



Annual and Sustainability Report 2023

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

Contents

Introduction

This is Electrolux Professional Group	1
The year in brief	2
2023 in figures	3
CEO comments	4

Our strategic foundation

How we create value	7
Sustainable targets	8
Strategies	9

Global trends & our markets

Global external trends	19
The global professional equipment industry	20
Customers	21
Sales	23
Customer Care	24
Our markets	25
Marketing and brands	26

Business segments

Food & Beverage	30
Laundry	35

Production

Operational excellence	40
Quality	43
Logistics	43
Purchasing	43

Our people

Our People	45
Guiding principles	46
Engagement and development	47

Sustainability

2023 activities	49
Our sustainability framework	50
Materiality assessment	52
Strategies and targets	53
Sustainable Development Goals	54
Sustainable solutions	55
Sustainable operations	58
Ethics and relationships	63

Governance & risk management

Chairman's comments	68
Corporate governance report	69
Board of Directors	76
Group Management Team	78
Remuneration report 2023	80
Risk and risk management	82

Financial information

Financial information, contents	88
Administration report	89
Financial statements	94
Notes	102
The Board's assurance	141
Auditor's report	142

Other information

Seven years in summary	145
Definitions	147
Sustainability notes	149
Auditor's report on the sustainability report	162
Share & shareholders	164
Our history	168

The Annual Report for Electrolux Professional AB (publ) 556003-0354, consists of the Administration Report on pages 89-93, the Financial Statements and notes on pages 94-140, the Corporate Governance Report on pages 69-79, Remuneration report on pages 80-81, and the Sustainability Report on pages 7, 48-66 and 149-161. 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.electroluxprofessionalgroup.com/corporate/annual-reports/. Electrolux Professional was part of Electrolux, founded in 1919, until March 23, 2020 when the shares of 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 healthcare, educational, and other service facilities.

19 Business brands

To meet our market needs, we use a portfolio of distinct brands with Electrolux Professional as our master brand, targeting different customers and stakeholders in different geographies. This is a unique constellation that is experience-focused and “heritage for the future” minded – our way of seeing sustainable business development.



Headquarters in Stockholm,
Sweden

Sales in approximately
110 countries

Listed on NASDAQ
Stockholm since
2020

Sustainalytics rating
“low risk”

Approximately
4,300
employees

13
manufacturing units
in eight countries

Top-of-Industry
rating for Climate Change
by CDP

Climate targets approved
by SBTi

The year in brief

Q1

- > Molteni, the brand of luxury professional stoves, celebrated a century of master craftsmanship.
- > All of Electrolux Professional Group's US Food and Beverage brands were displayed together at NAFEM, a food service exhibition in the US.
- > UNIC launched the TANGO XP line, a new range of super-automatic, high-performing espresso machines.
- > The Group received a silver rating certification from EcoVadis, a global provider of business sustainability ratings.
- > **Q1 RESULT** - Healthy market and improved profitability.



Q2

- > Annual General Meeting was held in Stockholm. Josef Matosevic was appointed as a non-executive member of the Board of Directors.
- > Following the EU Single-Use Plastics Directive that aims to reduce global reliance on certain single-use plastics, Electrolux Professional announced that it would partner with several multinational brands, including Coca-Cola and Max Burgers in Sweden, in a unique 'circular economy' initiative.
- > **Q2 RESULT** - Another positive step towards our financial targets.



Q3

- > Electrolux Professional Group's near-term targets to reduce greenhouse gas emissions (Scope 1 and 2) and indirect use-phase emissions (Scope 3) by 2030 were validated by the Science Based Targets initiative (SBTi).
- > In Italy in October, we welcomed 350 customers from 30 countries to "The Hive" - a customer event showcasing our vision of a sustainable future of the food service industry.
- > **Q3 RESULT** - Somewhat weaker sales and profitability while cash generation increased.

Q4

- > In December 2023 we announced the acquisition of TOSEI Corporation, a leading Japanese manufacturer of professional laundry equipment and vacuum packing machines for food. The acquisition closed in January 2024. TOSEI will make us a larger player in the resilient laundry market in Japan which constitutes the second largest laundry market in the world.
- > **Q4 RESULT** - Solid results, despite slightly declining sales.

Molteni - a century of master craftsmanship

2023 marked a century of master craftsmanship for Molteni, the Electrolux Professional Group brand of luxury professional stoves, used by famous Michelin chefs all over the world. Few brands in the sphere of professional cooking are as highly respected as Molteni. Each Molteni stove is hand-crafted and assembled in our workshop in Saint-Vallier, in the south of France.

Molteni stoves are at the heart of many of the world's most renowned restaurants, and they are a popular choice for luxury hotels globally.

2023 in figures

Net sales, total

SEK 11,848 m

Net sales by segment

Food & Beverage

64%

Laundry

36%

Net sales by region

Europe

61%

Americas

27%

Asia-Pacific,
Middle East,
Africa

12%

Key ratios

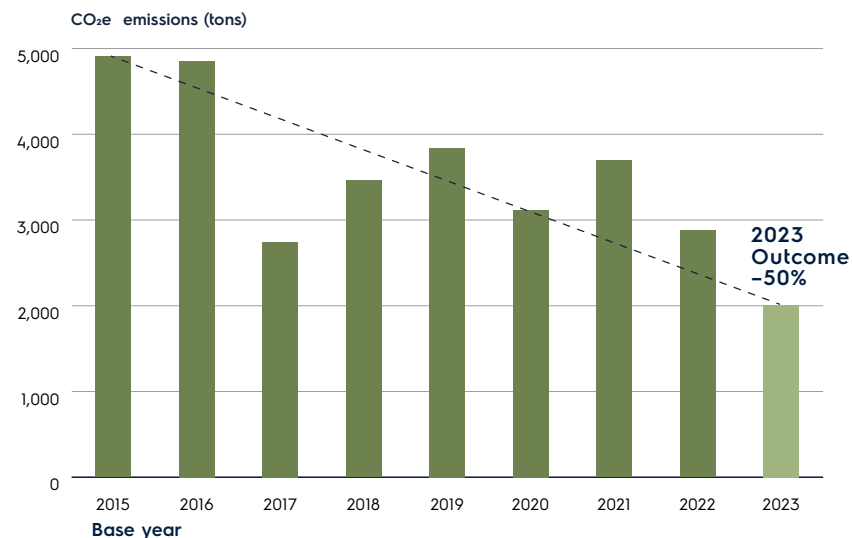
SEKm	2023	2022	2021	2020	2019
Net sales	11,848	11,037	7,862	7,263	9,281
EBITA*	1,317	1,111	663	456	1,058
EBITA margin, %*	11.1	10.1	8.4	6.3	11.4
EBITA excl. items affecting comparability ¹⁾	1,317	1,146	663	533	1,090
EBITA margin excl. items affecting comparability, % ¹⁾	11.1	10.4	8.4	7.3	11.7
Operating income*	1,154	955	592	387	992
Operating margin, %*	9.7	8.7	7.5	5.3	10.7
Income after financial items	1,033	895	587	363	978
Income for the period	775	686	487	278	663
Earnings per share, SEK ²⁾	2.70	2.39	1.69	0.97	2.31
Operating cash flow after investments*	1,453	636	1,116	570	1,138
Operating working capital, % of net sales*	18.1	16.7	14.9	19.9	17.7

*) Alternative performance measures used in this report are explained on pages 147-148.

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

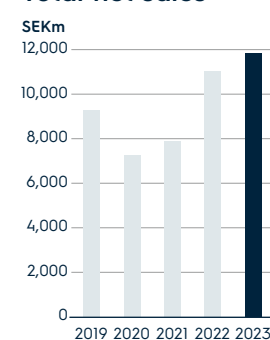
2) Basic number of outstanding shares.

Climate target: reduce Scope 1 and 2 CO₂ emissions by 50% by 2025*

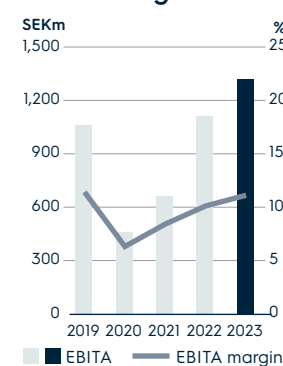


*Includes contributions from acquisitions made 2015-2019. Unified brands, acquired in December 2021 is not included.

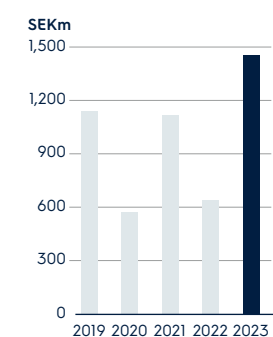
Total net sales



EBITA and EBITA margin



Operating cash flow after investments



Building a stronger company step by step

The results of our key activities clearly show that we have taken another step on the journey towards our long-term goals this year. Organic sales grew by 2.6%, EBITA was the highest ever with an EBITA margin that rose from 10.1% to 11.1%, and cash flow was the strongest we've seen, despite challenging macroeconomic circumstances. We expanded the group further with the acquisition of TOSEI in Japan, which was completed in January 2024.

After more than two years of strong growth since the pandemic, market growth is now back to more normalized levels. The only visible, enduring change in trends since the pandemic is the increase in remote working and the decline in business travel, both of which influence when and how we consume food away from the home. However, the underlying long-term factors influencing growth in the hospitality industry are robust and stable, creating the conditions for continued global market growth.

Focusing on our strategic pillars

Electrolux Professional Group has improved its performance in recent years, and we constantly strive to keep developing and improving. Our strategic pillars support these efforts.

We continue to grow through innovation and launched several important new products during the year. Within the fast-growing espresso coffee market, we have launched a new range of fully-automatic, high-performing espresso machines, the TANGO® XP line.

Another step we've taken - which also is part of our sustainability ambitions - was the launch of our energy-efficient dryer "HeroDry" which can quickly dry reusable packaging. Together with our ware washing solutions the dryer will facilitate the reduction of certain single-use plastics, and thus enable hospitality outlets to realize their circular ambitions faster. To meet the needs for compact solutions that increase productivity in the kitchen, we have launched

GourmeXpress. This high-speed oven includes a combination of microwave, convection, and impingement allowing rapid cooking, grilling, and reheating, making it particularly well-suited for restaurant chains.

Growth in restaurant chains is another strategic priority. In the US this segment has been somewhat soft during the year. At the same time, we have been burdened by changes in some of our representatives' channel partners, even though this now should be behind us. We have a strong US platform in Food & Beverage from which we can grow profitably. This is important to us since the US is the single largest market for Food & Beverage and it is home to most of the large global food chains.

Customer Care is crucial to our customers' uptime and is also one of the most profitable parts of our business. I am therefore pleased to report that Customer Care grew more than product sales during the year.

We want to generate greater customer value faster, enabled by the digitalization of our company and our products. To that end, we continued to make significant investments in digitalization in 2023, including connected products. We are in the midst of launching our product and service offering for connected products ("OnE Connected"), thereby improving our customers' processes and effectiveness. We continue to improve and roll out our digital customer platform through which customers can more easily order





Alberto Zanata, *President and CEO*

products and services directly. Our digitalization efforts also include adopting artificial intelligence where we already see opportunities, both in our operations and in our products.

