approach is used to estimate a probability of default for each counterparty. Due to the high ratings of the counterparties and the short maturity, the impairment amounts are insignificant. For trade receivables, the Group applies the 'simplified approach'.

Derecognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Financial liabilities*Classification and subsequent measurement*

All of the Group's financial liabilities, excluding derivatives, are classified as subsequently measured at amortized cost.

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

Derecognition

A financial liability is derecognized when it is extinguished, i.e. when the obligation specified in the contract is discharged, canceled or expires.

Derivatives

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Fair value gain or loss related to derivatives is recognized in profit or loss. Hedge accounting is not applied.

Net debt

At year-end 2022, the Group's net debt amounted to SEK 2,050m (1,705). The table below presents how the Group calculates net debt and what it consists of.

Net debt	December 31, 2022	December 31, 2021
SEKm		
Short-term loans	7	1,045
Financial derivative liabilities	54	5
Accrued interest expenses and prepaid interest income	8	3
Total short-term borrowings	69	1,053
Long-term borrowings	2,824	1,215
Long-term borrowings	2,824	1,215
Total borrowings	2,894	2,268
Cash and cash equivalents	898	836
Short-term investments	200	-
Financial derivative assets	152	13
Prepaid interest expenses and accrued interest income	1	1
Liquid funds	1,251	849
Financial net debt (total borrowings less liquid funds)	1,643	1,418
Lease liabilities	304	326
Net provisions for post-employment benefits	103	-39
Net debt	2,050	1,705

1) Of which interest-bearing borrowings amounts to SEK 2,832m (2,260).

Liquid funds

Liquid funds as defined by the Group consist of cash and cash equivalents, short-term investments, financial derivative assets, and prepaid interest expenses and accrued interest income. Cash and cash equivalents consist of cash on hand, bank deposits and other short-term highly liquid investments with a maturity of 3 months or less.

The table below presents the key data for liquid funds. The carrying amount of liquid funds is approximately equal to fair value.

Liquidity profile

SEKm	December 31, 2022	December 31, 2021
Cash and cash equivalents	898	836
Short-term investments	200	-
Financial derivative assets	152	13
Prepaid interest expenses and accrued interest income	1	1
Liquid funds	1,251	849
Less total short-term borrowings	69	1,053
Net liquidity	1,181	-204

Interest-bearing liabilities

Borrowings are initially recognized at fair value of the funds received net of transaction costs incurred. After initial recognition, borrowings are valued at amortized cost using the effective interest rate method.

At year-end 2022, the Group's total interest-bearing borrowings amounted to SEK 2,832m, of which SEK 2,824m referred to long-term borrowings. Short-term borrowings consisted of SEK 7m. The majority of total borrowings is raised at Parent Company level.

In 2020, Electrolux Professional AB entered into a EUR 250m multicurrency revolving credit facility agreement and a bilateral term loan of SEK 600m with AB Svensk Exportkredit. In October 2021 a bilateral sustainability-related loan of EUR 60m was entered into with the Nordic Investment Bank. In September 2022 Electrolux Professional AB entered into an EUR 140m syndicated Term Loan Facility. The revolving credit facility had an original tenure of five years (with extension options), the first one-year extension option was executed in 2021 and the second one-year extension option was executed in 2022. Electrolux Professional AB elected to reduce the RCF capacity from EUR 250m to EUR 200m in 2021. The full EUR 200m capacity of the RCF was available on December 31, 2022 and the facility expires in 2027. The term loan with AB Svensk Exportkredit has a tenure of seven years and the sustainability-related loan with the Nordic Investment Bank has a tenure of 7 years, with a grace period of 3 years, and a semi-annual repayment schedule starting in 2024. The syndicated term loan has a tenure of 18 months, with the possibility of two 6 month extensions.

At year-end 2022, the average interest-fixing period for long and short-term borrowings was 0.42 years. The calculation of the average interest-fixing period includes the effect of interest-rate swaps used to manage the interest-rate risk of the debt portfolio. The fair value of the interest-bearing borrowings was SEK 2,803m. The fair value including swap transactions used to manage the interest fixing was approximately SEK 2,829m.

The Group's exposure to the reform of interbank rates (IBOR) is limited. At year-end 2022, the Group had three derivative transactions denominated in USD, none maturing after the indicated USD LIBOR cessation date. The nominal amount of the derivative liabilities was USD 67.5m or SEK 704m.

NOTE 18 FINANCIAL INSTRUMENTS, CONT.**Changes in liabilities arising from financing**

Group	Cash flow			Non-cash flow			Closing balance
	Opening balance	Amortization	New debt	Acquisitions	Additions / cancellations	Exchange rate differences	
2022 SEKm							
Long-term borrowings (including short-term part of long-term)	1,215	-0	1,534	-	-	75	2,824
Short-term borrowings (including factoring with recourse)	1,045	-6,617	5,255	-	-	324	7
Lease liabilities	326	-79	38	-1	-9	29	304
Total	2,586	-6,696	6,827	-1	-9	428	3,135
2021 SEKm							
Long-term borrowings (including short-term part of long-term)	601	-0	615	-	-	-0	1,215
Short-term borrowings (including factoring with recourse)	403	-661	1,317	-	-	-14	1,045
Lease liabilities	216	-75	-	90	81	13	326
Total	1,219	-736	1,932	90	81	-1	2,586

Parent Company	Cash flow				Non-cash flow			Closing balance
	Opening balance	Amortization	New debt	Change in financial liabilities, subsidiaries	Acquisitions	Additions/ cancellations	Exchange rate differences	
2022 SEKm								
Long-term borrowings (including short-term part of long-term)	1,215	-	1,534	-	-	-	75	2,824
Short-term borrowings (including factoring with recourse)	1,288	-1,039	-	-249	-	-	7	7 ¹⁾
Total	2,503	-1,039	1,534	-249	-	-	82	2,831

1) Of the SEK 7m, SEK 0m is presented as short-term borrowings in the balance sheet and SEK 7m is disclosed as part of payables to subsidiaries.

Parent Company	Cash flow				Non-cash flow			Closing balance
	Opening balance	Amortization	New debt	Change in financial liabilities, subsidiaries	Acquisitions	Additions/ cancellations	Exchange rate differences	
2021 SEKm								
Long-term borrowings (including short-term part of long-term)	600	-	598	-	-	-	17	1,215
Short-term borrowings (including factoring with recourse)	592	-672	1,300	53	-	-	15	1,288 ¹⁾
Total	1,192	-672	1,898	53	-	-	32	2,503

1) Of the SEK 1,288m SEK 1,039m is presented as short-term borrowings in the balance sheet and SEK 249m is disclosed as part of payables to subsidiaries.

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

Group	Carrying amount						
	SEKm, borrowings Description of loan	Duration	Interest rate	Currency	Nominal amount	2022	2021
AB Svensk Exportkredit	2020-2027	Floating, 3 months	SEK	600	600	600	
Nordic Investment Bank	2021-2028	Floating, 6 months	EUR	60	667	615	
Syndicated loan facility	2022-2024	Floating, 3 months	EUR	140	1,557	-	
Long-term borrowings					2,824	1,215	
Revolving credit facility		Floating, 3 months	USD	115	-	1,039	
Loan in Italy		Floating	EUR	0.6	7	5	
Short-term borrowings					7	1,045	
Total borrowings					2,832	2,260	
Lease liabilities							
Long-term lease liabilities					225	251	
Short-term lease liabilities					79	75	
Total lease liabilities					304	326	

Parent Company	Carrying amount						
	SEKm, borrowings Description of loan	Duration	Interest rate	Currency	Nominal amount	2022	2021
AB Svensk Exportkredit	2020-2027	Floating, 3 months	SEK	600	600	600	
Nordic Investment Bank	2021-2028	Floating, 6 months	EUR	60	667	615	
Syndicated loan facility	2022-2024	Floating, 3 months	EUR	140	1,557	-	
Long-term borrowings					2,824	1,215	
Revolving credit facility		Floating, 3 months	USD	115	-	1,039	
Loan from subsidiaries	2022	Fixed rate	GBP	19	-	232	
Loan from subsidiaries	2022	Fixed rate	RUB	145	-	17	
Loan from subsidiaries	2023	Fixed rate	EUR	0.6	7	-	
Short-term borrowings					7	1,288	
Total borrowings					2,831	2,503	

NOTE 18 FINANCIAL INSTRUMENTS, CONT.**Repayment schedule for long-term borrowings, December 31, 2022**

SEKm	2023	2024	2025	2026	2027	2028-	Total
Bank and other loans	-	1,631	148	148	749	148	2,824
Total	-	1,631	148	148	749	148	2,824

Commercial flows

The Electrolux Professional Financial Policy states that:

» Currency exposure in operational units may be hedged on a case by case basis. Forecasted flows should normally not be hedged, as these exposures should be mitigated with natural hedges and price adjustments.

» The Head of Group Treasury is authorized to approve hedging of known flows, such as internal dividends or M&A related payments, that due to timing reasons cause a temporary exposure to the Group.

The table below shows the forecasted transaction flows, imports and exports, for the 12-month period of 2023, at year-end 2022.

As of December 31, 2022, no financial instruments were in place to hedge transaction flows.

Forecasted transaction flows and hedges

SEKm	EUR	SEK	THB	CZK	CNY	NOK	JPY	DKK	GBP	USD	Other	Total
Inflow of currency, long position	991	1,327	108	37	44	68	86	96	181	863	200	4,001
Outflow of currency, short position	-1,605	-1,647	-396	-9	-1	0	0	-9	0	-185	-149	-4,001
Net transaction flow	-614	-320	-288	28	43	68	86	87	181	678	51	0

NOTE 18 FINANCIAL INSTRUMENTS, CONT.**Maturity profile of financial liabilities and derivatives**

The table below presents the undiscounted cash flows of the Group's contractual liabilities related to financial instruments based on the remaining period to the contractual maturity date at the balance sheet date. Floating interest cash flows with future fixing dates are estimated using the forward-forward interest rates at year-end. Any cash flow in foreign currency is converted to Swedish krona using the FX spot rates at year-end. The short-term liabilities from

accounts payable are matched by positive cash flow from trade receivables. The loan maturities can be offset by the available liquidity and/or a combination of existing credit facilities, new issued bonds, commercial papers, or bank and bilateral loans. On top of the other sources, Electrolux Professional entered into a committed revolving credit facility and two bilateral loans as stated above (interest-bearing liabilities).

Maturity profile of financial liabilities and derivatives – undiscounted cash flows

Group SEKm	<= 0.5 year	> 0.5 year < 1 year	> 1 years < 2 years	> 2 years < 5 years	> 5 years	Total
Loans	-50	-65	-1,704	-1 147	-153	-3 119
Lease liabilities	-39	-39	-65	-107	-77	-327
Net settled derivatives	3	4	7	4		18
Gross settled derivatives	66	-	-	-	-	66
of which outflow	-3,113	-	-	-	-	-3,113
of which inflow	3,179	-	-	-	-	3,179
Trade payables	-2,040	-	-	-	-	-2,040
Total	-2,060	-100	-1,762	-1,250	-230	-5,402

Maturity profile of financial liabilities and derivatives – undiscounted cash flows

Parent Company SEKm	<= 0.5 year	> 0.5 year < 1 year	> 1 years < 2 years	> 2 years < 5 years	> 5 years	Total
Loans	-50	-65	-1,704	-1,147	-153	-3,119
Loans from subsidiaries	-7	-	-	-	-	-7
Net settled derivatives	3	4	7	4	-	18
Gross settled derivatives	66	-	-	-	-	66
of which outflow	-3,113	-	-	-	-	-3,113
of which inflow	3,179	-	-	-	-	3,179
Trade payables	-579	-	-	-	-	-579
Other financial liabilities, subsidiaries	-1,100	-	-	-	-	-1,100
Total	-1,667	-61	-1,697	-1,143	-153	-4,721

NOTE 18 FINANCIAL INSTRUMENTS, CONT.**Net gain/loss, fair value, and carrying amount of financial instruments**

The tables below present net gain/loss of financial instruments, the effect in profit or loss and other comprehensive income, and the fair value and carrying amount of financial assets and liabilities. Net gain/loss can include both exchange rate differences and gain/loss due to changes in interest rate levels.

Net gain/loss, income and expense of financial instruments

Group SEKm	2022			2021		
	Gain/loss in profit or loss	Interest income	Interest expense	Gain/loss in profit or loss	Interest income	Interest expense
Recognized in operating income						
Financial assets and li- abilities at amortized cost	16	-	-	9	-	-
Total net gain/loss, income and expense	16	-	-	9	-	-
Recognized in financial items						
Financial assets and liabilities at fair value through profit or loss	-17	28	-42	12	4	-6
Financial assets at amortized cost	398	5	-	40	2	-
Other financial liabilities at amortized cost	-375	-	-41	-33	-	-9
Total net gain/loss, income and expense	6	33	-83	19	6	-15

Net gain/loss, income and expense of financial instruments

Parent Company SEKm	2022			2021		
	Gain/loss in profit or loss	Interest income	Interest expense	Gain/loss in profit or loss	Interest income	Interest expense
Recognized in operating income						
Financial assets and lia- bilities at amortized cost	-	-	-	4	-	-
Total net gain/loss, income and expense	-	-	-	4	-	-
Recognized in financial items						
Financial assets and liabilities at fair value through profit or loss	-17	28	-42	11	4	-6
Financial assets at amortized cost	388	92	-	14	13	-
Other financial liabilities at amortized cost	-374	-	-45	-24	-	-10
Total net gain/loss, income and expense	-3	120	-87	1	17	-16

NOTE 18 FINANCIAL INSTRUMENTS, CONT.**Fair value and carrying amount of financial assets and liabilities**

Group SEKm	2022 ¹		2021 ¹	
	Hierarchy level	Carrying amount	Hierarchy level	Carrying amount
Financial assets		200		0
Financial assets at fair value through profit or loss	3	0	3	0
Financial assets at fair value through profit and loss	1	200		-
Trade receivables		2,028		1,625
Financial assets at amortized cost		2,028		1,625
Derivatives		152		13
Financial assets at fair value through profit or loss	2	152	2	13
Cash and cash equivalents		898		836
Financial assets at amortized cost		898		836
Total financial assets		3,278		2,474
Long-term borrowings		2,824		1,215
Financial liabilities at amortized cost		2,824		1,215
Trade payables		2,040		1,814
Financial liabilities at amortized cost		2,040		1,814
Short-term borrowings		7		1,045
Financial liabilities at amortized cost		7		1,045
Derivatives		54		5
Financial liabilities at fair value through profit or loss	2	54	2	5
Total financial liabilities		4,926		4,078

1) Carrying amount equals fair value except for long-term borrowings where the fair value is SEK 21m (2) lower than the carrying amount. The calculation of fair value on the Group's borrowings is level 2 in the fair value hierarchy.