Acquisition of TOSEI widens our footprint

Another key element of our strategy is to grow through acquisitions, and we have now carried out two relatively large acquisitions since we became an independent company in 2020, adding approximately 20% to our turnover. We acquired Unified Brands in the US in 2021, and in January 2024 we closed the acquisition of TOSEI Corporation in Japan. Both acquisitions have helped us widen our footprint.

TOSEI is a leading company in laundry and vacuum packing machines. Through this acquisition we will become a larger player in Japan, which is the second largest laundry market and third largest food-service market globally. In addition, we will be able to expand the vacuum packing products that are already used globally in the fast-growing segment of sous-vide cooking.

“ Electrolux Professional Group has a profitable business with a stable cash flow in stable markets. Our brands and market positions are strong, and we have talented and committed employees that are proud of our company and our innovative and sustainable products. ”

Alberto Zanata, *President and CEO*

2025 CO₂ target already met – new targets set

Electrolux Professional Group is the sustainability leader in our industry. Our sustainability targets center on the 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. I am therefore happy to report that as a step along the way, we have already been able to meet our 2025 target to reduce CO₂ emissions (base year 2015) by 50% during 2023 – two years ahead of plan. Not only this, through our steady focus on energy use and waste and emissions management, we improved all key environmental indicators compared to previous years.

Having achieved our target to reduce CO₂ emissions by 50%, we have developed new, near-term sustainability targets over the last year that have now also been validated by the Science Based Targets initiative (SBTi). Our new science-based targets are to reduce Scope 1 and 2 emissions by 70% by 2030, and to reduce indirect use-phase emissions of sold products by 27.5% by 2030, in both cases from a 2019 base year.

For many years, Electrolux Professional Group has followed its clear strategy to develop and provide energy-efficient and

low-consuming products. Our main climate impact – approximately 95% – occurs during the product-use phase, with the primary contributor being product energy consumption. For that reason, setting a target that is related to the use-phase emissions of sold products is another important part of our Group’s climate journey. Reducing energy consumption and emissions from the product-use phase is beneficial for our customers’ running costs and the environment.

Step-by-step improvement

As we enter 2024, we will continue to improve our performance step-by-step. Electrolux Professional Group has a profitable business with a stable cash flow in stable markets. Our brands and market positions are strong, and we have talented and committed employees that are proud of our company and our innovative and sustainable products. The customer-centric organizational structure we launched in 2022 is also proving that it delivers customer value and enhances employee engagement.

All this makes me confident in saying that Electrolux Professional Group stands strong. We have the foundation we need to further develop and build the company for the benefit of our customers, shareholders, and employees.

Alberto Zanata,
President and CEO



Our strategic foundation

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

Our business model - how we create value	7
Sustainable targets	8
Strategies	9
- Grow through innovation	10
- Expand in high-margin products, segments, and geographies	13
- Boost Customer Care	15
- Invest in digitalization	16

How we create value

Our resources

- > 4,300 committed employees, [page 45.](#) →
- > 13 manufacturing sites, [page 42.](#) →
- > A wide range of customers in 110 countries, [page 21.](#) →
- > Long-term relations with stakeholders in our value chain, [page 52.](#) →
- > A strong portfolio of 19 different brands – known for innovative, sustainable, and digital solutions targeting different customers and stakeholders in different geographies, [page 26.](#) →
- > Raw materials and components [page 43.](#) →

Our business

- > **Product development** and innovation of smart products offering sustainable solutions, [page 10.](#) →
- > **Production** World-class manufacturing focused on lower environmental impact and an excellent working environment, [page 40.](#) →
- > **Marketing** focused on making our customers' work-life easier, more profitable and truly sustainable, [page 26.](#) →
- > **Sales** mainly through dealers and distributors, [page 23.](#) →
- > **Customer Care** and sales of chemicals, accessories, spare parts and consumables, [page 24.](#) →

Distributed value



Value created
SEK 11,883 m

Value created

For our customers

- > Lower total costs over the lifecycle of the equipment
- > Reduced energy consumption and carbon footprint
- > Improved quality of the food, beverage or laundry service
- > Ergonomic and human-centric design
- > Enhanced hygiene [page 55.](#) →

For our employees

- > A diverse and inclusive culture
- > A long-term employer
- > A safe work environment
- > Skills development [page 45.](#) →

For shareholders

- > Share development
- > Dividend [page 164.](#) →

For society

- > Greater resource efficiency
- > Address social challenges

Sustainable targets

Net sales growth
Organic annual growth of more than

4%

over time, complemented by value-accretive acquisitions.

OUTCOME: 2023: 2.6% (16.9)

Comment on 2023 outcome

There was good growth in the first half of the year, while sales declined in the second half. The somewhat weaker sales compared to target was mainly driven by the US. Food & Beverage declined by 1% and Laundry grew by 9.7%.

Profitability
EBITA margin of

15%

OUTCOME: 2023: 11.1% (10.1)

Comment on 2023 outcome

Profit and profitability took another step forward, mainly driven by price, but also lower material and transportation cost

Asset efficiency
Operating working capital below

15%

of net sales.

OUTCOME: 2023: 18.1% (16.7)

Comment on 2023 outcome

Operating working capital as a percent of annualized net sales is still high, but it improved during the second half of the year, mainly due to a substantial reduction in inventory.

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: 2023: 0.9 (1.5)

Comment on 2023 outcome

Cash flow has been very strong during the year which made it possible to significantly reduce borrowings.

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 2023 outcome

The Board proposes a dividend of SEK 0.80 (0.70) per share which is in line with the dividend policy.

Climate target for 2025

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

>50%

by 2025 (base year 2015)

OUTCOME 2023:

Scope 1 and 2 CO₂ emissions in 2023 amounted to 4.25 (6.2) kton, which is -62%* compared to 2015 with a recalculated baseline**.

Comment on 2023 outcome

Strong focus on switching to renewable energy, and full capacity generation of renewable electricity in Rayong, made it possible to reach the 2025 target two years ahead of time.

Science-based climate targets for 2030

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

>70%

by 2030 (base year 2019)

OUTCOME 2023:

With a recalculated** baseline, the reduction since 2019 is 50%.

Comment on 2023 outcome

A solar panel subscription in the Mississippi plant, a reduction in natural gas consumption, and improved production efficiency helped us reduce our emissions.



Reduce indirect use-phase emissions of sold products
Scope 3 emissions

>27.5%

by 2030 (base year 2019)

OUTCOME:

In 2022 (2023 result not yet available) Scope 3 emissions, Category 11, amounted to 5,302 kton, which is a 16% reduction compared to 2019 with a recalculated baseline**.

Comment on 2023 outcome

During 2023, we developed our Scope 3 product-use emission reduction target, and it was validated, and approved by the Science-Based Targets initiative. The reduction of emissions was due to lower volumes and grid emission improvement

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 2023:

The number of accidents resulting in lost work time decreased, bringing us closer to our target, at 0.54 (0.64).

Comment on 2023 outcome

We continued to address the root causes of accidents, working proactively with near misses and unsafe actions.

Gender diversity target for 2030

Gender diversity
Distribution men/women or women/men

40/60

Distribution across managerial positions by 2030

OUTCOME 2023:

The percentage of women in all managerial positions was 27% (26).

Comment on 2023 outcome

Gender diversity across managerial positions improved somewhat. Activities related to diversity and inclusion, such as training and support to hiring managers, have increased during the year.

*Including Unified Brands, acquired in 2021.
** Recalculation is made by distributing the first reported emission footprint backwards to previous years.

Strategy for growth: generate customer value from a foundation of operational excellence



Our strategic targets

Our strategy for growth rests on four pillars, built on a foundation of operational excellence in the supply chain. In the following pages we describe the core activities within each pillar.

1 **GROW**
through innovation.
[Read more on page 10](#) →

2 **EXPAND**
in high-margin products,
segments, and geographies.
[Read more on page 13](#). →

3 **BOOST**
Customer Care and
service-as-a-solution.
[Read more on page 15](#). →

4 **INVEST**
In digitalization to unlock
additional customer value.
[Read more on page 16](#). →

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.

We develop new and improved products and services to add value to our customers and grow our company profitably. Our ambition is to address our customers' increasing requirements for multi-functional products, with low running costs, and reduced energy and water consumption. In addition, we will prioritize appliance digitalization.

Investments in R&D 2023

SEK 388 m

Annual average R&D expenditure
as a share of net sales 2019-2023

3.7%

1

Research and development

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

Significant investments in R&D

Electrolux Professional Group invests significant resources into its global R&D activities. From 2019 to 2023 the company's R&D expenditure was an average of approximately 3.7% of net sales per year. During 2023, our partnership with HCL Tech in India has progressed, creating several R&D deliverables to support our innovation process.

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 continuously find new, more energy-efficient and resource-efficient methods for food, beverage, and laundry profes-

sionals. As a result, not only do we help our customers to reduce their operating costs, but we also have a substantial 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 pages 12, 31 and 36.

Digitally connected products

Through digitally advanced and connected products, customers can monitor and steer any connected products, thereby maximizing uptime, improving service, and reducing the consumption of energy, water and consumables. Read more on page 15.

OUTCOME 2023:

New products launched during the year include: Tango XP a fully automated espresso coffee machine, Hero Dry, a free-standing blower for food chains, and GourmeXpress a high-speed oven. Most of the products manufactured in 2023 are connectable to be able to provide their users with useful information. In addition, focus has been on developing products using less energy and water.

Winning innovative products



GourmeXpress High-Speed Oven

The GourmeXpress is part of the Electrolux Professional High-Speed cooking portfolio of fast, easy, and versatile solutions. It allows customers to serve high-quality products consistently and speedily, day after day, and can be operated by any member of the team. The GourmeXpress includes a combination of microwave, convection, and impingement allowing rapid cooking, grilling, and reheating.

Grand Prix Du Design gold award winner

In 2023, the GourmeXpress was awarded a gold certification from Grands Prix Du Design, an international, well-respected competition.



TANGO XP super-automatic espresso line

The new TANGO XP is a complete line of high-performing super-automatic coffee machines. The range includes single and double group models dedicated to coffee professionals who want and expect premium coffee extraction.



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
- > Support our customers in moving towards a circular economy

Food:

Hero dryer freestanding blower

A unique 'circular economy' initiative that meets the EU Single-Use Plastics Directive aimed at reducing global reliance on certain single-use plastics.

This blower is designed to reduce the amount of waste generated by single-use consumables in hospitality outlets. Electrolux Professional is partnering with several multinational fast-food chains in this area.

Capable of drying up to **750** cups/hr



Laundry:

Intelligent dosing: the easy and green automatic dosing

The Intelligent Dosing feature automatically adds the precise amount of detergent based on the weight of the load. Thanks to this feature, the right amount of detergent, softener, and chemicals are automatically dosed avoiding any waste and providing the best results.

Avoids waste, saves water, and guarantees better care of garments.



Laundry:

ClarusVibe control

Our newest and best-performing interface guarantees an intuitive experience and seamless interaction, providing smart, effortless management of the wash process.

CLARUSVIBE

"Integrated savings" to avoid over- or under-loading





2 EXPAND in high-margin products, segments, and geographies

We will grow sales organically in laundry and in restaurant chains, supported by potential M&A.