Parent Company SEKm	2022 ¹		2021 ¹	
	Hierarchy level	Carrying amount	Hierarchy level	Carrying amount
Trade receivables		534		387
Financial assets at amortized cost		333		265
Financial assets at amortized cost, subsidiaries		201		122
Derivatives		152		13
Financial assets at fair value through profit or loss		152	2	13
Long-term financial assets		2,890		2,560
Financial assets at amortized cost, subsidiaries		2,890		2,560
Short-term financial assets		517		458
Financial assets at amortized cost, subsidiaries		517		458
Cash and cash equivalents		677		391
Financial assets at amortized cost		677		391
Total financial assets		4,770		3,809
Financial liabilities				
Long-term borrowings		2,824		1,215
Financial liabilities at amortized cost		2,824		1,215
Trade payables		578		476
Financial liabilities at amortized cost		388		337
Financial liabilities at amortized cost, subsidiaries		190		139
Short-term borrowings²		1,106		2,315
Financial liabilities at amortized cost		-		1,039
Financial liabilities at amortized cost, subsidiaries		1,106		1,276
Derivatives		54		5
Financial liabilities at fair value through profit or loss		54	2	5
Total financial liabilities		4,562		4,011

1) Carrying amount equals fair value except for long-term borrowings where the fair value is SEK 21m (2) lower than the carrying amount. The calculation of fair value on the Parent Company's borrowings is level 2 in the fair value hierarchy.

2) Of the SEK 1,106m (2,315), SEK 0m (1,039) is presented in the balance sheet as short-term borrowings and SEK 1,296m (1,414) is disclosed as part of payables to subsidiaries.

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

Fair value estimation

Valuation of financial instruments at fair value is done at quoted market prices. Level 1 instruments quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For level 2 instruments where no observable price is available on the market, cash flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes. To the extent option instruments are used, the valuation is based on the Black & Scholes formula.

The carrying values, less impairment, of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest rate that is available to the Group for similar financial instruments. The Group's financial assets and liabilities are measured at fair value according to the following hierarchy:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included in level 1 that are observable for assets or liabilities either directly or indirectly.
- Level 3:** Inputs for the assets or liabilities that are not entirely based on observable market data.

NOTE 19 ASSETS PLEDGED FOR LIABILITIES TO CREDIT INSTITUTIONS

There are no pledged assets to be disclosed for 2022 nor for 2021.

NOTE 20 SHARE CAPITAL, NUMBER OF SHARES, AND EARNINGS PER SHARE

The equity attributable to equity holders of the Parent Company consists of the following items.

Share capital

As per December 31, 2022, the share capital of Electrolux Professional AB consisted of 8,045,314 Class A shares with a quota value of SEK 0.1 per share and 279,352,136 Class B shares with a quota value of SEK 0.1. All shares are fully paid. All shares entitle the holder to the same proportion of assets and earnings, and carry equal rights in terms of dividends.

Share capital

SEKm	Share capital
Share capital, December 31, 2021	
8,047,982 A-shares, with a quota value of SEK 0.1	1
279,349,468 B-shares, with a quota value of SEK 0.1	28
Total	29

Share capital, December 31, 2022

8,045,314 A-shares, with a quota value of SEK 0.1	1
279,352,136 B-shares, with a quota value of SEK 0.1	28
Total	29

Number of shares

SEKm	Owned by other shareholders
Shares, December 31, 2021	
Class A shares	8,047,982
Class B shares	279,349,468
Total	287,397,450
Conversion of Class A shares into Class B shares	
Class A shares	-2,668
Class B shares	2,668
Shares, December 31, 2022	
Class A shares	8,045,314
Class B shares	279,352,136
Total	287,397,450

Other paid-in capital

Other paid-in capital relates to statutory reserves in the Parent Company.

Other reserves

Other reserves includes exchange-rate differences on translation of foreign operations which refer to changes in exchange rates when net investments in foreign subsidiaries are translated to SEK.

Retained earnings

Retained earnings, including income for the period, include the income of the Parent Company and its share of income in subsidiaries. Retained earnings also include transactions with shareholders, remeasurement of provision for post-employment benefits, the amount recognized for the common dividend. It also includes the payment for equity swaps used for hedging the shares included in the share-based incentive programs and reversal of the cost for share-based incentive programs recognized in the income statement.

Earnings per share

SEKm	2022	2021
Income for the period	686	487
Earnings per share		
Basic, SEK	2.39	1.69
Diluted, SEK	2.39	1.69
Average number of shares, million		
Basic	287.4	287.4
Diluted	287.4	287.4

Basic and diluted earnings per share is calculated by dividing the income for the period attributable to the equity holders of the Parent Company with the average number of shares.

The average number of shares is the weighted average number of shares outstanding during the year. When applicable, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding with the estimated number of shares from the share programs.

The average number of shares during 2022 has been 287,397,450 (287,397,450) and the average number of diluted shares has been 287,397,450 (287,397,450).

NOTE 21 POST-EMPLOYMENT BENEFITS

Post-employment benefits

The Group sponsors pension plans in many of the countries in which it has activities. Pension plans can be defined contribution or defined benefit plans or a combination of both. Under defined contribution plans, the company's commitment is to make periodic payments to independent authorities or investment plans, and the level of benefits depends on the actual return on those investments. Under defined benefit pension plans, the company enters into a commitment to provide post-employment benefits based upon one or several parameters for which the outcome is not known at present. For example, benefits can be based on final salary, on career average salary, or on a fixed amount of money per year of employment.

The cost for pension is disaggregated into three components; service cost, financing cost, or income and rereasurement effects. Service cost is reported within Operating income and classified as Cost of goods sold, Selling expenses, or Administrative expenses depending on the function of the employee. Financing cost or income is recognized in the Financial items and the rereasurement effects in Other comprehensive income. The Projected Unit Credit Method is used to measure the present value of the obligations and costs.

Net provisions for post-employment benefits in the balance sheet represent the present value of the Group's obligations less market value of plan assets. The rereasurements of the obligations are made using actuarial assumptions determined at the balance sheet date. Changes in the present value of the obligations due to revised actuarial assumptions and experience adjustments on the obligation are recorded in Other comprehensive income as rereasurements. The actual return less calculated interest income on plan assets is also recorded in Other comprehensive income as rereasurements. Past-service costs are recognized immediately in income for the period.

The majority of the funded pension obligation is attributable to the Swiss pension plan, where benefits are career average in nature. Contributions are paid to a pension foundation and a recovery plan has to be set up if the plan is underfunded on a local

funding basis. Swiss laws do not state any specific way of calculating an employer's additional contribution and because of that there is normally no minimum funding requirement. Benefits are paid from the plan assets.

In France and Italy, provisions are made for compulsory severance payments, these provisions cover the Group's commitment to pay employees a lump sum upon reaching retirement age, or upon the employees' dismissal or resignation, these plans are unfunded. Unfunded pension plans also exist in other countries within the Group, such as Austria, Thailand, and Japan.

Commitments for retirement pension for salaried employees in Sweden related to ITP2 are guaranteed through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFRIO, this is a defined benefit multi-employer plan. For the 2022 financial year, the company did not have access to information that would enable it to report its proportional share of the plan's obligation, plan assets and costs, which means that the plan could not be reported as a defined benefit plan, therefore reported as a defined contribution plan. On December 31, 2022, Alecta's surplus, which can be distributed between the policy holder and/or the persons insured in the form of the collective consolidation rate, amounted to 172% (172). The collective consolidation rate comprises the market value of Alecta's assets as a percentage of the insurance commitments produced in accordance with Alecta's actuarial calculation assumptions, which are not in agreement with IAS 19. The collective consolidation level is normally allowed to vary between 125 to 175%. If the collective consolidation level falls below 125%, one measure could be raising the contractual premiums for taking up new insurance and expanding existing benefits. If collective consolidation exceeds 150%, one action could be to implement premium reductions. Expected fees for the next reporting period for ITP2 insurance with Alecta amount to SEK 9m.

The discount rate used for the calculation of expenses during 2022 was 0.29% on average, which was the same rate used to estimate liabilities at the end of 2021.

An explanation of the amounts in the financial statements relating to defined benefit obligations is presented in the following table.

SEKm	December 31, 2022	December 31, 2021
Amounts included in the balance sheet		
Funded plans		
Present value of funded obligations	739	816
Fair value of plan assets	-970	-974
Effect of asset ceiling	231	-
Net amount (surplus)/deficit, funded plans	0	-158
Average duration of the obligation, years	11.6	14
Unfunded plans		
Present value of unfunded obligations	103	119
Average duration of the obligation, years	8.1	8.7
Total net amount (surplus)/deficit	103	-39
Of which reported as		
Pension plan assets	0	165
Provisions for post-employment benefit plans	103	125

NOTE 21 POST-EMPLOYMENT BENEFITS, CONT.

SEKm	2022	2021
Pension cost		
Service cost	-8	-13
Interest income/expense, net	0	-1
Pension cost, defined benefit plans	-8	-14
Pension cost, defined contribution plans	-65	-52
Pension cost included in income for the period	-73	-66
Remeasurement gain/loss attributable to defined benefit plans	-152	141
Total pension cost included in other comprehensive income	-225	75
Amounts included in the cash flow statement		
Contributions by the employer	-10	-9
Benefits paid by the employer	-5	-10
Major assumptions for the valuation of the liability		
Funded plans		
Longevity, years, ¹		
Male	21.8	21.7
Female	23.6	23.5
Inflation, % ²	1.3	1.0
Discount rate, %	2.2	0.2
Unfunded plans		
Inflation, % ²	2.4	1.9
Discount rate, %	3.8	0.8

1) Expressed as the average life expectancy of a 65-year-old person in number of years.

2) General inflation impacting salary and pensions increases.

Reconciliation of change in present value of funded and unfunded obligations

SEKm	2022	2021
Opening balance, January 1	935	992
Current service cost	13	15
Special events	-6	-3
Interest expense	3	1
Remeasurement arising from changes in financial assumptions	-206	-20
Remeasurement from changes in demographic assumptions	2	-46
Remeasurement from experience	24	4
Contributions by plan participants	10	9
Benefits paid	-50	-54
Exchange differences	110	53
Settlements and other	7	-16
Closing balance, December 31	842	935

Reconciliation of change in the fair value of plan assets

SEKm	2022	2021
Opening balance, January 1	974	861
Interest income ¹	2	0
Return on plan assets, excluding amounts included in interest ¹	-111	79
Net contribution by employer	10	9
Contribution by plan participants	10	9
Benefits paid	-45	-44
Exchange differences	129	59
Settlements and other	1	1
Closing balance, December 31	970	974

1) The actual return on plan assets amounts to SEK -113m (80).

Risks

There are three main categories of risks related to defined benefit obligations and pension plans. Increased longevity and inflation of salary and pensions may increase the future pension payments and, hence, increase the pension obligation. Pension plan assets are invested in a variety of financial instruments and are exposed to market fluctuations. The discount rate used for measuring the present value of the obligation may fluctuate, which impacts the valuation of the Defined Benefit Obligation (DBO). The discount rate also impacts the size of the interest income and expense that is reported in the Financial items and the service cost. Expected salary increase and mortality assumptions are based on local conditions in each country and changes in those assumptions affect the measured obligation.

Below is the sensitivity analysis for the main financial assumptions and the potential impact on the present value of the defined pension obligation. Note that the sensitivities are not meant to express any view by Electrolux Professional Group on the probability of a change.

Sensitivity analysis on defined benefit obligation

SEKm	2022	2021
Longevity +1 year	21	27
Inflation +0.5% ¹	11	13
Discount rate +1%	-79	-102
Discount rate -1%	94	140

1) The inflation change feeds through to other inflation-dependent assumptions, i.e., pension increases and salary growth.

In 2023, the Group expects to pay a total of SEK 16m (15) in contributions to the pension funds and as payments of benefits directly to the employees.

Market value of plan assets by category

SEKm	2022	2021
Fixed income	234	265
Equity	284	315
Other alternative assets	138	109
Real estate	306	277
Cash	8	8
Total value of plan assets	970	974

NOTE 21 POST-EMPLOYMENT BENEFITS, CONT.

Investment strategy and risk management

The assets in the foundations are managed professionally by asset managers who propose portfolio allocations based on a framework decided by the foundation boards. Risks related to pension obligations, e.g., mortality and inflation, are monitored on an ongoing basis by the Group Finance Governance Board.

Governance

Defined benefit pensions and pension plan assets are governed by the Group Finance Governance Board, which meets 3 to 4 times per year and has the following responsibilities:

- » Approve the financial and actuarial assumptions to be used in the calculations of the Pension Funds' assets and liabilities.
- » Initiate processes for new plans, changes to plans or termination of plans if such actions are found necessary.
- » Approve the election of company representatives in the local Board of Trustees (or equivalent).