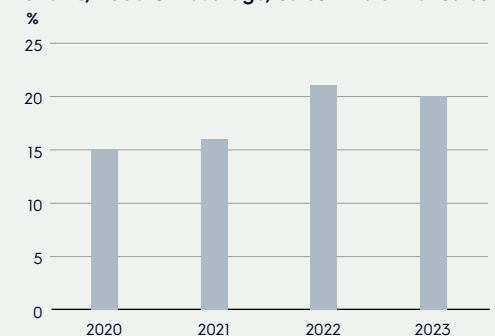
Our growth priorities include:

- > increasing sales to commercial restaurant chains - large companies with multiple outlets across several regions - in order to expand our presence in North America and emerging markets,
- > further growing the highly profitable Laundry business globally, and
- > accelerating growth through selective add-on acquisitions that clearly align with the Group's strategic road-map.

OUTCOME 2023:

Growth in restaurant chains has been somewhat weak this year, mainly due to softening sales in the US. However, several product tests are currently being carried out for restaurant chains, which often leads to new roll-outs. At the same time, sales of the high-margin laundry products have developed very well during the year, contributing to profitability.

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



Acquisitions to accelerate growth

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

Previous acquisitions include 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. Veetsan, a manufacturer of professional dishwashers in China, was acquired in 2015, and in 2018 we acquired Schneidereit, a supplier of laundry rental solutions in Europe.

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

2024 - TOSEI Corporation

In early 2024, Electrolux Professional Group acquired TOSEI Corporation ("TOSEI") – a leading Japanese manufacturer of professional laundry equipment and vacuum packing machines for food. The acquisition was closed in January 2024.

The acquisition is part of Electrolux Professional's strategy to further accelerate growth and enhance our presence globally. With this acquisition, Electrolux Professional became a larger player in Japan, which is the second largest laundry market and third largest food-service market globally. The move widens the geographical presence of the Group and increases the size of Electrolux Professional's high-margin, resilient, global Laundry business. In addition, the acquisition presents opportunities to expand the vacuum packing products that are used globally in the fast-growing segment of sous-vide cooking, to other markets for vacuum packing products outside Japan.

Electrolux Professional will be able to benefit from TOSEI's leading position in Food to expand in Japan, which is a large market characterized by local players. TOSEI has a long history (it was founded in 1950), robust brands, and strong reputation in the marketplace, making it a high-quality platform for Electrolux Professional's strategy deployment. Following the acquisition, approximately 70% of TOSEI will be reported as part of Electrolux Professional's Laundry segment, and approximately 30% of TOSEI will come under the Food & Beverage segment.

TOSEI's main brands

TOSEI offers washers, dryers, combined washers and dryers, and table-top and stationary vacuum packing machines under the main brands TOSEI and TOSPACK.



TOSEI professional laundry products

Washing machines, dryers, steamers, coin-op washers and dryers, and a cash-less laundromat payment system.



TOSEI vacuum-packing and cooking products

Small desktop vacuum-type machines for the food business and large stationary vacuum solutions for industrial use.

TOSEI

About TOSEI Corporation

- > TOSEI was founded in 1950 and is a leading manufacturer of professional laundry and vacuum-packing equipment in Japan.
- > TOSEI has 340 employees who develop, design, manufacture, and service products. The company's head office is in Tokyo and the factory is in Izunokuni, Shizuoka. TOSEI has six regional sales offices in Japan.
- > TOSEI's annual sales were approximately SEK 930m in 2023, approximately 70% of which is from professional laundry and 30% from the vacuum packing business.

3 BOOST Customer Care and service-as-a-solution offering

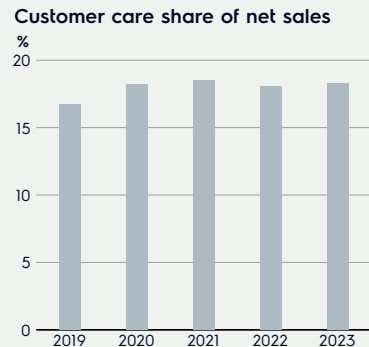


Sales of Customer Care 2023
18.3%

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

Our market is characterized by the heavy use of machines, and a large replacement business. This requires us to have a reliable and geographically well-distributed Customer Care service that can support our customers throughout the life of the product, which also ensures customer retention. We also offer spare parts kits and performance-enhancing consumables, and provide our customers remote guidance.

OUTCOME 2023:
Sales of Customer Care increased by approximately 6% in 2023 and now accounts for approximately 18% of Group sales. Sales of service contracts and detergents progressed well.



Electrolux Professional Group provides Customer Care via
2,200
service partners



Our digital vision for 2024

Connected appliance
of the future installations
50%

Distributors'
online orders
65%

Digital customer
interactions
50%

4 INVEST in digitalization to unlock additional customer value

We will accelerate the digitalization of our company and our products.

We have enhanced our global product and service offering, providing online sales through the digital Customer platform and connected appliances. These digital advancements enable us to help customers improve their processes and effectiveness. Our digital offering can strengthen our market presence, and our existing customer relationships create an opportunity for repurchases and additional services. We are also automating our internal processes to become more efficient and to provide better service to our customers.

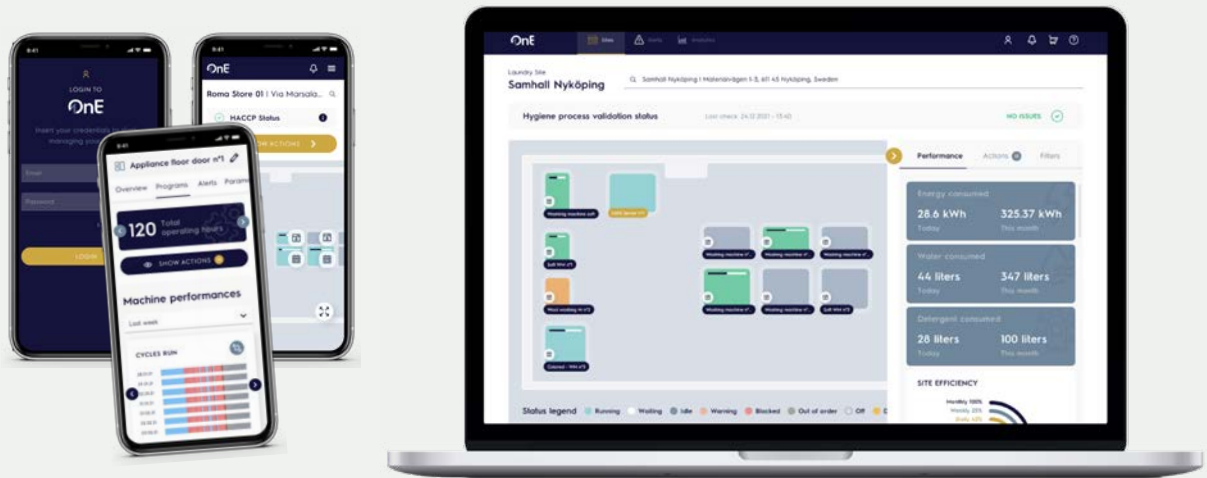
OUTCOME 2023:

We are currently launching "OnE Connected" which enables our customers to digitally connect their products. Electrolux Professional thus becomes the systems integrator for the operations of our customers. Our digital platform has been launched in several countries to make it easier for customers to order our products. 80% of orders in these countries now take place through the digital platform.

4

Digitalization of our industry

Electrolux Professional Group's global product and service offering encompasses single and full solutions and services across Food, Beverage and Laundry. This allows our customers to manage their operations through connectivity and a digital ecosystem.



Digital customer platform deployed in **32** countries so far

Digital Customer Platform

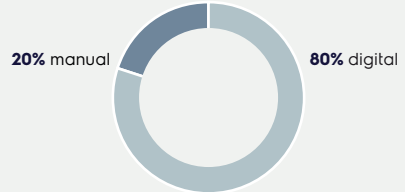
The Digital Customer Platform is a seamless, self-service, one-stop shop designed for our customers. From the portal, partners and distributors can place orders for products, consumables, and spare parts, track shipments in real time, search for documentation or products, and digitally interact with us for all manner of support, and cases are monitored through a ticketing system. The main platform benefits are:

- > Easy ordering of products and parts
- > Tracking of shipments and support cases
- > Customer insights into their business data
- > Access 24/7
- > Reduced number of support requests
- > Improved communication through one single tool to manage the customer relationship
- > Increased future sales

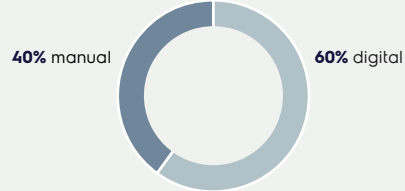
Connected appliances

Through our Connectivity offer, our customers 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.

Order value, manual versus digital, 2023*



Number of orders, manual versus digital, 2023*



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

Global trends and our markets



Global trends impacting our industry	19
The global professional equipment industry	20
Customers	21
Sales	23
Customer Care	24
Our markets	25
Marketing and brands	26

Global trends impacting our industry

Increased demand for take-away and home-deliveries

With the post-pandemic new normal, including the normalization of hybrid work, there has been an increase in drive-throughs, take-away, home-deliveries, and outdoor serving in restaurants. This calls for new digital tools, smaller and more user-friendly equipment, machines that are easier to clean with stricter hygiene requirements, and new ways of working in the industry.

Labor availability

There is still a shortage of labor in the hospitality industry which drives the cost of labor up. This is accelerating automation and digitalization as there is a need to ensure high productivity with fewer employees. At the same time, ease of use and ergonomics are increasingly important to the users of the products.

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 costs are a significant part of the total cost of ownership, energy efficiency in professional solutions is central to any investment decision. This is also driving the switch to products that use electricity rather than gas. The ability to share products is rising in importance as a way to facilitate more efficient use of resources. In addition, a ban on the single use of plastic packaging will be introduced in several markets, and the move to reduce microplastics is becoming more prominent.

Digitalization

Digitalization and artificial intelligence affect the way we work and interact, and are changing the eco-system of our customers' businesses. There will be greater demand for connected solutions, contactless payment, process optimization, and efficiency driven by new technologies, which in turn requires future investments and knowledge. Potential access to customer data will enable this development.

Societal changes

An increase in workforce participation, the prolongation of the working age, and higher disposable incomes allow more people to spend more money on leisure activities such as out-of-home eating, and less time on household chores. There is consequently more demand for out-of-home professional services.

In addition, the aging of the population will lead to greater investments in the healthcare segment, such as hospitals and elderly homes.

The growth of the middle class and urbanization 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.

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. These include companies in the global hospitality industry as well as other businesses and institutions.

In 2023, the food and beverage segment accounted for approximately USD 31bn* of the global market, and the professional laundry segment accounted for USD 2.9bn*.

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

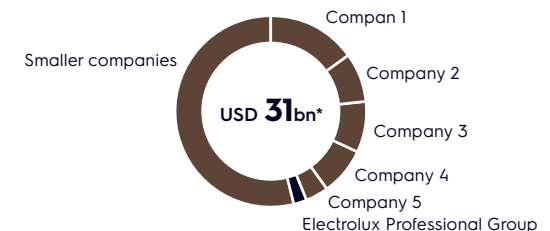
Total cost of ownership is an additional factor that drives competition. This is because the initial equipment cost represents only a fraction of the total cost of ownership during the lifetime of the equipment. The majority of the costs are running costs for water, electricity, and chemicals, maintenance costs, and health and safety considerations. Reduced running costs are also a driver for customers wishing to make a positive contribution to the environment.

Competitive landscape

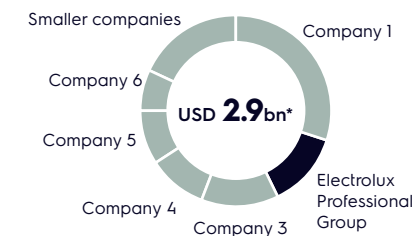
Electrolux Professional Group is one of the leading global players, with a complete offering for both the food and beverage sector and the global laundry equipment market. There are a number of large global players in these markets but in local markets, we also compete with significant local players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

* Own company estimates

The 6 largest professional food and beverage equipment companies



The 6 largest laundry companies



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**

Largest global players

Food & Beverage

- > Ali Group/Welbilt
- > Hoshizaki
- > ITW
- > 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, healthcare facilities, customer-operated laundries, schools and universities, as well as small businesses and large industrial customers.



Restaurants



Hotels



Restaurant chains



Bars & Cafés



Self-Service
Laundries



Food
Distribution



Care



Business,
Transport &
Industry

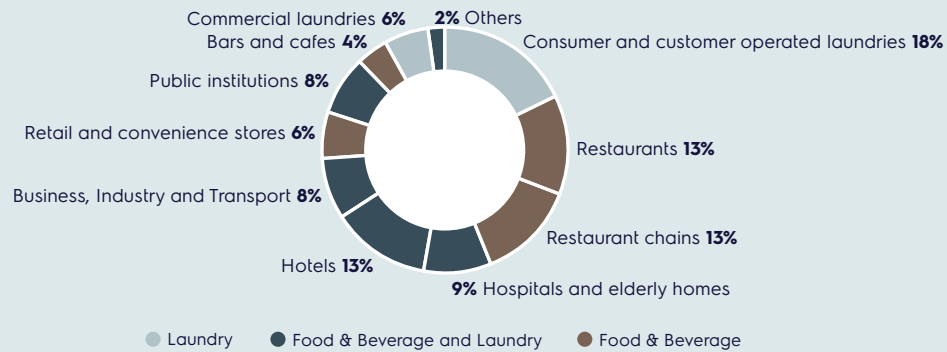


Commercial
Laundries



Public
Institutions

Distribution per customer segment*



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

Electrolux Professional Group has a diverse base of customers ranging from cafés to laundrettes, restaurant chains and institutions.

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 24.

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 chain contracts

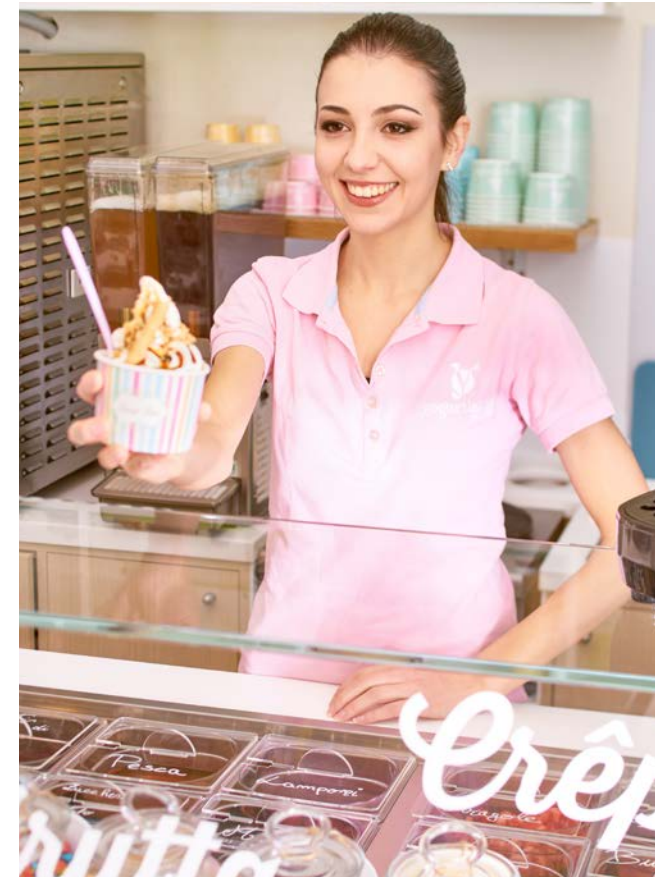
Even though we generally do not enter into long-term contracts, large food-service chains usually authorize specific appliance manufacturers as their “preferred vendors” for specific equipment. Furthermore, many quick-service restaurant chains launch or refurbish a larger number of locations, or frequently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

Our substantial investments in research and development drive the production of innovative equipment and ensure the Group is well positioned to serve its global customer base. Read more about R&D on page 11.



Addressing customer needs

- > Simplification, faster 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 post-pandemic labor shortages
- > Reliability of the equipment
- > Ergonomic and human-centric design
- > Enhanced hygiene requirements

Sales

Our products are mainly sold through a global network of dealers and distributors, but 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. The rest of the sales is mainly comprised of Project sales defined as 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. We aim to 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 restaurant chains or launderettes).

Customized products via dealers/distributors

The end customer deals directly with us regarding their product requirements. 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

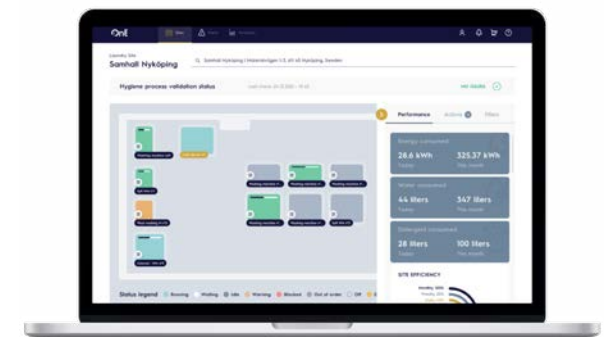
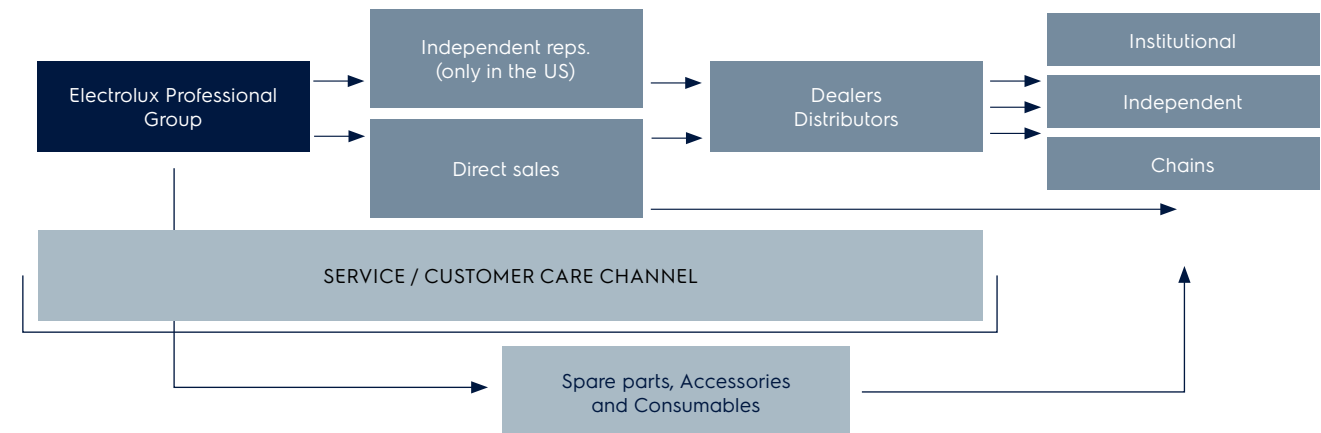
We talk to the end customers and agree on specifications and pricing and we invoice the end customers. This sales process is used in specific countries, for some large customers, or for large projects where the distribution infrastructure is not well developed.

Digital sales

Our dealers and distributors can also place orders on our digital customer platform, a customer portal combining e-commerce, service digitization, and connectivity, now launched in 32 countries. It is a seamless, one-stop, self-service way for customers to interact with us. From this self-service portal, partners can place orders for products, consumables and spare parts, track shipments in real time, search for documentation or products, and digitally interact with us on any support case, which can be monitored through a ticketing system. In addition, they can see the status and use of their connected products.

Channels to market - Food & Beverage

Our products are normally sold in three different ways:



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 entire lifetime of customer ownership.



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



Essentia - the heart of Customer Care

Our Customer Care 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 that the initial customer investment in our products endures for a longer time.

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.

Service Network

2,200 authorized service partners provide a unique service network to make our customers' work-life easier, supported by a full range of original 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.

Detergents

Performance-enhancing consumables, including eco-certified detergents, are developed and sold under the Electrolux Professional brand. 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

Maintenance and spare parts kits contain all the preventive maintenance parts to service the equipment according to the maintenance schedule under normal usage conditions. In addition, refresher kits are provided to lengthen the service life of our equipment.

Original Accessories & Consumables

Quick dispatch of original accessories and consumables rigorously tested by our 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, 2023

27%

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

Share of Group sales, 2023

61%

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 sales, 2023

12%

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 across 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 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, healthcare, institutions, and 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 sales companies in ten countries in the region. The majority of sales are handled via an indirect distribution network, supplemented by some of our own sales activities when needed. After the acquisition of TOSEI in January 2024, Japan is our largest market in this region.



Marketing and brands

In order to meet the needs of the market, Electrolux Professional Group holds a portfolio of 19 distinct brands targeting diverse customers in different parts of the world. Electrolux Professional is our largest brand.

Tailored marketing strategy backed by global strength

Our marketing is 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 industry events.

Brands

Electrolux Professional Group is our corporate brand which we use when presenting the company to external stakeholders. The main business brand ("master brand") of the Group 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 that have high brand awareness and legacy amongst customers in the local markets and channels.

The Electrolux Professional Group brand



The corporate brand Electrolux Professional Group has been introduced to clarify the roles of Electrolux Professional as both a company and a business brand. 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 can add the tagline "part of Electrolux Professional Group" to benefit from being part of a larger Group. At the same time the corporate brand distinguishes the company (Electrolux Professional Group) from the main business brand (Electrolux Professional).



Electrolux Professional is our master brand

With our master brand, Electrolux Professional, we provide a global product and service offering consisting of integrated solutions and services across Food, Beverage, and Laundry – under one brand – allowing customers to manage their operations through connectivity and one digital ecosystem.

This also includes management of the entire value chain, from project planning and design to production, installation, Customer Care, and service.



Who we are

Electrolux Professional Group is one of the leading global providers of professional food, beverage, and laundry solutions.

19 trustworthy brands

In order to meet the needs of our markets, we use a portfolio of distinct brands, targeting different customers and stakeholders in different geographies.