Parent Company

Commitments for retirement pension for salaried employees in Sweden related to ITP2 are guaranteed through insurance with Alecta, hence reported as a defined contribution plan, equal to ITP1.

Total pension expense for the Parent Company amounted SEK 33m (34). Expected fees for the next reporting period for ITP2 insurance with Alecta amount to SEK 9m.

NOTE 22 OTHER PROVISIONS

SEKm	Group				Parent Company			
	Provisions for restructuring	Warranty commitments	Other	Total	Provisions for restructuring	Warranty commitments	Other	Total
Opening balance, January 1, 2021	95	198	112	405	-	98	-	98
Reclassification	-	-	1	1	1	-	-	1
Acquisitions of operations	-	27	25	52	-	-	-	-
Provisions made	0	38	23	61	-	2	1	3
Provisions used	-73	-26	-18	-117	-	-1	-	-1
Unused amounts reversed	-5	-5	-3	-13	-	-1	-	-1
Exchange rate differences	1	4	5	10	-	-	-	-
Closing balance, December 31, 2021	18	237	145	399	1	98	1	100
Of which current provisions	18	98	14	130	1	5	-	6
Of which non-current provisions	-	139	131	270	-	93	1	94
Opening balance, January 1, 2022	18	237	145	399	1	98	1	100
Reclassification	6	-	-6	-	-	-	-	-
Acquisitions of operations	-	2	-	2	-	-	-	-
Provisions made	5	73	31	109	-	10	2	12
Provisions used	-16	-44	-22	-82	-1	-2	-	-3
Unused amounts reversed	-0	-10	-18	-28	-	-4	-	-4
Exchange rate differences	1	16	16	33	-	-	-	-
Closing balance, December 31, 2022	14	273	146	433	0	102	3	105
Of which current provisions	14	121	11	146	-	1	-	1
Of which non-current provisions	-	152	135	288	-	101	3	104

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of time value of money is material, the amount recognized is the present value of the estimated expenditures.

Provisions for warranty are recognized at the date of sale of the products covered by the warranty and are calculated based on historical data for similar products. Provisions for warranty commitments are recognized as a consequence of the Group's policy to cover the cost of repair of defective products. The warranty period is based on local market conditions.

Restructuring provisions are recognized when the Group has both adopted a detailed formal plan for the restructuring and either started the plan implementation or communicated its main features to those affected by the restructuring. Provisions for restructuring represent the expected costs to be incurred as a consequence of the Group's decision to reduce personnel, both for newly acquired and already owned companies. The amounts are based on management's best estimates and are adjusted when changes to these estimates are known.

Other provisions mainly include provisions for environmental liabilities, litigations other than warranty related claims, and employee related provisions. The timing of any resulting outflows for other provisions are uncertain.

NOTE 23 OTHER LIABILITIES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Accrued holiday pay	149	131	40	37
Other accrued payroll costs	361	345	59	56
Accrued interest expenses	8	3	6	2
Other prepaid income	16	1	-	-
Government grants	19	18	-	-
Other accrued expenses	216	183	20	25
Contract liabilities ¹⁾	607	595	94	102
VAT liabilities	197	113	3	-
Personnel-related liabilities	90	149	29	26
Other operating liabilities	56	54	10	-
Derivatives	54	5	54	5
Total	1,773	1,597	315	253

1) Movement in contract liabilities in 2022 and 2021 is presented in Note 4.

NOTE 24 CONTINGENT LIABILITIES

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Contingent liabilities	10	9	22	68
Total	10	9	22	68

Parent Company

The Parent Company has issued guarantees on behalf of some of its subsidiaries. The nominal amount is SEK 22m (68) of which the majority is related to credit cards for employees. The likelihood that these guarantees will be utilized is considered low.

NOTE 25 ACQUIRED AND DIVESTED OPERATIONS**Acquired operations**

SEKm	2021
Consideration	
Cash paid for acquisitions made during the year	2,113
Total consideration	2,113
Recognized amounts of assets acquired and liabilities assumed	
Property, plant and equipment, owned	205
Property, plant and equipment, right-of-use	95
Intangible assets	753
Inventories	158
Trade receivables ¹⁾	115
Other current and non-current assets	4
Trade payables	-114
Government grants	-18
Other operating liabilities	-284
Total identifiable net assets acquired	913
Cash and cash equivalents	10
Lease liabilities	-95
Assumed net debt	-85
Goodwill	1,284
Total	2,113
1) Trade receivables	
Trade receivables, gross	115
Provision for doubtful receivables	-0
Total	115

SEKm	2021
Payments for acquisitions	
Cash paid for acquisitions made during the year	2,113
Cash and cash equivalents in acquired operations	-10
Total paid	2,103

Acquisitions in 2022

No acquisitions have been made in 2022.

During the year an adjustment of the purchase price for Unified Brands was agreed with the seller. The amount was SEK 4m and

has decreased the recognized goodwill. An additional adjustment to the opening balance has been made reducing goodwill by SEK 69m and other operating liabilities by the same amount.

Acquisitions in 2021**Unified Brands**

On December 1, 2021 the acquisition of the US manufacturer of food-service equipment Unified Brands was completed by acquiring 100% of the shares in a cash deal. The purchase price for the shares amounted to USD 233m corresponding to SEK 2,113m.

Unified Brands, founded in 1907, has approximately 600 employees. It operates two manufacturing and R&D facilities, one in Weidman, Michigan and one in Vicksburg, Mississippi. The company and its Groen, Randell, Avtec, Power Soak, and CapKold brands offer cooking equipment, refrigeration, cleaning systems, ventilation, and meal distribution systems.

The acquisition is a part of Electrolux Professional's strategy to strengthen its presence in the US and supports the focus on growth within the food service chains.

Goodwill represents the value of increasing Electrolux Professional's presence on the US market, especially within the food service chains. Goodwill is expected to be deductible for income tax.

Unified Brands' net sales and operating income from January 1, 2021 up until the completion of the acquisition amounted to USD 121m and USD 10m, respectively, approximately SEK 1,035m and SEK 82m, respectively. Unified Brands is included in Electrolux Professional's consolidated accounts from December 1, 2021. For the period from the acquisition date until the end of the reporting period the acquired business has contributed to net sales and operating income (including amortization of surplus values) in the amount of USD 12m and USD -1m respectively, approximately SEK 99m and SEK -11m respectively.

The business is included in the Food & Beverage segment.

Transaction costs

Transaction costs related to the acquisition in 2021 amounted to SEK 50m and were expensed as incurred during the acquisition process in 2021. The costs have been reported in operating income within the Food & Beverage segment.

Divested operations in 2022

The Group concluded that under the current circumstances business continuity in Russia is no longer feasible. As a consequence of this, the legal entity Electrolux Professional Russia was divested to former local management as of July 14, 2022. See Note 7 for more information.

Divested operations in 2021

No divestments were made in 2021.

NOTE 26 EMPLOYEES AND REMUNERATION

Employees and employee benefits

As of December 31, 2022, the number of employees was 4,022 (3,973).

Average number of employees, per country

SEKm	2022			2021		
	Women	Men	Total	Women	Men	Total
Parent company						
Sweden	137	412	550	125	418	543
Subsidiaries						
Australia	2	14	16	2	15	17
Austria	5	24	29	4	25	29
Belgium	0	4	4	-	4	4
China	40	133	172	39	137	175
Croatia	1	4	6	2	4	6
Czech Republic	2	6	8	2	6	8
Denmark	11	32	43	11	33	44
Finland	13	24	37	14	23	38
France	87	287	374	87	293	380
Germany	64	147	211	63	146	209
Greece	1	4	5	1	4	5
Hungary	2	3	5	1	2	3
India	2	11	13	2	10	12
Italy	447	647	1,094	436	641	1,077
Japan	13	38	50	16	42	58
Malaysia	9	7	16	9	7	16
Netherlands	5	13	18	4	14	18
New Zealand	2	2	4	2	2	4
Norway	5	13	18	6	12	18
Poland	1	2	3	2	1	3
Russia ¹	8	6	14	14	12	26
Singapore	12	15	27	12	16	28
Slovak Republic	8	7	15	7	7	14
South Korea	3		3	2	1	3
Spain	9	21	31	12	18	31
Switzerland	32	122	154	29	131	160

SEKm	2022			2021		
	Women	Men	Total	Women	Men	Total
Thailand	79	197	276	77	197	274
Turkey	9	12	20	10	13	22
United Arab Emirates	1	10	11	1	10	11
United Kingdom	21	39	60	42	21	63
USA	214	524	737	64	187	251
Total	1,243	2,781	4,024	1,096	2,452	3,548

1) The Russian company was sold during 2022 and at year-end there were no employees in Russia.

Salaries, other remuneration and employer contributions

SEKm	2022			2021		
	Salaries and remuneration ^{1,2}	Social costs ³	Total	Salaries and remuneration ^{1,2}	Social costs ³	Total
Parent Company	365	119	485	323	113	436
of which pension costs		35	35		34	34
Subsidiaries	1,834	470	2,304	1,468	359	1,827
of which pension costs		37	37		29	29
Total Group	2,199	589	2,788	1,791	472	2,263
of which pension costs		72	72		63	63

1) Includes government grants of SEK 0m (45) for the Group and SEK 0m (0) for the Parent Company.

2) For the Parent Company salaries and remuneration of SEK 59m (49) were paid by another legal entity in the Group.

3) For the Parent Company social costs of SEK 14m (9) (of which pension costs amounted to SEK 2m (1)) were paid by another legal entity in the Group.

Salaries and remuneration for Board members, senior managers and other employees

SEKm	2022			2021		
	Board members and senior managers	Other employees	Total	Board members and senior managers	Other employees	Total
Parent Company	74	291	365	62	261	323
Others	28	1,806	1,834	44	1,424	1,468
Total Group	102	2,097	2,199	106	1,685	1,791

NOTE 26 EMPLOYEES AND REMUNERATION, CONT.

Of the Board members in Group companies, 21 were men and 3 women, of which 4 men and 3 women were in the Parent Company, excluding 2 union members. According to the definition of Senior managers in the Swedish Annual Accounts Act, the number of

Senior managers in the Group consisted of 11 men and 2 women, of which 11 men and 2 woman were in the Parent Company. The total pension costs for Board members and Senior managers in the Group amounted to SEK 4m.

Compensation to Board members

SEK thousand	2022			2021		
	Ordinary compensation	Compensation for committee work	Total compensation	Ordinary compensation	Compensation for committee work	Total compensation
Kai Wärn, Chairman	1,613	80	1,693	1,545	85	1,630
Lorna Donatone	539	109	648	515	104	619
Hans Ola Meyer	539	166	705	515	154	669
Daniel Nodhäll	539	189	728	515	183	698
Martine Snels	539	109	648	515	98	613
Carsten Voigtländer	539	-	539	515	-	515
Katharine Clark	539	-	539	515	-	515
Jens Pierard	-	-	-	-	-	-
Joachim Nord	-	-	-	-	-	-
Per Magnusson	-	-	-	-	-	-
Total compensation	4,845	653	5,498	4,635	624	5,259

Compensation to the Board of Directors

The Annual General Meeting (AGM) determines the compensation to the Board of Directors for a period of one year until the next AGM, including the compensation for committee work. The compensation is distributed between the Chairman and other Board Members and is paid out quarterly. The compensation paid in 2022 encompasses one quarter of the compensation authorized by the AGM in 2021 and three quarters of the compensation authorized by the AGM in 2022. Total compensation paid in cash in 2022 amounted to SEK 5.5m, of which SEK 4.8m included ordinary compensation and SEK 0.7m was for committee work.

Remuneration guidelines for the Group Management Team

The current guidelines were approved by the AGM. The guidelines apply until the AGM 2024.

The remuneration terms emphasize 'pay for performance' and vary with the performance of the individual and the Group. The total remuneration for the Group Management Team is to be strongly tied to the position held, be in line with market practice and may comprise the following components: annual fixed compensation, variable compensation, and other benefits such as pension and insurance.

The following describes the guidelines for determining the amount of remuneration (the detailed guidelines can be found on page 96):

- » Fixed compensation shall be competitive relative to the relevant country market and reflect the scope of the job responsibilities. Fixed compensation consists of annual base salary and may, if locally stipulated by mandatory collective agreement provisions, also include a fixed non-competition component. Base salary levels shall be reviewed periodically (usually annually) to ensure continued competitiveness and to recognize individual performance.
- » Variable compensation may consist of both short-term and long-term incentives. Following the 'pay for performance' principle, variable compensation shall represent a significant portion of the total potential compensation for the Group Management Team. Variable compensation shall always be measured against pre-defined targets and have a maximum above which no payout shall be made. Both short-term incentives and long-term incentives entitlement shall be dependent on job level and the variable compensation may amount to not more than 100% of the annual base salary.
- » Pension and Benefits such as old-age and survivor's pension, disability benefits, and healthcare benefits shall be designed to reflect home-country practices and requirements. When possible, pension plans shall be based on defined contribution. In individual cases, depending on provisions in collective bargaining agree-

ments, tax and/or social security legislation to which the individual is subject, other schemes and mechanisms for pension benefits may be approved. Other benefits may consist of company car, housing and private health insurance.

- » The notice period for the President and CEO shall be 12 months if Electrolux Professional initiates termination of the employment and 6 months if the President and CEO initiates termination of the employment. For other members of the Group Management Team the notice period is between 6 to 12 months if Electrolux Professional initiates termination of the employment and 3 to 6 months if the Group Management Team member initiates termination of the employment. In individual cases, contractual severance pay may be approved in addition to the notice periods.

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

President and CEO

The remuneration package for the President and CEO comprises fixed cash compensation, variable compensation, and other benefits such as pension and insurance. For the President and CEO, the annualized base salary for 2022 has been set at EUR 559,075 (approximately SEK 5,940k).

The variable compensation for the President and CEO consists of both short-term cash based incentives and long-term share based incentives and is based on fixed financial targets at a Group level. Short-term incentives can give a maximum of 100% of annual base salary and long-term incentives can give a maximum of 100% of annual base salary.