The Master brand of the Group - the OnE trusted partner

For single and full solutions - in Food, Beverage, and Laundry. Electrolux Professional is the OnE trusted partner making your work-life easier, more profitable - and truly sustainable every day.

Categories: All categories, full solution
Segment: The master brand is approximately 50% of the company sales
Geographical market: North America, Latin America, Europe, APMEA



Your one and only

Craftsmanship and bespoke detail are the hallmarks of Molteni. Each stove is a timeless masterpiece, handmade and tailor-made by expert artisans in our atelier to meet the customer's precise requirements.

Categories: High-end Cooking
Segment: Food
Geographical market: North America, Latin America, Europe, APMEA



Design that celebrates Italian cooking heritage

Our products bring you know-how. Zanussi Professional - The reliable best friend for your kitchen solutions.

Categories: Cooking, Dishwashing, Refrigeration
Segment: Food
Geographical market: Latin America, Europe, APMEA



Born to last - since 1907

We help our customers build a reputation for great, healthy food by building equipment that stands the test of time. Not only does our equipment handle the rigors of commercial kitchens, but it also offers the industry's most comprehensive, free onboarding program.

Categories: Cooking
Segment: Food
Geographical market: North America



Reach the next level of food quality and consistency with CapKold sous-vide & cook-chill systems.

Categories: Cook/Chill
Segment: Food
Geographical market: North America



Your fresh experience

Whether customers want to peel, cut, slice, mince, mix, blend, knead, or whip - Dito Sama provides the desired output in less time.

Categories: Food Preparation
Segment: Food
Geographical market: Europe, APMEA



The dishwashing PROFESSIONAL

Good value for money, reliable, trustworthy, honest, straight-forward, credible, accountable, multi-cultural.

Categories: Dishwashing
Segment: Food
Geographical market: North America, Europe, APMEA



A deeper clean - always

We are worldwide leaders in continuous motion washing. From produce to wares, we ensure proper sanitation, while helping reduce food and labor costs to achieve a positive ROI and a more sustainable future.

Categories: Ware and vegetable washing
Segment: Food
Geographical market: North America



Your perfect fit

Simply the best fitting, high-performing refrigeration for your specific kitchen. Whether you need ready-made, custom, or anything in-between, you can count on Randell when you need it most.

Categories: Refrigeration/Preparation
Segment: Food
Geographical market: North America



Expertise and experience with respect for the environment

For over 40 years Alpeninox has preserved the heart of your kitchen, the food, with expertise and experience. Alpeninox is the ideal solution for all refrigeration.

Categories: Refrigeration
Segment: Food
Geographical market: Europe



Synonymous with quality and performance

Kelvinator Commercial delivers a line of food service refrigerators and freezers for the Professional market, designed to provide years of trouble-free service in demanding commercial applications.

Categories: Refrigeration
Segment: Food
Geographical market: North America



Increase efficiency, safety, and performance in your commercial kitchen with Avtec ventilation systems, conveyors, and utility distribution solutions. Avtec delivers outstanding commercial ventilation equipment for the professional food-service industry.

Categories: Ventilation systems, conveyors, and utility distribution solutions

Segment: Food

Geographical market: North America



Unique in coffee, since 1919

Uniquely crafting the evolution of custom- and service-fit coffee machines – since 1919. By transforming the Unic technology into the perfect cup of coffee time after time, we are making every customer location a unique place to go and to grow.

Categories: Espresso, Bean-to-Cup

Segment: Beverage

Geographical market: North America, Europe, APMEA



The Cool-To-Go experts in innovative beverage systems

Feel our passion and savor the ultimate chilling experience thanks to our cold beverage dispensers. Whether you want a straightforward solution or the most advanced technology, our drink systems deliver the perfect pour every time.

Categories: Cold Beverages, Slush Ice, Ice Cream

Segment: Beverage

Geographical market: North America, Latin America, APMEA



Passionately designed beverage dispensers SPM, a front-runner in designing and manufacturing premium professional beverage equipment, from slush machines to soft-serve machines and hot beverage dispensers.

Categories: Cold Beverages, Slush Ice, Ice Cream

Segment: Beverage

Geographical market: Latin America, Europe



Built to last since 1955

Wascomat has earned its reputation through 60 years of reliability and solid performance in Laundry. Technologically advanced with relevant features, Wascomat is a solid investment when replacing old equipment or building a new business focused on long-term profitability.

Categories: Laundry

Segment: Laundry

Geographical market: North America



A partner you can rely on

Innovation leader with more than 60 years of knowledge in the field of commercial washing and drying technology, Schneider Professional is responsible for the process reliability and optimal hygiene standards of our customers.

Categories: Laundry

Segment: Laundry

Geographical market: Europe



Smart Japanese technology creates technologies for life

TOSEI's laundromat equipment line-up continues to evolve delivering even greater convenience.

Categories: Washers and dryers

Segment: Laundry

Geographical market: Japan

The TOSEI acquisition was completed in 2024.



TOSPACK's line-up of vacuum packing machines is great for food preservation and is actively used in industry.

Categories: Vacuum packing machines such as table-top, stationary, and fully automatic.

Segment: Food

Geographical market: Japan

The TOSEI acquisition was completed in 2024.



Business segments

Food & Beverage	30
Laundry	35



Food & Beverage

Food & Beverage, share of Group net sales

64%

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.

Sustainable food and beverage solutions

The future of the planet relies on our ability to create smart solutions that use resources efficiently. Our solutions ensure that our customers can concentrate on their business, knowing they are doing everything in the most sustainable way.



HeroDry free-standing dishwasher blower

This is the ideal solution for the washing area. It supports customers who need to conform comply with international directives targeting a reduction in single-use consumables. Internal tests performed in our R&D laboratory comparing the average standard programs common in the market with the eco cycle program in HeroDry, show that the HeroDry solution saves up to 60% in energy consumption.



ecostoreHP Premium

This solution reduces electricity consumption significantly. The Electrolux Professional ecostoreHP Premium refrigerated counter has an A-rated energy label, is climate class 5, and consumes just 560 kWh per year.



Zanussi magistar oven series – consumption under control

The Zanussi Magistar Combi ovens give customers a graphic display of water, gas, and electricity consumption, so they can keep an eye on progress in real time and schedule cooking in a more responsible way. The Cooking Optimizer is a new logical function that uses artificial intelligence to provide a set of options for different dishes. This allows the oven to offer the most logical cooking sequence in order to optimize energy consumption while also saving time.



SPM

SP Ultra sherbet and frozen ice cream dispenser

The dispenser is built with patented (EP2680708 and related family) I-Tank technology which saves energy, improves cooling power, minimizes the effect of the external temperature on the product, and prevents the accumulation of ice or condensation on the outside of the bowl. R290 gas reduces the dispenser's environmental impact and has a less aggressive effect on components compared to traditional gas. The solution is sold both under the Electrolux Professional brand, and from SPM.



Organization

Food & Beverage is divided into four business areas: Food Europe, Food Americas, Food APAC & MEA, and Beverage & Food Preparation.

Market size and growth

The total market for food and beverage equipment in 2023 is estimated at approximately USD 31bn*. 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 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, which affected the hospitality industry heavily. In terms of sales, the global market returned to pre-pandemic levels during 2022, and 2023 demonstrated relatively good market growth.

Besides this strong growth after the pandemic, growth has been affected by the push for energy efficiency, an 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.

Key drivers in the professional food and beverage market

Connectivity

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

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.

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, thus requiring versatile machines.

Recent years' economic downturns have forced many restaurants to downsize or increase the prices on their menus, as well as change the composition of their menus to make things cheaper. In addition, many restaurants have had difficulties to find qualified kitchen staff.

Beverage

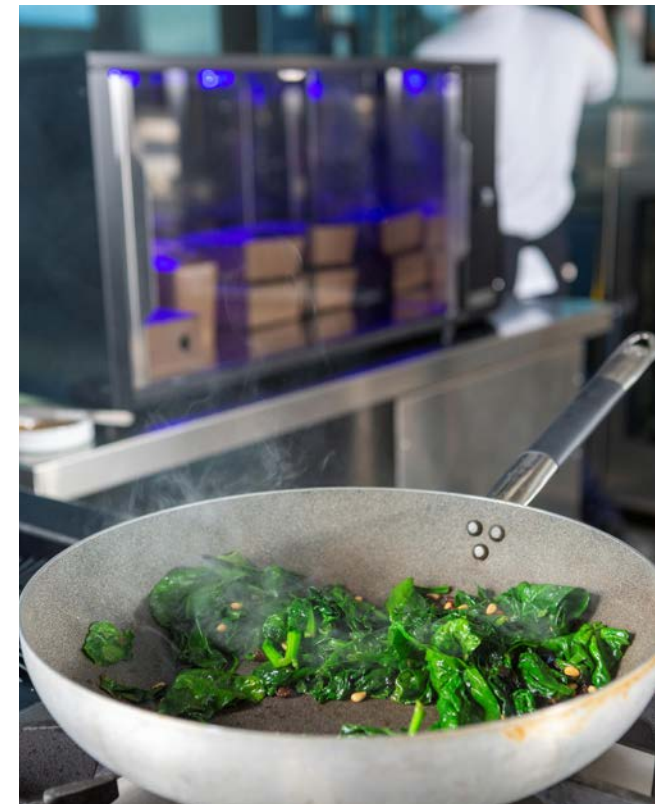
Growth rates are expected to be high in the beverage industry. This mainly stems from the impact of seasonal trends, stronger product diversification, and smaller average equipment size creating more space for multiple machines that are operated simultaneously.

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 2023*



* Own company calculations and estimates



Changing 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. Furthermore, the take-away and delivery business models are heavy growth drivers.

Total cost of ownership and environmental awareness

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

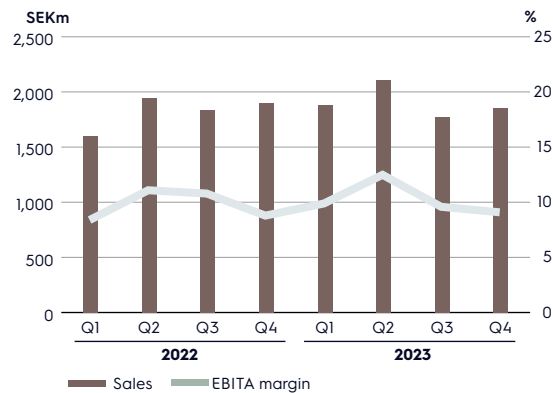
Markets and customers

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. We are also strong in this region 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 & Beverage has traditionally been on fine dining, projects, schools, and major chains.

Net sales and EBITA margin



Net sales per market

Europe

58%

Americas

32%

Asia-Pacific,
Middle East,
Africa

10%

Net sales total,
Food & Beverages
SEK 7,616m
(7,290)

EBITA
SEK 766m
(679)

EBITA margin
10.1%
(9.3)



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 PREPARATION	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: • Under-counter • Hood type • Rack type • Flight type • Blow dryer • 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 solutions 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

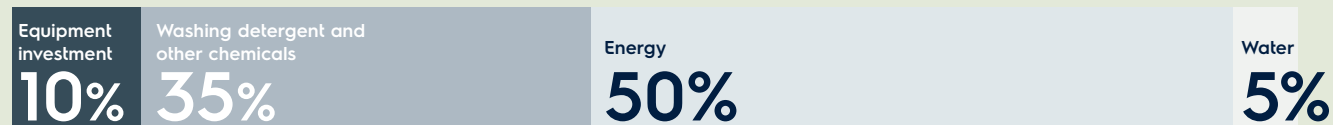
36%

Sustainable laundry solutions

Clean linen demands the consumption of water, energy, and detergents. Our solutions use technology and innovation to build resource-efficient products that have a low environmental impact and keep customers ahead of the game in business sustainability.