The notice period for the Company is 12 months and for the President and CEO 6 months. The President and CEO is entitled to 12 months' severance pay.

The President and CEO accrues pension entitlements in accordance with Italian social security legislation for pensions. A voluntary defined contribution pension scheme is offered (Previndai) through which the Company matches contributions of up to EUR 7,200 per year. In addition, the company also contributes to the Italian statutory TFR.

Healthcare benefits are provided in accordance with the collectively agreed plan rules of FASI and Assidai designed for Executives (Dirigenti).

Other Members of the Group Management Team

Like the President and CEO, other members of the Group Management Team receive a remuneration package that comprises fixed cash compensation, variable compensation, and other benefits such as pension and insurance. Base salary is reviewed annually per January 1.

NOTE 26 EMPLOYEES AND REMUNERATION, CONT.

The variable compensation for other members of the Group Management Team consists of both short-term cash-based incentives and long-term share-based incentives and is based on fixed financial targets at Group level and Regional and Group level for the Business Area Heads. Short-term incentives and long-term incentives can each give a maximum of 60-80% of annual base salary depending on job level.

The notice period for other members of the Group Management Team is between 6 to 12 months if Electrolux Professional initiates termination of the employment and 3 to 6 months if the Group Management Team member initiates termination of the employment.

The Group Management Team members employed in Italy, similar to the President and CEO, also accrue pension entitlements in accordance with Italian social security legislation for pensions, and are eligible to participate in the voluntary defined contribution pension scheme offered (Previdai) through which the Company matches contributions of up to EUR 7,200 per year. In addition, the company also contributes to the Italian statutory TFR.

Healthcare benefits are provided in accordance with the collectively agreed plan rules of FASI and Assidai designed for managers (Dirigenti).

The Group Management Team members employed in Sweden are covered by the collectively agreed ITP1, which is a defined contribution plan or by the ITP2 and the Alternative ITP rule. The Alternative ITP plan is a defined contribution plan in which the contribution increases with age. The contribution is between 20 and 40% of pensionable salary, between 7.5 and 30 income base amounts and 20% of pensionable salary above 30 income base amounts. The pensionable salary under the alternative ITP plan is calculated as the current fixed salary including vacation pay plus the average short-term variable salary for the last three years.

For Group Management Team members employed outside of Italy and Sweden, varying terms of employment, pensions and other benefits, such as a company car, may apply depending on the country of employment.

Share-based compensation

Variable long-term share programs 2021 and 2022

The Annual General Meeting on April 28, 2022, approved a long-term incentive program for 2022. The General Meeting of Electrolux Professional has also approved a long-term incentive program for 2021.

Both programs run over a three-year period, with a one-year performance period followed by a two-year vesting period. The allocation of shares in the 2021 and 2022 program is determined by the participant's position level and the outcome of two objectives: (i) earnings per share and (ii) operating cash flow after investments. The performance targets adopted by the Board will stipulate a minimum level and a maximum level, with the relative weight of the performance targets (i) and (ii) being 60% and 40% respectively.

Performance outcome of the two financial objectives was determined by the Board after the expiry of the one-year performance period.

For the 2021 and 2022 programs, allocation of shares is based on performance, and performance objectives are linear from minimum to maximum. If the maximum is reached or exceeded, 100% of maximum granted shares will be allocated to each participant. If performance is below the maximum level but exceeds the minimum level, a proportionate allocation of shares will be made. No allocation will be made if performance does not reach the minimum level. The shares will be allocated after the three-year vesting period, free of charge except for tax liabilities.

Both programs cover up to 30-35 senior managers and key employees. Participants in the 2022 program are divided into four groups; President and CEO (Group 1); other members of Group

Management and Senior Managers (Groups 2 & 3); and certain other key employees (Group 4). The Performance Shares are based on maximum performance values for each participant category. The maximum performance value for the participants in Group 1 will be 100% of the participant's annual base salary for 2022, for participants in Group 2, 80% of the participant's annual base salary for 2022, for participants in Group 3, 60% of the participant's annual base salary for 2022, and for participants in Group 4, 40% of the participant's annual base salary for 2022. The total sum of the maximum values of the Performance Shares thus defined for all participants in LTI 2022 will not exceed SEK 45m excluding social costs.

The performance outcome for LTI 2022 was 47%, which means that 47% of the maximum number of shares granted under the LTI 2022 will be paid out after the end of the vesting period 2025.

Remuneration to Group Management

2022 SEK thousand	Annual fixed salary ¹	Short-term variable salary ²	Long-term variable salary ³	Pension contribution	Other benefits ⁴	Social security contribution	Total ⁶
President & CEO	6,227	4,188	2,563	510	406	3,626	17,520
Other members of Group Management ⁵	29,697	14,556	7,862	3,056	3,102	12,613	70,886
Total	35,924	18,744	10,425	3,566	3,508	16,239	88,406

- 1) The annual fixed salary includes annual base salary, vacation salary, paid vacation days, and fixed non-compete components.
- 2) Variable salary earned in 2022, to be paid in 2023.
- 3) Cost incurred in 2022 for the long-term share-based incentive programs. At the closing of the books the actual outcome wasn't known and the cost for 2022 is based on an outcome of 39%. The adjustment to 47% will be done during 2023.
- 4) Includes allowances and other benefits such as housing, company car, medical insurance, and retention bonus.
- 5) Other members comprised of 10 people at the end of 2022. Remuneration for other members of Group Management includes SVP & GM Commercial organization America, John Evans and SVP Product & Marketing, Torsten Urban until June 2022, SVP Business Development, Douglas Walker until March 2022 and General Counsel, Carolina Tendorf, as of July 2022.
- 6) The increase in salary components compared to 2021 is to a large extent impacted by currency effects. The average currency impact is +11% (ranging from 5% to 18%) vs last year.

2021 SEK thousand	Annual fixed salary ¹	Short-term variable salary ²	Long-term variable salary ³	Pension contribution	Other benefits ⁴	Social security contribution	Total
President & CEO	5,566	4,912	1,197	460	318	1,931	14,384
Other members of Group Management ⁵	22,399	15,812	4,073	2,180	2,262	7,358	54,084
Total	27,965	20,724	5,270	2,640	2,580	9,289	68,468

- 1) The annual fixed salary includes annual base salary, vacation salary, paid vacation days, and fixed non-compete components.
- 2) Variable salary earned in 2021, paid in 2022.
- 3) Cost incurred in 2022 for the long-term share-based incentive programs.
- 4) Includes allowances and other benefits such as housing, company car, medical insurance.
- 5) Other members comprised of 12 people end of 2021. Remuneration for other members of Group Management includes SVP APAC & MEA, Richard Flynn, as of October 2021 and President Unified Brands, Dave Herring, as of December 2021.

NOTE 26 EMPLOYEES AND REMUNERATION, CONT.

The share-based compensation program is classified as equity settled transactions, and the cost of the granted instrument's fair value at grant date is recognized over the vesting period which is 2.6 years. At each balance sheet date, the Group revises the estimates to the number of shares that are expected to vest. The impact of the revision to original estimates, if any, is recognized in the income statement, with a corresponding adjustment to equity. In addition, the Group provides for social costs expected to be paid in connection with the share-based compensation programs. The costs are charged to the income statement over the vesting period. The provision is periodically revalued based on the fair value of the instruments at each closing date.

Outstanding share awards

Share awards	2022		2021 ¹
	LTI 2022	LTI 2021	LTI 2021
At January 1 ²	-	601,807	-
Granted ³	711,519	-	601,807
Forfeited ⁴	-386,030	-61,905	-
Exercised ⁵	-	-	-
At December 31⁶	325,489	539,902	601,807

- 1) The first share-based program launched by Electrolux Professional was in 2021, there is therefore no other history to present.
- 2) Outstanding share awards at the beginning of the year.
- 3) Shares awarded during the year.
- 4) Forfeited awards during the year based on performance outcome and/or employees leaving the company.
- 5) Vested awards during the year. LTI 2021 will vest in 2024 and LTI 2022 will vest in 2025.
- 6) Number of share awards at the end of the year.

NOTE 27 FEES TO AUDITORS

At the 2021 Annual General Meeting Deloitte was appointed auditor for the period until the end of the 2022 Annual General Meeting.

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Deloitte				
Audit fees ¹	17	16	6	6
Audit-related fees ²	0	0	-	-
Tax fees ³	0	-	-	-
All other fees	0	0	-	-
Total fees to Deloitte	18	16	6	6
Audit fees to other audit firms	2	0	-	-
Total fees to auditors	20	16	6	6

- 1) Audit fees consist of fees for the annual audit-services engagement and other audit services, which are those services that only the external auditors reasonably can provide, and includes the Group audit; statutory audits; comfort letters and consents; and attest services.
- 2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit of the accounts and annual reports of the Group and group companies traditionally performed by the external auditors, and include consultations concerning financial accounting and reporting standards; internal control reviews; as well as reviews of interim reports.
- 3) Tax fees include tax compliance and tax consultation services.

NOTE 28 TRANSACTIONS WITH RELATED PARTIES

Transactions between Electrolux Professional AB and its subsidiaries have been eliminated in the Group and are not disclosed in this note. Remuneration to members of the Board of Directors and Group Management are disclosed in Note 26. Transactions related to post-employment plans are disclosed in Note 21. Equity transactions with shareholders are disclosed in Note 20.

The Parent Company's largest shareholder, Investor AB, controls approximately 32.4% of the voting rights in Electrolux Professional AB. The Group has not had any transactions with Investor AB during the year, and there are no outstanding balances with Investor AB. Investor AB has controlling or significant influence over companies with which Electrolux Professional may have transactions within the normal course of business. Commercial terms and market prices apply to any such transactions.

NOTE 29 UNTAXED RESERVES, PARENT COMPANY

SEKm	December 31, 2022	Appropriations	December 31, 2021
Accumulated depreciation in excess of plan			
Brands	8	-3	11
Licenses	-	-	-
Machinery and equipment	85	-6	91
Buildings	-	-	-
Other	4	-2	6
Total	97	-11	108
Group contributions		-	
Total appropriations		-11	

NOTE 30 SHARES AND PARTICIPATIONS

Group companies

The following table lists the companies included in the Electrolux Professional Group, split into direct and indirect shareholdings by the Parent Company.

Subsidiaries, direct shareholdings	Corp. ID no.	Country	City of residence	Holding, %	Legal form	Carrying amount Parent Company	
						2022	2021
Electrolux Professional Australia Pty Ltd	634 149 250	Australia	Scoresby	100%	Limited Liability Company	22	22
Electrolux Professional Austria GmbH	FN516160 i	Austria	Brunn Am Gebirge	100%	Limited Liability Company	0	0
Electrolux Professional Belgium B.V.	0729.704.769	Belgium	Brussels	100%	Limited Liability Company	5	5
Electrolux Profissional do Brasil	3563041087-8	Brazil	São Paulo	100%	Limited Liability Company	0	0
Electrolux (Shanghai) Professional Appliances Co., Ltd.	91310120332328256Q	China	Shanghai	100%	Limited Liability Company	114	114
Electrolux Professional d.o.o	081259831	Croatia	Zagreb	100%	Limited Liability Company	0	0
Electrolux Professional Czech Republic s.r.o.	08340226	Czech Republic	Prague	100%	Limited Liability Company	1	1
Electrolux Professionals A/S	24622428	Denmark	Hvidovre	100%	Limited Liability Company	7	7
Electrolux Professional Oy	0816444-8	Finland	Helsinki	100%	Limited Liability Company	0	0
Electrolux Professionnel SAS	996750030	France	Saint-Denis	100%	Limited Liability Company	294	595
UNIC SAS ²	958 806 408	France	Carros	100%	Limited Liability Company	0	80
Electrolux Professional GmbH	HRB20581	Germany	Nürnberg	100%	Limited Liability Company	252	252
Electrolux Professional Hellas SA	AME 322157	Greece	Athens	100%	Limited Liability Company	0	0
Electrolux Professional Hungary Kft	Cg.16-09-018699	Hungary	Jászberény	100%	Limited Liability Company	0	0
Electrolux Professional India Private Limited	U31909HR2019-FTC082077	India	Gurgaon	100%	Limited Liability Company	2	2
Electrolux Professional S.p.A.	00072220932	Italy	Pordenone	99% ¹⁾	Limited Liability Company	3,105	3,105
S.P.M Drink Systems S.p.A.	03195610369	Italy	Spilamberto	100%	Limited Liability Company	258	258
Electrolux Professional Japan Limited	01040103326	Japan	Tokyo	100%	Limited Liability Company	32	119
Electrolux Professional Korea Co., Ltd.	110111-7179248	Korea	Seoul	100%	Limited Liability Company	0	0
Electrolux Professional Sdn Bhd	147661P	Malaysia	Petaling Jaya	100%	Limited Liability Company	3	3
Electrolux Professional B.V.	33269220	The Netherlands	Rotterdam	100%	Limited Liability Company	53	53
Electrolux Professional New Zealand Limited	7497977	New Zealand	Wellington	100%	Limited Liability Company	3	3
Electrolux Professional AS	923830197	Norway	Oslo	100%	Limited Liability Company	66	66
Electrolux Professional Poland Sp. z o.o.	0000786645	Poland	Warsaw	100%	Limited Liability Company	0	0
Limited Liability Company Electrolux Professional Rus ³	1197746476806	Russia	Moscow	99% ¹⁾	Limited Liability Company	0	10
Electrolux Professional Singapore Pte. Ltd.	201919595D	Singapore	Singapore	100%	Limited Liability Company	0	0
Electrolux Professional s.r.o.	31 358 446	Slovakia	Bratislava	99% ¹⁾	Limited Liability Company	6	6
Electrolux Professional S.A.	ESA28238947	Spain	Madrid	100%	Limited Liability Company	80	80
Electrolux Professional Sweden AB	556025-2081	Sweden	Stockholm	100%	Limited Liability Company	61	61

NOTE 30 SHARES AND PARTICIPATIONS, CONT.