The upfront investment cost when purchasing a washing machine 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 in Europe. Note that the figures differ depending on equipment, water, energy, and detergent costs in different markets. The figures refer to 2022.

Sustainability Hero Heat Pump Tumble Dryer range

Tumble dryers consume the most energy in a laundry. Electrolux Professional's advanced technology behind the new heat pump range delivers up to 60% savings in energy consumption compared to a traditional dryer, without impacting the drying time. It thereby lowers the laundry's carbon footprint without impacting productivity. Further savings in energy and drying time are achieved through the Adaptive Fan Control, a unique innovation that adjusts fan speed automatically.



Clarus Vibe laundry models Lower chemical & detergent consumption

Detergents, chemicals, and utilities make up a large part of a commercial washing machine's lifecycle cost. Intelligent features available on Clarus Vibe models eliminate over-dosing and improve the total cost of ownership. The Intelligent Dosing feature automatically adjusts the detergent based on load weight, while the Integrated Savings function provides real-time data to avoid over or underloading the machine.



Organization

Laundry is organized as one global business area since the customer segment is global.

Market size and growth

The total market for professional laundry equipment is estimated to be approximately USD 2.9bn* in 2023. Prior to the pandemic, the market for global professional laundry equipment experienced annual growth of 2-3%, and this is expected to continue over the medium term.

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.

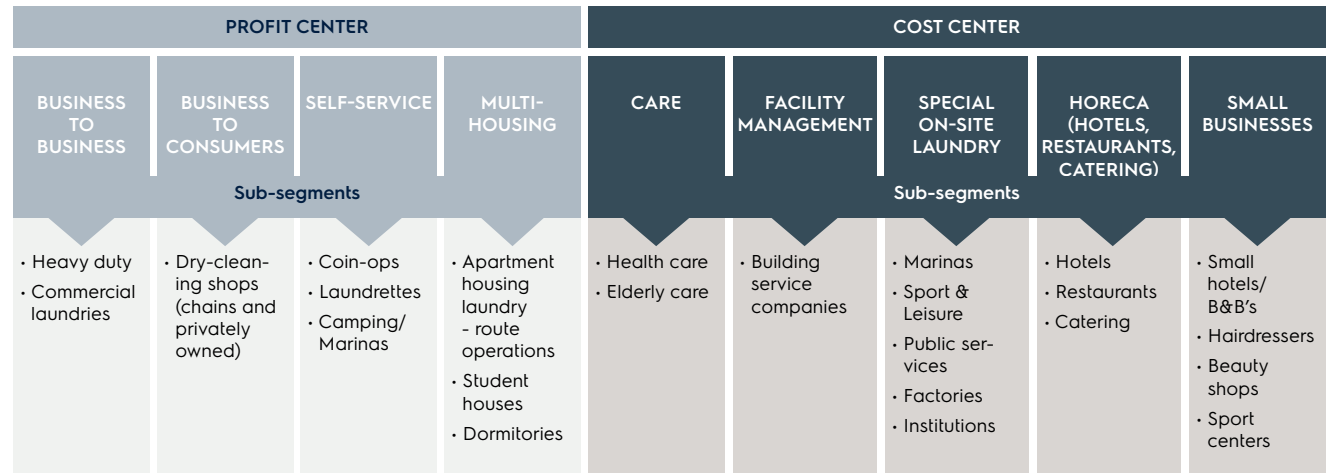
As more technologically-advanced equipment is introduced, major equipment replacement cycles are expected to take place. As a result of lower ownership costs, customers are expected to demonstrate more price flexibility.

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

* Own company 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.

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.

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.



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"> • Tumble dryers • Drying cabinets • Semi-professional dryers 	<ul style="list-style-type: none"> • Ironers • Finishing machines

Markets and customers

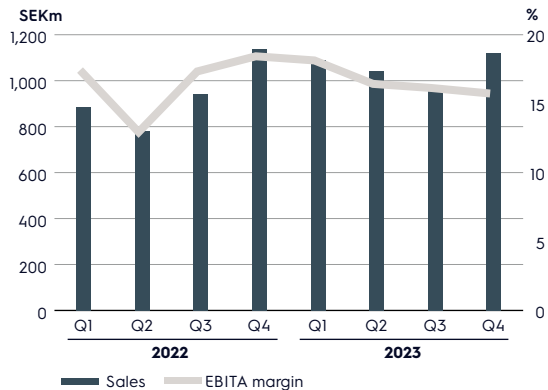
In Europe we are one of the leading laundry equipment players with the most significant sales being in Sweden, where the majority of customers are property owners with laundry rooms.

During and since the pandemic we have seen an increased focus on hygiene, in particular within elderly care homes and hospitals, which has been a contributing factor 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. After the acquisition of TOSEI in January 2024, Japan is the country in the region with the largest sales.

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

Net sales and EBITA margin



Net sales per market

Europe

66%

Americas

17%

Asia-Pacific, Middle East, Africa

17%

Net sales total, Laundry

SEK 4,231 m

(3,747)

EBITA

SEK 702 m

(608)

EBITA margin

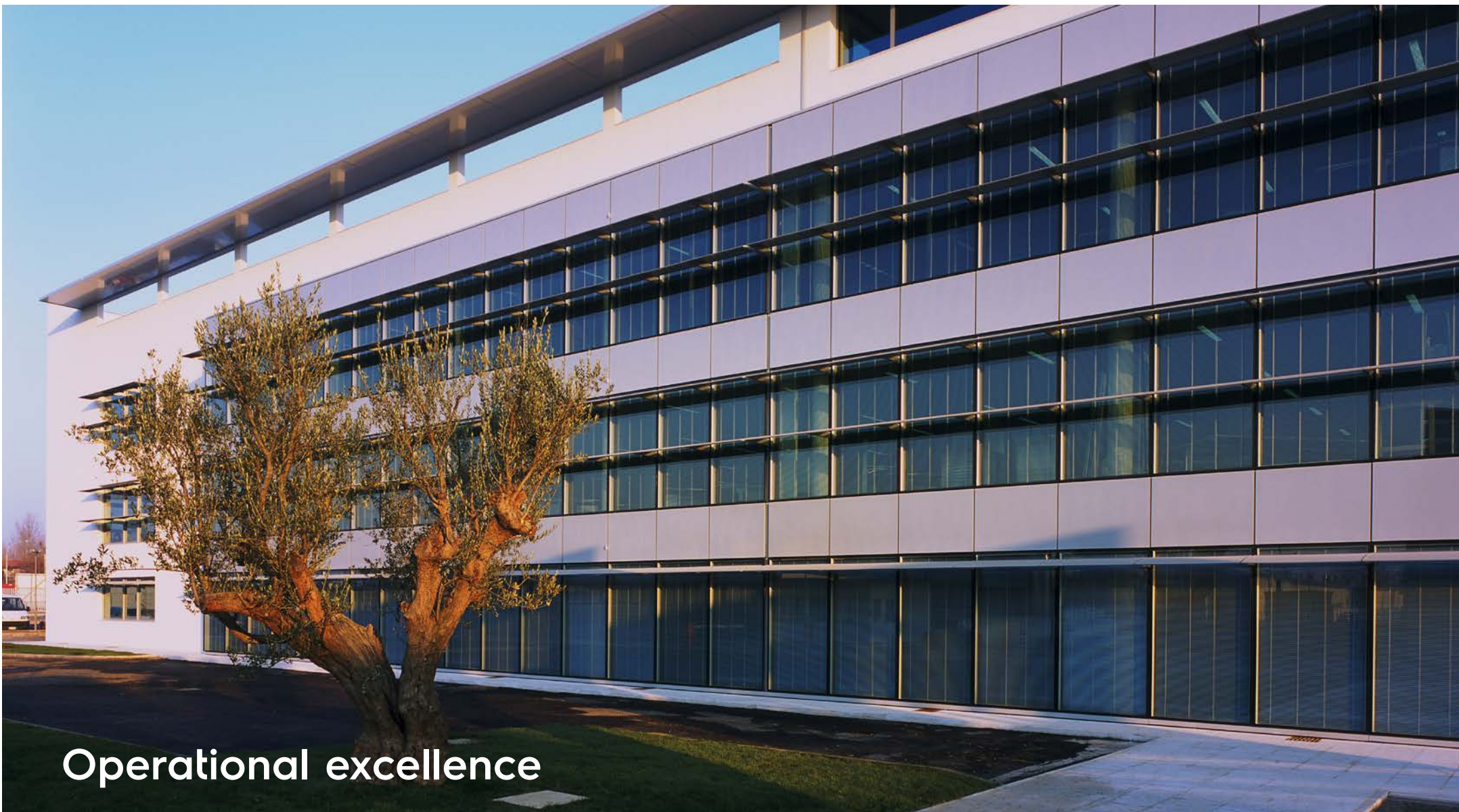
16.6%

(16.2)



Our production

Operational excellence	40
Quality	43
Logistics	43
Purchasing	43



Operational excellence

The Group's manufacturing units are organized 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, and have significant growth potential.

OUTCOME 2023:

Several projects to improve productivity and decrease costs have been carried out during the year. These include automatization, lean workshops, improved quality, and greater consolidation of the supplier base. This has resulted in an improved gross margin. In addition, several activities have been implemented in the factories to decrease CO₂ emissions.

Highest possible efficiency, flexibility, and performance standards

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.

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 the 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 brings about 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.

Reduced energy and water consumption in operations

All our manufacturing sites are progressing with their sustainability efforts. This includes a systematic approach to 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 of our important future priorities will be to reduce our impact from waste within our manufacturing.

During 2023 we have reduced energy consumption by 10%, and water consumption by 4.5% from the previous year.

We are currently operating with a 45% share of renewable energy. All manufacturing sites in Europe operate with renewable electricity. For sites outside Europe, our focus is on increasing the share of renewable electricity.