Subsidiaries, direct shareholdings	Corp. ID no.	Country	City of residence	Holding, %	Legal form	Carrying amount Parent Company	
						2022	2021
Electrolux Professional Holding AB	559006-2278	Sweden	Stockholm	100%	Limited Liability Company	0	0
Electrolux Professional AG	CHE-105.957.638	Switzerland	Sursee	100%	Limited Liability Company	197	197
Crathco Ltd	105541040522	Thailand	Rayong	100%	Limited Liability Company	275	275
Electrolux Professional (Thailand) Co., Ltd.	0105562090821	Thailand	Bangkok	100%	Limited Liability Company	65	65
Electrolux Professional Durable Consumer Goods Industry and Trade Joint Stock Company	223730/5	Turkey	Istanbul	100%	Limited Liability Company	10	10
Electrolux Professional Middle East DMCC	DMCC176056	United Arab Emirates	Dubai	100%	Limited Liability Company	0	0
Electrolux Professional Ltd.	00637383	United Kingdom	Luton	100%	Limited Liability Company	495	495
Electrolux Professional US Holdings, Inc.	EIN 84-3103055	USA	Wilmington, Delaware	100%	Limited Liability Company	539	539
Carrying amount, December 31						5,945	6,423

1) Electrolux Professional Sweden AB holds 1%.

2) Merged into Electrolux Professionnel SAS during 2022.

3) Sold during 2022.

Subsidiaries, indirect shareholdings	Country	City of residence	Holding, %
Electrolux Professional Laundry Systems France SNC	France	Rosères-Près-Troyes	100%
Exefem	France	Saint-Denis	100%
Schneidereit GmbH	Germany	Solingen	100%
UNIC Japan KK	Japan	Tokyo	100%
GCS Mexico SA de CV	Mexico	Ciudad Juárez	100%
Schneidereit UK Ltd.	United Kingdom	Luton	100%
Electrolux Professional LLC	USA	Louisville	100%
Grindmaster Corporation	USA	Louisville	100%
Unified Brands	USA	Delaware	100%

NOTE 31 CLIMATE

In preparing the financial statements the management has considered the potential impact of climate change. Our target is to reduce CO₂ emission scope 1+2 by at least 50% by 2025 compared to 2015. Our climate ambition for 2030 is to become climate neutral within all our industrial operations by 2030. In addition, we have submitted our Science-Based Targets for scope 1, 2 and 3 to SBTI for validation and approval. Read more in the Sustainability Report on pages 48–65.

Climate-related risks

Climate-related risks may impact the below areas and the financial statements but are not considered to be key areas of judgments or sources of estimation uncertainty in the current financial year.

The purpose of a scenario analysis is to analyze future events by considering possible alternative outcomes. It is meant as a tool for companies to make strategic risk management decisions, providing insights and clarifying predictable and uncertain elements in different futures. It is meant to help frame and evaluate climate change's strategic and financial consequences. We have carried out a climate scenario risk and opportunity analysis according to the TCFD recommendations for 2022.

The two scenarios inform the identified transition risks and physical risks:

- A. Transition risks are related to the financial risks of not being prepared for the socio-economic changes of a world striving to meet the Paris Agreement ambition of limiting global warming to well below 2°C.
- B. Physical risks are related to the financial risks of not being prepared for the physical changes of a world where ambitious climate policies fail or fall short, and the global warming of the world pushes towards 4°C.

Transition risks identified:

- » Increased prices due to carbon prices
- » Increased transport prices due to low carbon emission transport
- » Energy price volatility due to energy decarbonization.
- » Increased steel prices due to leftover carbon.
- » Energy labeling and circular economy legislation impacting the increase in prices.

Physical risks identified:

- » Asian sites are more prone to climate risks
- » Suppliers located in Asia are more prone to climate risks

Read more in the Sustainability Report on page 48 and Risk Management on page 82.

Products

Our main environmental impact occurs during the product-use phase (energy, water, detergents); therefore, there is a clear strategy to develop and offer energy-efficient and low-resource-consuming products. Over the years, Electrolux Professional Group has invested in new product ranges which are energy efficient and lower in running costs as well as impact on the environment in the form of lower water, energy, and detergent consumption. We have a clear strategy for developing low-carbon and water/energy-efficient solutions given the EU's potential regulations on Eco-design and/or energy labeling, and we continue to be the market leader in sustainability. By offering integrated products and services, including logistics and transportation, compared to our competitors, we can reduce complexity for our customers, thereby reducing greenhouse gas emissions. This means that there is no extraordinary need for impairment of existing products and product development. There is no need for further investments or costs in the forecasts supporting the 2022 financial statements.

Production

The factories are modern and efficient and in the short-term, energy efficiency is the main tool i.e., use less energy and convert to renewable energy sources, review the replacement of heating systems, ventilation, lighting, insulation, compressed air, windows, doors etc. and streamline production processes. The climate target for 2025 will be achieved within the normal running costs and capex, which means that no extraordinary and costly adaptations are foreseen until 2025. To reach our climate ambition for 2030 further investigations are needed to clarify if further investments need to be made, such as options for heating for buildings instead of using natural gas. A project was therefore started in late 2022 to investigate the potential costs. There is no need for further investments or costs in the forecasts supporting the 2022 financial statements.

NOTE 32 EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after the balance sheet date.

NOTE 33 PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors propose that income for the year and retained earnings are to be distributed as follows:

	'000 SEK
Dividend to the shareholders	201,178
To be carried forward	6,294,570
Total	6,495,748

The Board of Directors give their assurance that the consolidated financial statements and annual report have been prepared in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, on the Application of International Accounting Standards and Generally Accepted Accounting Standards, and give a true and fair view of the financial position and results of operations of the Group. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations. The administration report for the Group and the Parent Company gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm March 29, 2023

Electrolux Professional AB (publ)
556003-0354

Kai Wärn
Chairman of the Board

Katharine Clark
Board member

Lorna Donatone
Board member

Hans Ola Meyer
Board member

Daniel Nodhäll
Board member

Martine Snels
Board member

Carsten Voigtländer
Board member

Joachim Nord
Employee representative

Jens Pierard
Employee representative

Alberto Zanata
President and CEO

The Auditor's report was issued on March 29, 2023
Deloitte AB

Jan Berntsson
Authorized Public Accountant

Auditor's report

To the General Meeting of the Shareholders of Electrolux Professional AB (publ) corporate identity number 556003-0354.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Electrolux Professional AB (publ) for the financial year 2022-01-01–2022-12-31. The annual accounts and consolidated accounts of the company are included on pages 91–141 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited com-

pany or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue Recognition

Revenues in the Group amounts to 11,037 MSEK and consists of a large number of transactions that mainly comprises sales of appliances and spare parts. Revenue recognition cut off constitutes a key audit matter in our audit.

The Group's accounting principles and disclosures related to revenue recognition can be found in note 4.

Our audit procedures

Our audit procedures included, but were not limited to:

- » evaluation of the Group's accounting principles for revenue recognition and its compliance with IFRS,
- » test of identified key controls, within the revenue process, including relevant IT controls
- » analytical procedures, and
- » detailed testing of sales transactions on a sample basis to confirm proper revenue cut off.

Valuation of inventory

Inventory in the Group amounts to 1,981 MSEK and is held by several production and sales units in different countries. Valuation of inventory requires clear policies among other things related to provisions for obsolescence which is subject to management's estimates especially given large price variances related to raw material and

components. Processes for valuation of inventory constitutes a key audit matter in our audit.

The Group's accounting principles and disclosures related to inventory can be found in note 15.

Our audit procedures

Our audit procedures included, but were not limited to:

- » evaluation of the Group's accounting principles for inventory to verify compliance with IFRS,
- » evaluation of the internal control environment regarding valuation of inventory and test of design and implementation of identified key controls including relevant IT controls,
- » attending physical inventory counts,
- » on sample basis testing for example purchase prices, and
- » evaluating management's estimates related to provisions for obsolescence.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–9, 11–47, 67, 80–88, 145–148, 164–169. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

An additional description of our responsibility for the audit of the annual accounts and the consolidated accounts is located at the Swedish Inspectorate of Auditors' web page: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the auditor's report

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Electrolux Professional AB (publ) for the financial year 2022-01-01 – 2022-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the

statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the on-going administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- » has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- » in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

An additional description of our responsibilities for the audit of management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Electrolux Professional AB (publ) for the financial year 2022-01-01 – 2022-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Electrolux Professional AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

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

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

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance report on pages 68-79 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance report is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Electrolux Professional AB (publ) by the general meeting of the shareholders on 28 April 2022 and has been the company's auditor since 1 June 2018.

Stockholm 29 March 2023

Deloitte AB

Jan Berntsson
Authorized public accountant

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

Six years in summary

SEKm	2022	2021	2020	2019	2018	2017
Food & Beverage						
Net sales	7,290	4,704	4,198	5,895	5,399	4,922
EBITA*	679	299	87	568	629	607
EBITA, %*	9.3	6.4	2.1	9.6	11.7	12.3
Operating income*	542	244	35	522	599	572
Operating margin, %*	7.4	5.2	0.8	8.9	11.1	11.6
Laundry						
Net sales	3,747	3,159	3,065	3,386	3,267	2,801
EBITA*	608	492	467	507	573	502
EBITA, %*	16.2	15.6	15.2	15.0	17.6	17.9
Operating income*	590	475	452	488	558	499
Operating margin, %*	15.7	15.0	14.7	14.4	17.1	17.8
Group shared cost						
Operating income*	-177	-128	-100	-18	-14	-11
Total Group						
Net sales	11,037	7,862	7,263	9,281	8,666	7,723
EBITA*	1,111	663	456	1,058	1,188	1,098
EBITA, %*	10.1	8.4	6.3	11.4	13.7	14.2
Operating income*	955	592	387	992	1,143	1,060
Operating margin, %*	8.7	7.5	5.3	10.7	13.2	13.7

*) Alternative performance measure.

SEKm, if not otherwise stated	2022	2021	2020	2019	2018	2017
Net sales	11,037	7,862	7,263	9,281	8,666	7,723
Organic growth, %*	16.9	10.6	-21.0	-0.3	4.1	5.6
EBITA*	1,111	663	456	1,058	1,188	1,098
EBITA, %*	10.1	8.4	6.3	11.4	13.7	14.2
Operating income*	955	592	387	992	1,143	1,060
Operating margin, %*	8.7	7.5	5.3	10.7	13.2	13.7
Income after financial items	895	587	363	978	1,134	1,052
Income for the period	686	487	278	663	952	786
Items affecting comparability*	-35	-	-77	-32	-	-
Capital expenditure*	-139	-159	-273	-257	-169	-167
Operating cash flow after investments*	636	1,116	570	1,138	1,131	1,167
Operating working capital, % of net sales*	16.7	14.9	19.9	17.7	16.3	13.8
Earnings per share, SEK ¹	2.39	1.69	0.97	2.31	3.31	2.74
Dividend per share, SEK ^{1, 2}	0.70	0.50	-	-	-	-
Equity per share, SEK, ^{1, 3}	14.86	12.27	9.74	9.43	31.91	8.43
Net debt*	2,050	1,705	549	1,025	-226	-481
EBITDA*, ⁴	1,369	886	684	1,280	1,363	1,253
Net debt/EBITDA ratio*	1.5	1.9	0.8	0.8	-0.2	-0.4
Average number of shares, million ¹	287	287,4	287,4	287,4	287,4	287,4
Number of employees, end of period	4,022	3,973	3,515	3,624	3,555	3,183

*) Alternative performance measure.

1) Basic number of outstanding shares.

2) 2022; proposed by the Board.

3) Year 2020 has been restated.

4) Rolling four quarters.

Definitions and reconciliation of alternative performance measures

Electrolux Professional Group presents certain measures that are not defined under IFRS (alternative performance measures – “APMs”). These are used by management to assess the financial and operational performance of the Group. Management believes that these APMs provide useful information regarding the Group’s

financial and operating performance. Such measures may not be comparable to similar measures presented by other companies. Consequently, APMs have limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS. The APMs have been

derived from the Group’s internal reporting and are not audited. The APM reconciliations can be found on the Group’s website www.electroluxprofessional.com/corporate/interim-reports/

APM	Definition	Reason for use
Organic growth %	Change in sales growth excluding net FX impact and acquisitions.	The Group’s presentation currency is SEK while the Net sales are mainly in other currencies. Organic growth is dependent on fluctuations in SEK versus other currencies, and acquired or divested business can additionally have an impact on reported net sales. Organic growth adjusted for acquisitions and currency shows the underlying sales development without these parameters.
Acquisitions %	Change in net sales during the current period attributable to acquired operations in relation to prior year sales, following a period of 12 months commencing the acquisition date.	See "Organic growth" above.
Divestments %	Change in net sales during the current period attributable to divested operations in relation to the prior period’s sales, following a period of 12 months commencing on the divestment date.	See "Organic growth" above.
Operating income (EBIT)	Earnings before interest and tax	Used as an indicator that shows the Group’s ability to make a profit, regardless of the method of financing (then determines the optimal use of debt versus equity).
Operating margin (EBIT margin)	Operating income expressed as a percentage of net sales.	Operating margin shows the operating income as a percentage of net sales. Operating margin is a key internal measure, as the Group believes that it provides users of the financial statements with a better understanding of the Group’s financial performance both short and long term.
Items affecting comparability	Material profit or loss items such as capital gains and losses from divestments of product groups or major units, close down or significant down-sizing of major units or activities, significant impairment, and other major costs or income items.	Summarizes events and transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods.
Operating margin excluding items affecting comparability	Operating income less items affecting comparability as a percentage of net sales	Operating margin excluding items affecting comparability shows the operating income as a percentage of net sales adjusted for the items affecting comparability defined below. This is a key internal measure, as the Group believes that it provides users of the financial statements with a better understanding of the Group’s financial performance both short and long term.
Capital expenditure	Investments in property, plant and equipment, product development, and other intangible assets	Used to ensure that cash spending is in line with the Group’s overall strategy for the use of cash.

APM	Definition	Reason for use
EBITA	Operating income less amortization and write-down related to intangible assets (excluding right-of-use assets).	EBITA gives an indication of the operating income less amortization and write-down related to intangible assets (excluding right-of-use assets), mainly used to follow up operating income without the impact of amortization of surplus values related to acquisitions.
EBITA margin	EBITA expressed as a percentage of net sales.	Used to evaluate business performance in relation to net sales in order to measure the efficiency of the Company.
EBITA excluding items affecting comparability	Operating income less amortization and write-down related to intangible assets (excluding right-of-use assets) and less items affecting comparability.	Items affecting comparability vary between years and periods and are excluded from EBITA in order to analyze trends.
EBITA margin excluding items affecting comparability	EBITA excluding items affecting comparability, expressed as a percentage of net sales.	Items affecting comparability vary between years and periods and are excluded from EBITA margin in order to analyze trends.
EBITDA	EBITA less depreciation.	This is an indicator of the cash-generating capacity of the business in relation to sales.
Operating cash flow after investments	Cash flow from operations and investments adjusted for financial items paid net, taxes paid, and acquisitions/divestments of operations.	To monetarize the cash from core operations.
Net debt	Shows short-term borrowings (short-term loans and trade receivables with recourse), accrued interest expenses and prepaid interest income and long-term borrowings, lease liabilities, net provisions for post-employment benefits less liquid funds (cash and cash equivalents, prepaid interest expenses, and accrued interest income).	Net debt describes the Group's total debt financing and is monitored by management.
Net debt/EBITDA	Net debt in relation to EBITDA (Net debt is based on the end-of-period balance. EBITDA is calculated based on last four rolling quarters).	A measurement of financial risk, showing net debt in relation to cash generation.
Operating working capital, % of net sales	Sum of currency-adjusted last twelve months' average of inventories, trade receivables, and trade payables (Operating working capital) as percentage of currency-adjusted last twelve months' average net sales. All months of the period are currency adjusted by applying the end-of-period average currency rate.	Used to evaluate how efficient the Group is in generating cash in relation to net sales.



Sustainability notes

Sustainability notes

Auditor's report on the sustainability report

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About this report

Reporting framework

This report has been prepared in accordance with the Swedish Annual Accounts Act related to statutory sustainability reporting. The main audiences for the report are shareholders and other stakeholders. Electrolux Professional's main stakeholders are identified by assessing the magnitude of the impacts from, or on, our business and operations. The Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) 2021. See page 160-161 for the GRI Index. Electrolux Professional has performed a materiality analysis to determine the most relevant sustainability topics within our value chain. We have also established sustainability targets to highlight our ambitions in a number of significant areas. As a signatory of the UN Global Compact, Electrolux Professional uses this report to highlight progress regarding the 10 principles.

External assurance

Our auditors, Deloitte, have performed a limited assurance of this Sustainability Report. See page 162 for the limited assurance report.

Scope of the report

The Sustainability Report is published annually. This report covers data that has been collected for the 2022 calendar year.

Unified Brands, acquired by Electrolux Professional Group in December 2021, has been included in the sustainability reporting since 2022, excluding ISO-certification – as described in page 41 and page 60 in the Annual report.

The environmental data in this report covers 12 (11) manufacturing sites and all R&D, logistic centers, and offices where we have manufacturing sites. It also includes the former manufacturing site in Louisville now turned into a logistics center.

The people data disclosed relating to GRI topics 2-7, 2-8, 2-24, and 2-30, covers the full scope of the company. As people data is collected from different systems, minor variations in the total number of employees might exist at any specific point in time.

Performance indicators normally cover the last five years. Variations might occur, depending on relevance and/or data availability. Historical baselines for performance indicators are not fully comparable as acquired operations are integrated within the report.

Re-statements

Due to error found in reported energy data for Troyes site in 2021, this has been updated in 2022 report. Resulting in a higher direct CO₂ emission by 9% in 2021.

Assumptions and calculations

Emission factors are based on the "Emission factors 2022 edition" provided by the International Energy Agency (IEA). Values used in the report are offset by a three-year period (2022 using figures for 2019). The company uses zero as the emission factor for use of renewable energy.

Electrolux Professional applies the Precautionary principle for its sustainability reporting and management, this means we are cautious wherever estimates are applied. Wherever estimations are made, this is indicated as footnotes.

Deviations from GRI Standards

GRI 201-1 Direct economic value generated and distributed: Direct economic value distributed is based on operating cost instead of actual value distributed (payments) during the period.

GRI 2-21 Annual total compensation ratio: Information on ratio according to 2-21-a and 2-21-b not disclosed, since too extensive to collect information from the various systems to calculate.

GRI 301 Material: No topic-specific disclosures are included in the report. The reason for exclusion is mainly related to poor availability of data for part of the reporting scope. Information about spend per category is disclosed on page 43.

GRI 303-4 Water discharge: Storm water that is not collected or used is not considered as water discharge if it goes into our storm drains.

GRI 306 Waste: Only reporting on topic disclosure.

306-3 Waste generated: Topic management disclosures excluded.

GRI 403-9 Work-related injuries: Includes lost time due to injuries. Employees and temporary hires are included. Employees working at manufacturing sites are included based on local selection. On some sites a small number of the white-collar employees is not included, depending on local reporting practices.

GRI 405-1 Diversity of governance bodies and employees: The average number of employees is used for gender distribution. Year-end data collected from local/regional HR systems is used for age distribution data.

Sustainability management and governance

The Board of Directors decides on the strategy, direction, and overall targets of the Group's sustainability work. The Group Management Team further defines and implements procedures. Each local management and business function has a delegated responsibility for the implementation of group policies and risk mitigation and performance.

The Group Sustainability function supports the business by identifying the prioritized and strategic sustainability issues and helps integrate them into the business. The function also monitors the overall performance through dialog, performance data, and audit results. Performance is reported to the Group Management Team.

Sustainability Board

During 2022 a Sustainability Board was established to share the sustainability information, collect feedback, oversee the implementation of the Group's sustainability strategy across the whole organization, and strengthen the governance of the sustainability work. Sustainability board is chaired by Group Sustainability Vice President who reports the performance of the Sustainability Board to the Group Management and the Board of Directors.

The Sustainability Board has taken decision on:

- Creating a sustainability network
- Allocate resources for conflict mineral compliance
- Evaluate software platform for digitalizing sustainability data reporting

Code of Conduct governance

Business ethics and code of conduct expectations of managers and employees are published on the Group's intranet. A Code of Conduct Steering Group has been established and meets regularly to follow up on the effectiveness of the program, in particular our whistleblowing procedures.

Reporting in accordance with the EU Taxonomy regulation

Contextual information

The Taxonomy should support a transition to an economy that is consistent with the environmental objectives of the European Union (EU). The Taxonomy includes definitions of economic activities that are considered eligible, as well as technical screening criteria for economic activities that are classified as environmentally sustainable.

Electrolux Professional provides professional food service, beverage, and laundry solutions, serving a wide range of customers globally, from restaurants and hotels to healthcare, educational and other service facilities. There are no specific screening criteria defined for manufacturing of professional food, laundry and beverage appliances related to climate change mitigation and adaptation (including enabling economic activity within other sectors). Electrolux Professional recognizes that the EU Taxonomy framework is in development and that our report-

ing will evolve as more targets are adopted and more guidance/practices are established. The company takes into account that the European Commission is considering the introduction of additional technical screening criteria. At this point none of Electrolux Professional product or service offerings are classed as economic activities that are considered eligible according to the EU Taxonomy regulation.

Assessment of compliance with the regulation

The Taxonomy includes definitions of economic activities that are considered eligible, as well as technical screening criteria for economic activities that are classified as environmentally sustainable. Electrolux Professional has screened activities that may potentially be considered environmentally sustainable, based on available technical screening criteria. Electrolux Professional considers economic activities that are eligible where such technical

screening criteria are available.

The EU Taxonomy under the category 3.5 Manufacture of energy efficiency equipment for buildings, specifies technical screening criteria for household appliances with energy labeling requirements in accordance with Regulation (EU) 2017/1369. Electrolux Professional sells some limited number of products that fall under this definition but is not the manufacturer of them. Only products manufactured in-house are considered eligible according to Electrolux Professional's interpretation of the EU Taxonomy.

Electrolux Professional has not identified any economic activities that generate eligible turnover, according to the Taxonomy.

CAPEX/OPEX

As none of Electrolux Professional's turnover is considered eligible, none of its CAPEX/OPEX for assets or processes are associated with Taxonomy-aligned economic activities. Furthermore, the Com-

pany does not have any CAPEX/OPEX that allows Taxonomy-eligible economic activities to become Taxonomy-aligned.

However, we have identified purchases of taxonomy-eligible products and services corresponding to 6% of CAPEX. These are related to categories 7.3 (roof refurbishment), 7.5 (HVAC management system) and 7.7 (office leases) of Annex 1 to the Climate Delegated Act.

Due to lack of more granular information from suppliers these identified activities are not verified according to the substantial contribution criteria, DNSH criteria or minimum safeguards, but only listed as taxonomy-eligible.

Accounting policy Turnover

Turnover is defined as net sales from products and services which equals the total net sales as disclosed in the Consolidated statement of total comprehensive income. See page 96.

Capital expenditure

Capital expenditure are additions to tangible, intangible, and right-of-use assets during the year including additions from business combinations. Acquired goodwill is not included. See Notes 8, 12 and 13. Capital expenditure for eligible activities in 2022, includes certain capitalized assets as found on the balance sheet.

Operational expenditure

Operational expenditure includes direct non-capitalized costs related to R&D costs including variances, costs for renovating buildings and offices, short-term lease costs, costs for maintaining or repairing buildings/offices/production equipment/forklifts/warehouse equipment.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2022

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria					DNSH criteria (Does Not Significantly Harm)					Minimum safeguards	Taxonomy-aligned proportion of turnover, 2022	Category (enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Biodiversity and ecosystems					
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmental sustainable activities (Taxonomy-aligned)																		
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1))		0	-%														-%	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	-%															
Total (A.1 + A.2)		0	-%															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities (B)		11,037	100%															
Total (A + B)		11,037	100%															

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2022

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria					DNSH criteria (Does Not Significantly Harm)					Minimum safeguards	Taxonomy aligned proportion of CapEx, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Biodiversity and ecosystems				
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1 Environmental sustainable activities (Taxonomy-aligned)																	
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1))		0	-%														-%
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																	
Installation, maintenance and repair of energy efficiency equipment		7.3	12	6%													
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		7.5	1	0%													
Acquisition and ownership of buildings		7.7	6	3%													
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		18	10%														
Total (A.1 + A.2)		18	10%														
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
CapEx of Taxonomy-non-eligible activities (B)		172	90%														
Total (A + B)		190	100%														

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2022

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria					DNSH criteria (Does Not Significantly Harm)					Minimum safeguards	Taxonomy aligned proportion of OpEx, 2022	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Biodiversity and ecosystems				
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1 Environmental sustainable activities (Taxonomy-aligned)																	
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1))		0	-%														-%
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	-%														
Total (A.1 + A.2)		0	-%														
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
OpEx of Taxonomy-non-eligible activities (B)		508	100%														
Total (A + B)		508	100%														

Environmental data

Energy consumption within the organization¹⁾ GRI 302-1

Year	Energy use by type (MWh)					Renewable energy use (MWh)			
	Natural gas	LPG	District heating	Electricity	Total	Renewable energy	Non-renewable energy	Total	
2018	9,044	0	4,391	18,453	31,888	15,563	16,325	31,888	
2019	10,147	0	3,938	19,133	33,218	15,197	18,021	33,218	
2020	8,777	0	3,550	16,484	28,811	13,777	15,033	28,811	
2021	9,519	905	4,426	17,675	32,525	14,560	17,964	32,525	
2022	Electrolux Professional excl. Unified Brands	9,430	987	3,936	17,156	31,509	15,592	15,917	31,509
	Unified Brands	2,773	254	0	7,230	10,256	0	10,256	10,256
	Total	12,202	1,241	3,936	24,386	41,765	15,592	26,172	41,765

1) Electrolux Professional did not previously report on site generated electricity to the Electrolux Group. On site generated Electricity is included in above values.

Note: The baseline is not fully comparable as 5 acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as 2 acquired plants were added during 2022 (Unified Brands US).

Note: Data for 2021 has been corrected due to an error in previously reported data.

Water

GRI 303-3

Total water withdrawal from all areas in megaliters^{1, 2, 3}

Year	Municipal Water Supply - Purchased	Ground water	Surface water	Total	
2018	96			96	
2019	94			94	
2020	83	1		84	
2021	67	1	1	69	
2022	Electrolux Professional excl. Unified Brands	60	1	1	62
	Unified Brands	1	0	0	1
	Total	61	1	1	63

1) 1 megaliter equals 1,000 m³.

2) Internal risk area defined by using WWF's water risk filter.

3) EPR operations have no water withdrawal from areas with water risks.

Note: The baseline is not fully comparable as 5 acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as 2 acquired plants were added during 2022 (Unified Brands US).

Own disclosure - Product water consumption

	2019	2020	2021	2022
Product water consumption efficiency compared to 2019	0%	1.5%	2.3%	2.4%

Only includes dishwashing and laundry. Target to improve efficiency by 8% by year-end 2025 (base year 2019).