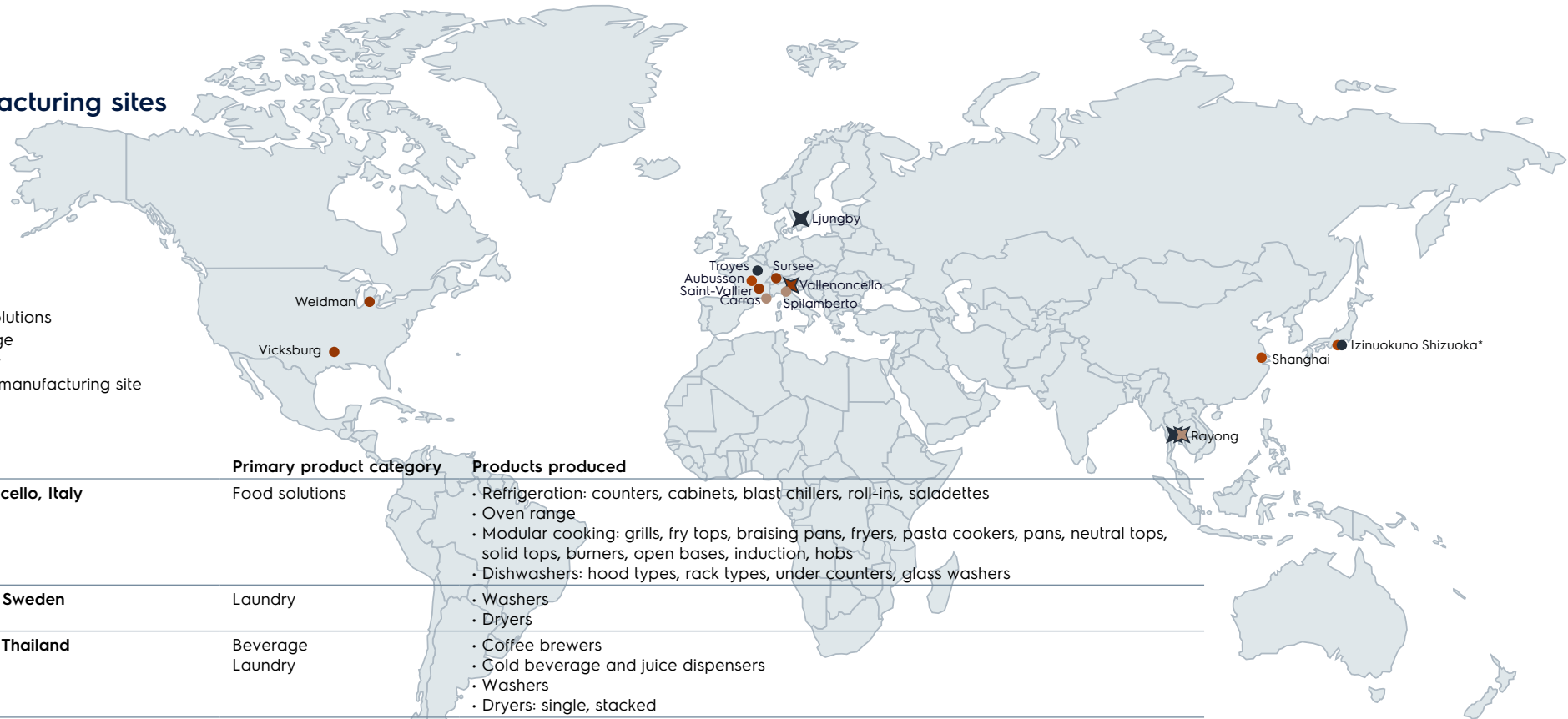


ISO certification – share of production volume covered by third-party certification (Excluding Unified Brands)



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
Izinuokuno Shizuoka*	Laundry, Food solutions	<ul style="list-style-type: none"> • Washers and dryers, mainly for laundromats (Coin-ops) • Vacuum packing machines such as table-top, stationary and fully automatic

*The acquisition of TOSEI was completed in January 2024

Quality

In 2023 we continued to focus on quality and we had a low rate of product complaints.

Electrolux Professional Group'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. In accordance with our quality policy, we are committed to marketing products that are of such high quality that this alone would be a defining reason for customers to choose our products over the competition, whether it's a first-time buy, recommendation, or repurchase.



The Power-of-zero framework

Our quality framework supports the use of standardized design tools and practices and the performance of product and process audits.

The framework is based on the "power of zero", meaning zero quality defects, zero service call rate, and zero safety issues. Making quality an integrated part of the entire organization involves generating a mindset that focuses on preventative and proactive activities - to the point of identifying unknown problems before they even occur, rather than maintaining a reactive approach.



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, and 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 distribute more than half of all our products and 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.

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.

Purchased materials represent about 68% 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 through contracts with the main producers for the most important raw materials, such as steel. The vast majority of our purchases are direct materials such as mechanical, chemical, and electrical components.

Electrolux Professional is focused on strategic sourcing of 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 our relatively large supplier base, which has increased due to recent acquisitions.

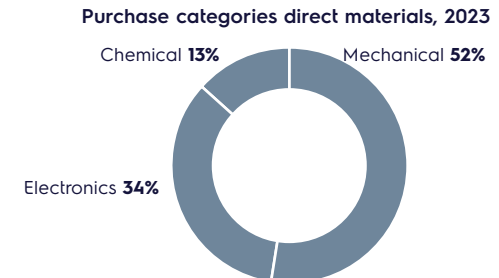
Purchasing approach

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 2023

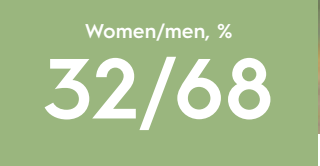
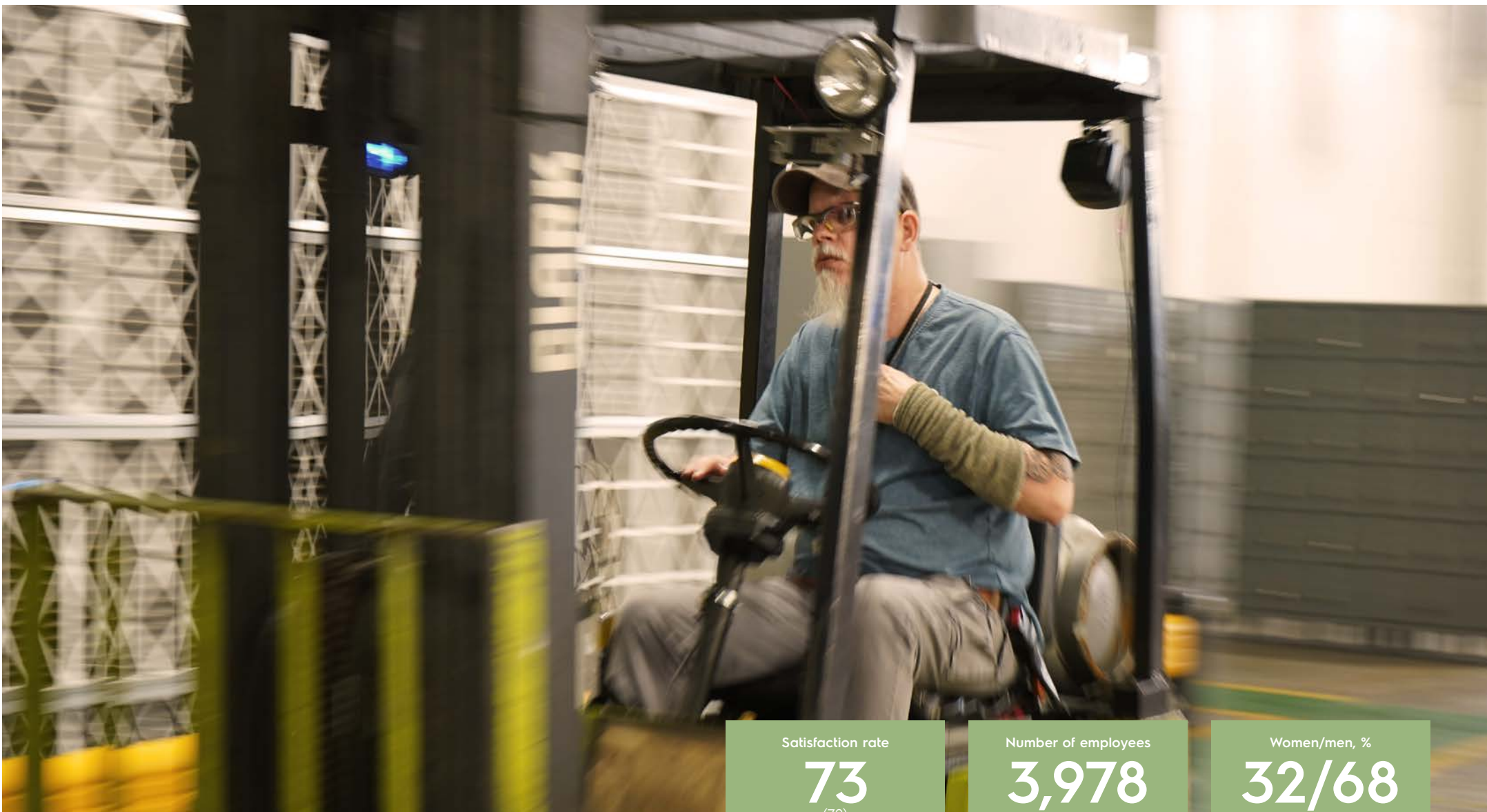
In 2023, expenditure on direct materials and products was approximately SEK 4.1bn, which accounts for approximately 58% of total purchasing.

The direct materials bought in 2023 were primarily mechanical materials such as steel, aluminum, and cast iron, amounting to approximately 36% of total direct material expenditure.



Our people

Our people	45
Guiding principles	46
Engagement and development	47



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

68%

Americas

17%

Asia-Pacific,
Middle East,
Africa

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.



Be customer obsessed

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



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. New perspectives and ideas are welcomed and we approach them with an open mind. We appreciate and respect our cultural differences and embrace all people – irrespective of race, ethnicity, or gender.



Build trust

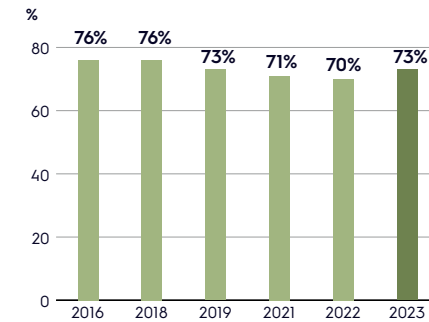
We believe that trust is an essential element for our business and our people to thrive. We welcome healthy debates and honest conversations in which everyone has a voice and is encouraged to use it, regardless of hierarchy. We are honest about our mistakes and learn from our setbacks. We seek commitment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



Act sustainably

We consider the development of our people to be as important as preserving our environment, and we take decisions that reflect our desire 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.

Employee satisfaction survey rate, satisfied or very satisfied



Employee surveys

We conduct an extensive, company-wide Employee Engagement Survey (EES) annually. The survey provides long-term and in-depth insights about the organization by measuring a variety of indices to provide a perspective on the health of the organization, its employees, and its leaders.

In October 2023, 91% of our employees expressed their opinions through the EES, compared to 88% in 2022. The satisfaction rate, High Performance Organization index, rose to 73% (70).

Based on the results of the EES in 2022, the following areas were prioritized for improvement: people development, collaboration, and renewal climate. The results of the 2023 EES indicate that there was progress in all these areas, and also in the area familiarity with strategy.

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 the 2023 EES, 74% of our employees agreed with the statement “In my team, people with diverse backgrounds, styles, and approaches have equal opportunities for development”, which is an improvement since 2022, when it was 69%.

We monitor gender diversity, and we have clear and cascaded objectives to increase gender diversity. All employees must 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 workplace, 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.

Engagement and development

A new and more flexible work-life

We have stayed with our bold decision to show trust in our employees with regards to their choice of place to work. Those whose work activities allow may choose where they work for 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 and for personal and informal interactions. However, we do allow for less presence.