Water

GRI 303-4

Total water discharge to all areas in megaliters^{1,2}

Year	Third-party destinations		Fresh surface water		Total	
	Untreated	Pre-treated	Untreated	Pre-treated		
2018	48	29	0	0	77	
2019	50	25	0	0	74	
2020	42	33	0	0	75	
2021	36	26	0	0	62	
2022	Electrolux Professional exl. Unified Brands	5	51	0	0	56
	Unified Brands	1	0	0	0	1
	Total	6	51	0	0	57

1) Figures are based on engineering estimates and data provided from the sites.

2) Electrolux Professional operations have no water discharge in water stressed areas.

Note: Storm water that is not collected or used is not considered as water discharge if it goes into our storm drains.

Note: The baseline is not fully comparable as 5 acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as 2 acquired plants were added during 2022 (Unified Brands US).

Emission

GRI 305-1 and 305-2

Year	GRI 305-1	GRI 305-2	Own disclosure		
	Direct CO ₂ e emissions (metric kton)	Indirect CO ₂ e emissions (metric kton)	Total CO ₂ e (metric kton)	Use of HFC/HFO gases (ton)	
2018	1.7	1.7	3.5		
2019	2.0	1.9	3.8	18.6	
2020	1.7	1.4	3.1	16.1	
2021	2.0	1.7	3.7	17.5	
2022	Electrolux Professional exl. Unified Brands	2.0	0.9	2.9	15.3
	Unified Brands	0.6	2.7	3.3	2.45
	Total	2.6	3.6	6.2	17.8

1) Includes contributions from energy use and Green House Gas emissions.

2) Natural gas emission factors defined as combustion of gas with zero CO₂ content.

3) Emissions from use of renewable energy calculated as zero.

Note: The baseline is not fully comparable as 5 acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as 2 acquired plants were added during 2022 (Unified Brands US).

Note: Direct CO₂ emission 2021 updated, as it was incorrect, corrected in 2022 report +9% (Troyes site).
With a re-calculated baseline from 2015 (incl UB), Total CO₂ emissions reduced by 45%.

Waste^{1, 2}

GRI 306-3 and 306-4

2022	Metric kiloton	% of non- hazardous waste	Recovery (%)	Disposal (%)
Landfill	0.5	10%		10%
Incineration (without energy recovery)	0.0	1%		1%
Waste-to-Energy	0.5	9%		9%
Recycling	4.2	77%	77%	
Other recovery	0.2	3%	3%	
Total non-hazardous waste	5.4	100%	81%	19%

2022	Metric kiloton	% of non- hazardous waste	Recovery (%)
Hazardous waste			
Disposal without energy recovery	0.1	25%	
Recycling	0.2	52%	52%
Other/Unspecified	0.1	22%	
Total hazardous waste	0.4	100%	52%

2022 (metric kiloton)	Non- hazardous waste	Hazardous waste	Total	% of total
Total				
Disposal without energy recovery	0.6	0.1	0.7	11%
Waste-to-energy	0.5	0.2	0.7	12%
Recovery	4.4		4.4	75%
Other/unspecified		0.1	0.1	2%
Total	5.4	0.4	5.8	100%
Percentage of total	93%	7%	100%	

1) All waste is directed to and diverted from disposal offsite.

2) Only disclosing data for 2022.

People data

General

Total number of employees	Gender balance employees		Gender balance employees in managerial position		Production/ non-production		Covered by collective bargaining agreements ¹
	Male	Female	Male	Female	Production	Non-production	Coverage
4,022	69%	31%	74%	26%	43%	57%	44%
	2,775	1,247	417	144	1,734	2,288	1,773

1) For employees who are not covered by collective bargaining, contractual conditions are defined in agreement with local legislation requirement.

GRI 2-7 and GRI 2-8 Breakdown by gender	Female	Male	Other (Gender as specified by the employees themselves)		Total
			Not disclosed		
Number of employees ¹	1,247	2,775	0	0	4,022
Number of permanent employees	1,222	2,747	0	0	3,969
Number of temporary employees	25	28	0	0	53
Number of non-guaranteed-hours employees	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Number of full-time employees	1,110	2,747	0	0	3,857
Number of part-time employees	137	28	0	0	165

Breakdown by region	Europe	US	APAC	EMEA	Total
Number of employees	2,638	773	579	32	4,022
Number of permanent employees	2,593	770	574	32	3,969
Number of temporary employees	45	3	5	0	53
Number of non-guaranteed-hours employees	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Number of full-time employees	2,479	769	579	32	3,859
Number of part-time employees	159	4	0	0	163

Workers who are not employees²

Total number of workers who are not employees and whose work is controlled by the organization	634
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1) Total number of employees according to GRI 2-7.

2) This number includes contractors, agency workers, and interns.

Note: All people-data figures are reported in headcount. These data refer to the end of the reporting period (December 31, 2022). We do not hold information regarding non-guaranteed-hours employees.

New employee hires and employee turnover

GRI 401-1

	By gender				By age group			By region				Total
	Female	Male	Other (Gender as specified by the employees themselves)	Not disclosed	Under 30 years	30-50 years	Over 50 years	Europe	US	APAC	EMEA	
Total number of new employee hires during the reporting period	257	417	0	0	239	350	85	305	296	67	6	674
Rate of new employee hires during the reporting period	21%	15%	0%	0%	74%	16%	6%	11%	41%	11%	20%	17%
Total number of employee turnover during the reporting period	195	398	0	0	139	291	163	288	221	80	4	593
Rate of employee turnover during the reporting period	16%	14%	0%	0%	43%	13%	11%	11%	31%	14%	13%	15%

Training and development

GRI 2-24, 404-1, 404-3, 412-2

	By gender				Total	By employee category		Total
	Female	Male	Other (Gender as specified by the employees themselves)	Not disclosed*		Non production	Production	
Average hours of training	9.3	10.8	0	na	10.4	9.8	11	10.4
Number of training hours ¹⁾	11,635	29,838	0	473	41,945	22,504	19,441	41,945
Number of training hours only Code of Conduct ³⁾	260	552	0	1	813	350	464	813
Percentage of employees who received a performance review in 2022 ²⁾	57%	60%	0	0	59%	85%	25%	59%
Number of employees who received a performance review in 2022	708	1,673	0	0	2,381	1,943	438	2,381
Percentage of employees participating in Code of Conduct training in 2022 ³⁾	28%	27%	0	0%	27%	20%	36%	27%
Number of employees participating in Code of Conduct training in 2022	347	736	0	1	1,084	466	618	1,084

Note: * The number of not-disclosed employees is not available, so the correct average cannot be provided.

1) Number of hours is to some extent based on engineering estimates.

2) Including production and non-production employees. Ratio of performance and career development reviews is significantly higher for non-production employees.

3) Training includes anti-corruption and human rights topics.

Occupational health and safety

GRI 403-9 Work-related injuries

	2022	2021	2020	2019	2018
Number of work-related fatalities	0	0	0	0	0
Number of high-consequence injures > 6 month	1	0	0	1	0
Total number of work-related lost time injuries	18	14	19	25	16
Working hours (in thousands of hours)	5,588	4,062	3,453	3,569	3,770
Rate of fatalities as a result of work-related injury	0	0	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	1	0	0	0,1	0
Lost Time Injury rate ¹⁾	0.64	0.69	1.10	1.40	0.85

1) Own definition (Lost time injuries per 200 000 worked hours)

Note: One high-consequence injury occurred in 2022 in the Vallenoncello site, involving a lifting platform that hit an employee on the leg when it was being driven. The employee required surgery. The most common injures are lacerations and contusions (7 out of 18). The most commonly injured body part was the hand or arm (7 out of 18). More severe risks are related to forklift traffic and machines. Most lost time injuries in 2022 occurred in our assembly stations.

Reactive, preventive and proactive measures are managed within our health and safety pillar (page 47).

Diversity and equal opportunities

405-1 Diversity of governance bodies and employees¹⁾

2022	Gender distribution		Age distribution		
	Female	Male	<30	30-50	> 50
Board of Directors²⁾	43%	57%	-%	29%	71%
Group Management	18%	82%	-%	27%	73%
Employees²⁾	31%	69%	11%	53%	36%
Managerial positions	26%	74%	2%	60%	38%

1) Does not include employee representatives.

2) Age distribution data is based on year-end data collected from central or local/regional HR systems.

GRI index

The Global Reporting Initiative (GRI) index provides guidance on where information within this report is disclosed.

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	Contact point: Swapnil S Choudhari, VP Group Sustainability & Quality (swapnil.s.choudhari@electroluxprofessional.com)	
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GRI 303	Water and effluents (2018)		
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			Page/Information
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Auditor's Limited Assurance Report on Sustainability Report and statement regarding the Statutory Sustainability Report

To Electrolux Professional AB (publ), corporate identity number 556003-0354

Introduction

We have been engaged by the Board of Directors and Executive Management of Electrolux Professional AB (publ) to undertake a limited assurance engagement of the Electrolux Professional Sustainability Report for the year 2022. The Company has defined the scope of the Sustainability Report in connection to the table of content in the Annual Report and the Statutory Sustainability Report on page 93.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 150 in the Sustainability Report, and are part of the Sustainability Reporting Standards published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical

information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Electrolux Professional in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not

provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm 29 March 2023

Deloitte AB

Jan Berntsson

Authorized Public Accountant

Adrian Fintling

Expert Member of FAR



Share and shareholders

Share and shareholders

Share price and trading

Between January 1, 2022 and December 31, 2022 a total of 159 million Electrolux Professional shares were traded, amounting to a value of SEK 8,592m. This corresponds to a daily volume of 631,723 shares.

Trading on Nasdaq Stockholm accounted for 48%, Cboe Europe for 45% and Turquoise Europe for 4%.

The highest bid price (last price paid) during 2022 was SEK 70.20 on January 31, 2022. The lowest last price paid was registered on November 11, 2022 at SEK 39.24.

During the period, the Electrolux Professional B share price decreased by 31.96%, while Nasdaq

OMX Stockholm PI decreased by 25.15%.

Share ownership structure

At December 31, 2022 Electrolux Professional AB had 46,436 registered shareholders.

At December 31, 2022, Investor AB was the largest shareholder with a holding representing 32.4% of the votes and 20.5% of the capital in the company. The second largest shareholder was Swedbank Robur with 8.2% of the votes and 10.3% of the capital. Alecra Pension was the third largest shareholder with 7.4% of the votes and 7.8% of the share capital.

Share information

According to Electrolux Professional's Articles of Association, the share capital shall not be less than SEK 20,000,000 and not be more than SEK 80,000,000, divided into not less than 200,000,000 Class A shares and not more than 800,000,000 Class B shares. There are two classes of shares issued in the company, Class A and Class B shares.

As of December 31, 2022, the company's registered share capital amounted to SEK28,739,745, represented by 287,397,450 shares of which 8,045,314 were Class A shares and 279,352,136 were Class B

shares, each with a quota value of SEK 0.1. The total number of votes amounted to 35,980,527.6.

The shares in Electrolux Professional were issued in accordance with Swedish law, are fully paid and denominated in SEK. The shares are not subject to any restrictions on transferability. The rights of the shareholders may only be changed pursuant to the procedures set out in the Swedish Companies Act or the Articles of Association.

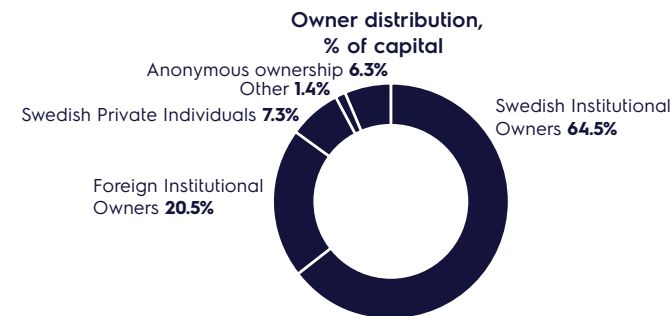
Dividend policy and history

Electrolux Professional's target is for the dividend to correspond to

approximately 30% of the income for the year. Any dividend is normally resolved upon by the Annual General Meeting. The Annual General Meeting of Electrolux Professional will be held on April 26, 2023.

The Board of Directors proposes to distribute a dividend to the shareholders of SEK 0.70 (0.50) per share for the 2022 financial year corresponding to approximately 30% of the profit for the year. This is in line with the policy to pay approximately 30% of net income in dividends. The proposed record date is April 28, 2023 and payment is expected to be made on May 4, 2023.

Share price performance, 2022



Delisting of Class A shares

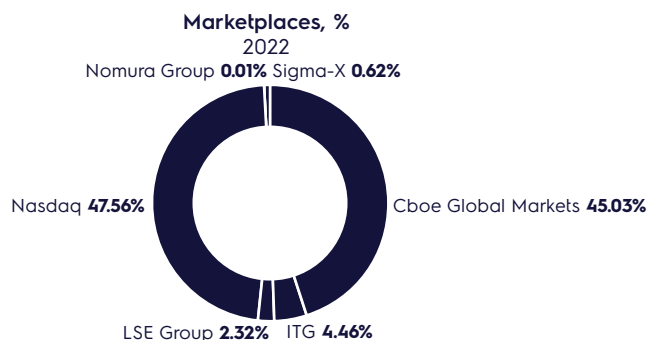
In September 2020, the Company's series A shares were delisted from Nasdaq Stockholm.

Conversion of Class A shares

Shareholders who hold Class A shares are entitled to convert their shares to Class B shares. In 2022, 2,668 Class A shares were converted to Class B shares.

Central securities depository

The Company's shares are book-entry registered in a securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument). The register is operated by Euroclear Sweden (Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden). The shares are registered by person. No share certificates have been issued for the shares or will be issued for the new shares.



Trading 2022

	EPRO B	Large Cap Stockholm
Average daily turnover	16,203,675	122,862,285
Average daily turnover rel. mcap	0.11%	0.25%
Average daily shares traded	299,850	1,326,393
Number of shares traded	75,861,977	56,179,364,829
Average trades per day	765	2,799
Number of trades	193,601	118,530,910
Average value per trade	21,175	33,987
High	70.20	-
Low	39.24	-
Volume-Weighted Average Price (VWAP)	54.04	-

Ownership structure

On December 31, 2022, Electrolux Professional Group had 46,436 registered shareholders. The table below shows Electrolux Professional Group's ownership structure on December 31, 2022.

Owners	EPRO A	EPRO B	Capital, %	Votes, %	Δ Capital, %
Investor	6,420,771	52,520,883	20.51	32.44	
Swedbank Robur Funds		29,503,708	10.27	8.20	0.52
Alecta Tjänstepension	453,900	22,025,098	7.82	7.38	
Handelsbanken Funds		22,295,858	7.76	6.20	0.13
Second Swedish National Pension Fund		12,732,997	4.43	3.54	
ODIN Funds		10,500,000	3.65	2.92	
First Swedish National Pension Fund		10,307,235	3.59	2.86	
Nordea Funds		9,841,288	3.42	2.74	0.25
C WorldWide Asset Management		7,350,000	2.56	2.04	
Investering & Tryghed A/S		6,327,685	2.20	1.76	0.62
Norges Bank		5,779,238	2.01	1.61	0.13
Didner & Gerge Funds		4,931,320	1.72	1.37	0.09
BlackRock		3,941,950	1.37	1.10	0.01
Clients Funds		3,819,506	1.33	1.06	
Länsförsäkringar Funds		2,739,771	0.95	0.76	0.02
Total top 15	6,874,671	204,616,537	73.59	75.98	1.78
Others	1,170,643	74,735,599	26.41	24.02	-1.78
Total	8,045,314	279,352,136	100.00	100.00	0.00

Data compiled by Modular Finance. Sources: Euroclear, Morningstar, Finansinspektionen, Millistream.

Owner distribution by country

December 31, 2022

Country	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
Sweden	208,450,248	72.53	78.02	44,640	96.13
Norway	17,054,247	5.93	4.74	296	0.64
Denmark	15,559,907	5.41	4.33	423	0.91
United States	22,167,131	4.40	3.51	160	0.34
Finland	10,784,675	3.75	3.00	165	0.36
Other countries	4,709,229	1.64	1.32	750	1.62
Unknown country	8,672,013	6.33	5.07	2	0.00
Total	287,397,450	100.00	100.00	46,436	100.00

Data compiled by Modular Finance. Sources: Euroclear, Morningstar, Finansinspektionen, Millistream.

Owner distribution by holdings

December 31, 2022

Size class	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
1-1,000	8,925,183	3.11	2.65	42,224	90.93
1,001-10,000	10,132,521	3.53	2.87	3,955	8.52
10,001-20,000	1,379,081	0.48	0.41	100	0.22
20,001-	258,289,140	86.56	89.00	157	0.34
Total	287,397,450	100.00	100.00	46,436	100.00

Data compiled by Modular Finance. Sources: Euroclear, Morningstar, Finansinspektionen, Millistream.

Share capital development

The table below shows the development of the company's share capital since January 1, 2017.

Year	Event	Class A shares	Class B shares	Change in share capital, SEK	Class A shares	Class B shares	Total number of shares	Total share capital, SEK	Quota value, SEK
Input value		-	-	-	25,000	-	25,000	25,000,000	1,000
2020	Bonus issue ¹⁾	8,167,539	279,204,911	3,739,745	8,192,539	279,204,911	287,397,450	28,739,745	0.1
Sep 30-Dec 31 2020	Conversion	-70,012	+70,012		8,120,527	279,276,923	287,397,450		
Jan 1-Dec 31 2021	Conversion	-72,545	+72,545		8,047,982	279,349,468	287,397,450		
Jan 1-Dec 31 2022	Conversion	-2,668	+2,668		8,045,314	279,352,136	287,397,450		

1) On February 18, 2020, the Annual General Meeting resolved on a bonus issue. The purpose of the bonus issue was to increase the share capital as well as the number of shares to reflect the share capital structure of Electrolux ahead of the separation of Electrolux Professional from Electrolux.

Data compiled by Modular Finance. Sources: Euroclear, Morningstar, Finansinspektionen, Millistream.



Other information

Ticker Class B share: EPRO B
ISIN code Class A share: SE0013720018
ISIN code Class B share: SE0013747870
LEI code: 254900K162Q46ZWD8084

Analyst coverage

At the end of 2022, the following analysts had active coverage of Electrolux Professional Group:
DnB NOR Markets, Hanna Lindbo
Handelsbanken Capital Markets, Karri Rinta
Nordea, Stefan Stjernholm
Carnegie, Henrik Christiansson
SEB, Gustav Hagéus
Kepler Cheuvreux, Johan Eliason
Pareto Securities, Magnus Behm

Contact

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 Telephone: +46 70 190 00 33
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Why invest in Electrolux Professional?

These key strengths and competitive advantages drive our development and performance, and they all provide a strong foundation for us to execute our strategy.

Strong position in structurally growing underlying end-markets (before and after the corona virus pandemic).

Well positioned to meet customer needs.

Differentiated market position as a full-solution provider.

Innovation-focused with attractive pipeline of product launches.

Global manufacturing base and local salesforce to support customers.

Further upside to financial profile from growth in restaurant chains.

Annual General Meeting

The Annual General Meeting of Electrolux Professional will be held on April 26, 2023, at 3pm, at hotel Courtyard by Marriott, Rålambshovsleden 50, Stockholm.

To order a printed annual report

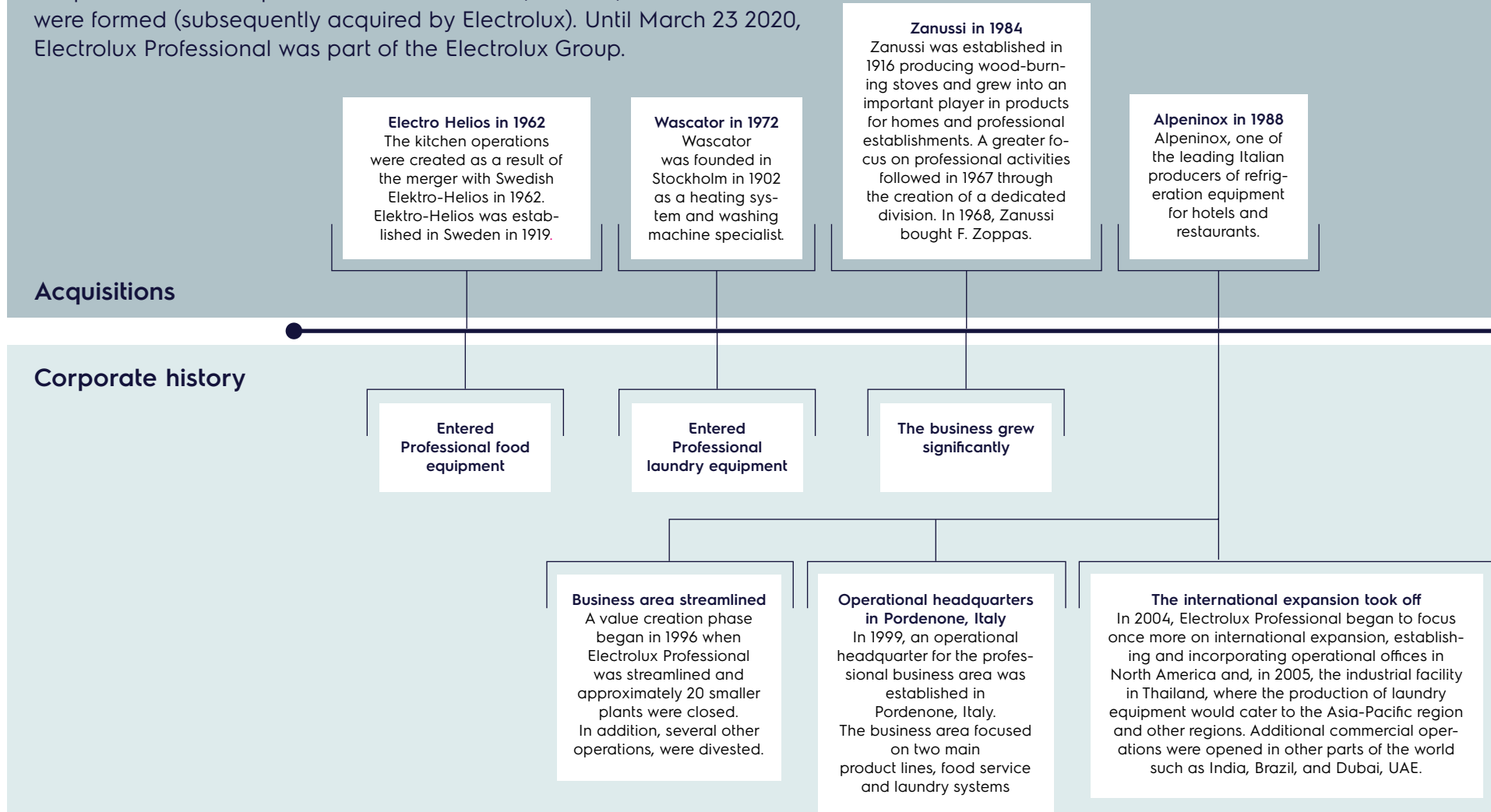
To order a printed version, please send an email to: ir@electroluxprofessional.com and provide your full name and address details, together with the preferred language version, Swedish or English.

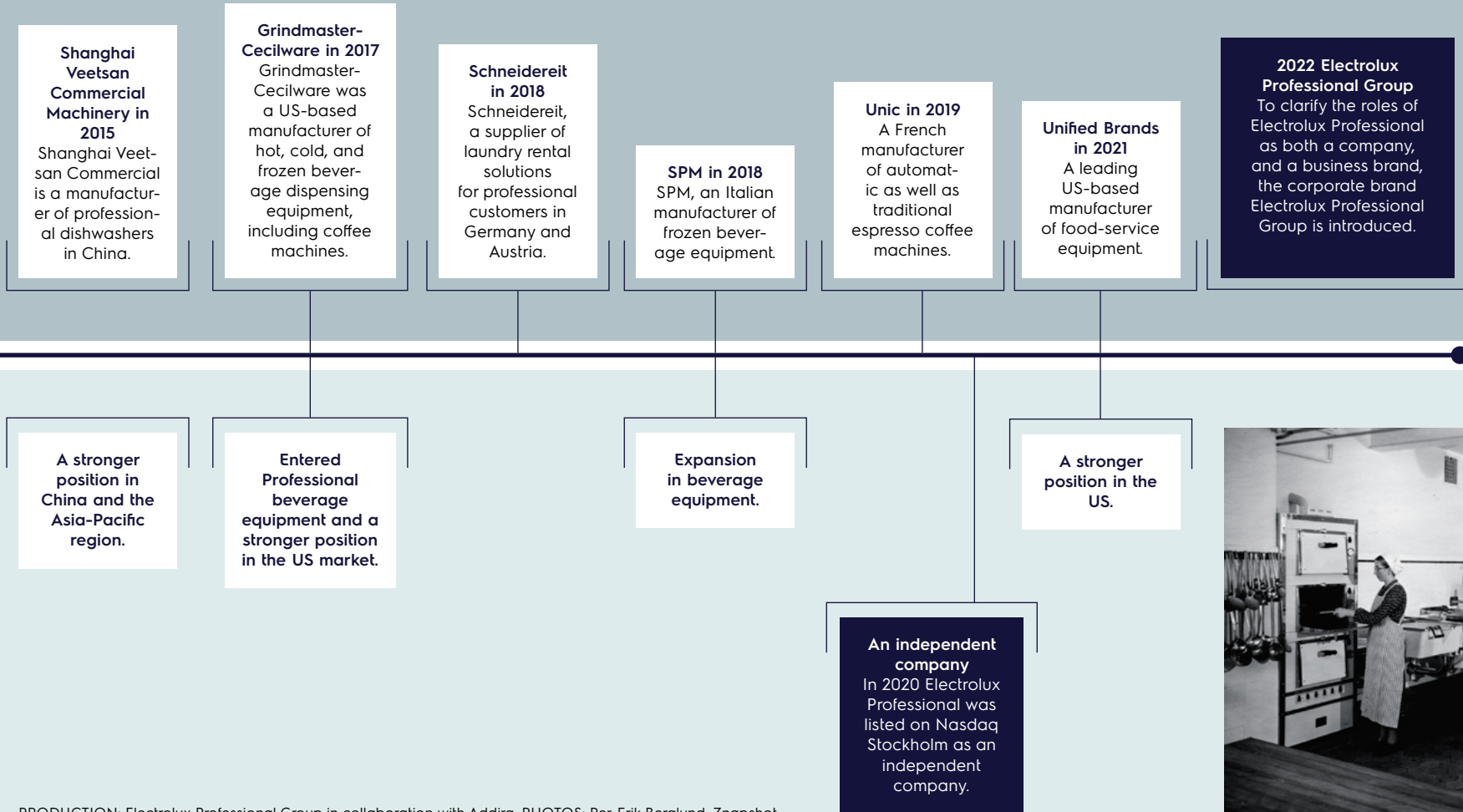
Financial calendar 2023

	Date
Interim report Q1, January - March 2023	April 25, 2023
Annual General Meeting	April 26, 2023
Proposed dividend record date	April 28, 2023
Proposed dividend payment	May 4, 2023
Interim report Q2, April - June 2023	July 21, 2023
Interim report Q3, July - September 2023	October 27, 2023
Year-end report, Q4, October - December 2023	February 1, 2024

Electrolux Professional's history

Electrolux Professional's heritage dates back more than 100 years to the period when companies such as Wascator, Zanussi, and Cecilware were formed (subsequently acquired by Electrolux). Until March 23 2020, Electrolux Professional was part of the Electrolux Group.





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