Development Talks

Development Talks originated in the long-standing performance management process, in which performance objectives were set once per year and evaluated at the end of each calendar year.

During 2022 we evolved and implemented a version of this process which underlines the criticality of employees' development to the company's continued success. It also reflects a new way of working focused on prioritization and deliverables, and encompasses regular check-ins to monitor progress and fine-tune priorities. During 2023 we have further enhanced this process by enabling system support through our HR information system, PeoplePro.

Development Talks is a process to ensure accountability and contributions from each employee. It is 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. It is an employee-driven process, where it is up to the employee to take the initiative and act. The process encompasses regular dialog between employees and their managers about key business priorities, how employees can contribute, and opportunities for employees to do things differently to strengthen their skills, increase their impact, and secure their long-term success.

Reporting misconduct

All employees can report conduct that they believe, in good faith, to be a violation of laws or our Code of Conduct (CoC), 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 our third-party provider's web tool called EthicsPoint. Anyone reporting a violation will, to the extent legally permissible, be able to remain anonymous if they wish.

In 2023, 12 reports were received via the whistleblowing tool, EthicsPoint, and other channels. The reports mainly concerned workplace conduct. All cases were thoroughly investigated according to the established procedures, under the instruction of the Code of Conduct Steering Committee consisting of the CHRO, the Head of Internal Audit and the General Counsel, and reported to the Audit Committee. The majority of the cases led to actions to mitigate further discontent, although the majority were deemed not to be violations of the Code of Conduct.

We also measure incidents of discrimination and harassment through our annual EES. Based on these results, actions are planned to address the culture and behaviors in the locations we deem necessary. During 2023, 82% of the employees completed the CoC training.

A safe and healthy workplace

Given 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

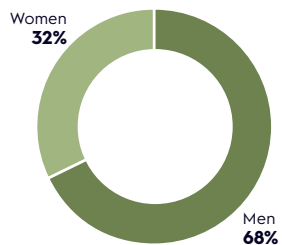
Directive describes the minimum requirements for environmental and working conditions for all employees. According to our annual EES in 2023, 82% of our employees agree with the statement "Health and safety is always considered in the decisions and actions taken in my team", which is an improvement of one percentage point since the survey result in 2022.

Number of employees

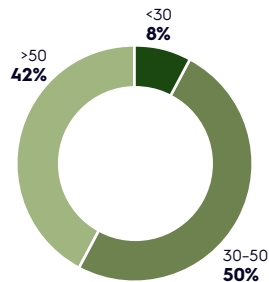
On December 31, 2023 Electrolux Professional Group had 3,978 employees in 33 countries. We had twelve manufacturing sites including R&D centers. The biggest countries in terms of number of employees are Italy, the US, and Sweden.



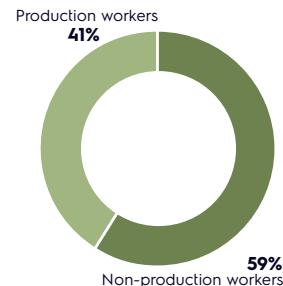
Gender distribution



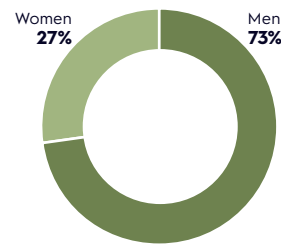
Age distribution employees



Worker distribution



Leadership diversity



31 December, 2023

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.

2023 activities	49
Our sustainability framework	50
Strategy and targets	53
Sustainable Development Goals	54
Sustainable solutions	55
Sustainable operations	58
Ethics and relationships	63
Sustainability notes	149

2023 activities



> The Science Based Targets initiative validated our Scope 1, 2, and Scope 3, Category 11 greenhouse gas emission targets.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

> We retained B score in the Carbon Disclosure Project Ranking (CDP).

> We retained a reduced ESG-risk rating by Sustainalytics, Morningstar, Low risk 10.8 (13.8).

> Following the devastating earthquake in Turkey and Syria in the beginning of the year, Electrolux Professional Group donated EUR 10,000 to the Red Cross to support the organization's work for earthquake survivors.

> We also donated cooking equipment in partnership with Mercy Chefs US, an organization providing relief efforts for those displaced in the Turkey-Syria region.

> On September 8, central Morocco was hit by an earthquake causing widespread devastation. We donated products to support humanitarian organizations in preparing food for survivors.

> Application submitted for our Shanghai operations to participate in the I-REC system, targeting 100% use of renewable electricity plant.

> Signed contract for solar subscription for our Mississippi plant in October to increase the share of renewable energy.

> Initiated pilot projects from the winner of the internal sustainability challenge initiative, 2022, to make a positive impact on the environment

> Completed decarbonization project studies in 5 of our 12 plants, with the objective of reaching our emission reduction targets.

> We identified salient human rights issues through a human rights due diligence process, in accordance with the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy. Read about the outcomes on page 66.

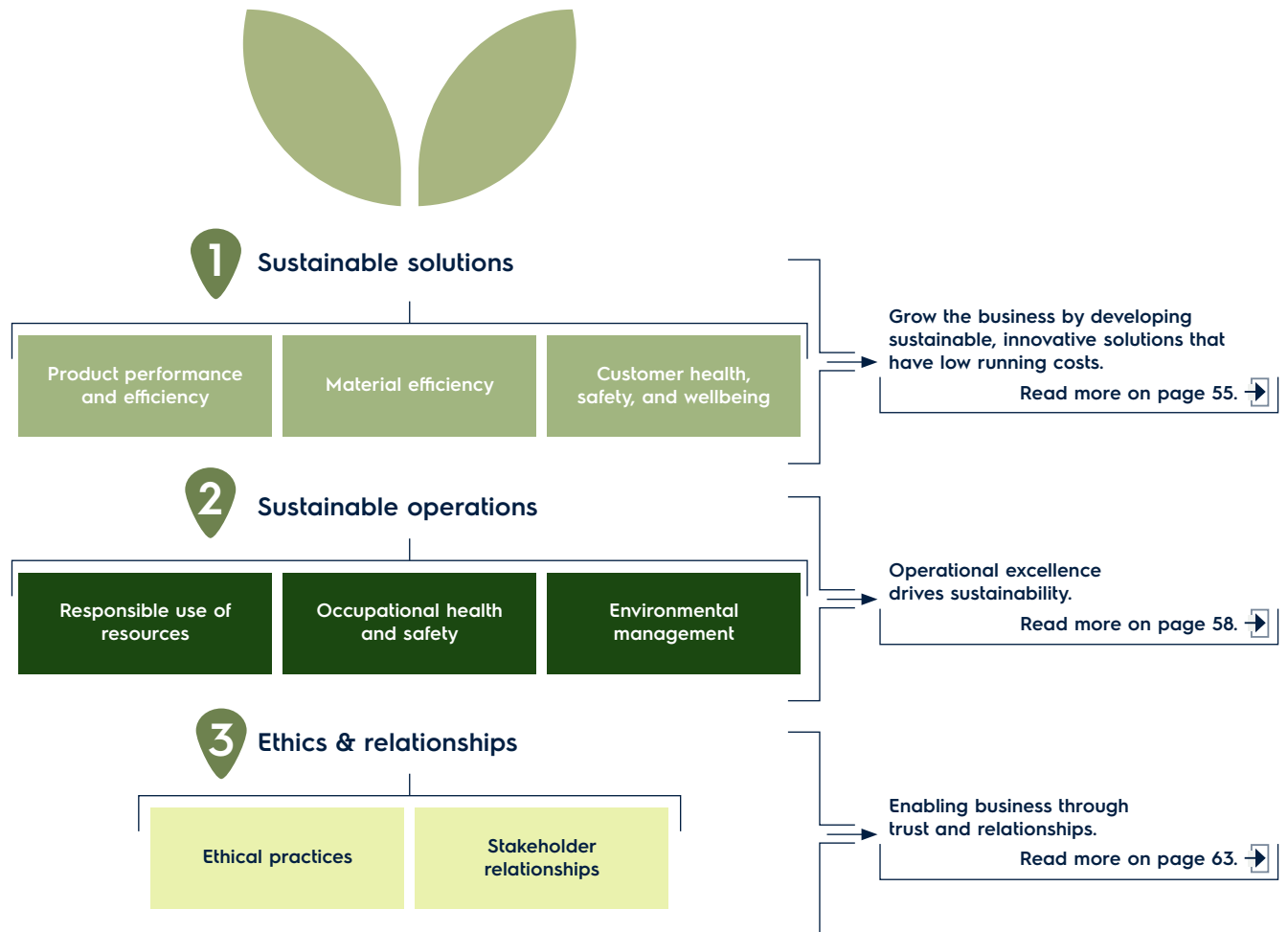
> Preparations for implementation of a digital reporting platform for sustainability data were carried out. This to ensure reporting in accordance with ESRS (European Sustainability Reporting Standards), starting from 2024.

> Launched the dishwashing Hero Dryer solution, a free-standing blower to help dining-in or take-away restaurants to move away from single-use plastics, in line with the EU regulations.



The Sustainable Partner

Our Sustainability framework shows how we work with our material sustainability topics. We perform impact analyses and strategic assessments, which together with stakeholder expectations and dialogs, serve as the basis for our sustainability efforts and materiality analysis. Read more about our material topics on pages 56-65.



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 uphold the
trust we are given by our
stakeholders.

Our guiding principles



Be customer obsessed



Build trust



Be bold



Act sustainably

Read more on page 46. [→](#)



Strategic framework

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 54.

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.

Materiality assessment 2023

We based our materiality assessment on a stakeholder engagement process that encompassed workshops, interviews, and other forms of dialog. By seeking perspectives from diverse stakeholders, we gained a deeper understanding of different sustainability topics and their severity and likelihood. The 2023 sustainability report is based on the material topics identified below:

Stakeholder	Form of dialog	Important topics	Generated value
Customers and users	<ul style="list-style-type: none"> • Ongoing dialog to understand 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. <p>See more on pages 7, 21–28, 31, 36.</p>
Employees	<ul style="list-style-type: none"> • Ongoing dialog with employees and unions through our managers • Systematic dialog within our people performance and development 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. • Strengthened leadership <p>See more on pages 7, 45–47.</p>
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. Our largest shareholder is also a member of 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. <p>See more on pages 7, 164–167.</p>
Suppliers	<ul style="list-style-type: none"> • Dialog with suppliers is mainly conducted through supplier meetings, negotiations, and discussions • Information gathered about 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. <p>See more on pages 7, 43, 64–65.</p>
Society and local communities	<ul style="list-style-type: none"> • Contacts with local communities regarding local environmental requirements • Monitor public opinion 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. <p>See more on pages 7, 60–62, 64–65.</p>
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. <p>See more on pages 52, 59.</p>

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 2023:

Scope 1 and 2 CO₂ emissions in 2023 amounted to 4.25 (6.2) kton, which is -62%* compared to 2015 with a recalculated baseline**.

Comment on 2023 outcome

Strong focus on switching to renewable energy, and full capacity generation of renewable electricity in Rayong, made it possible to reach the 2025 target two years ahead of time.

Science-based climate target for 2030

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

>70%

by 2030 (base year 2019)

OUTCOME 2023:

With a recalculated baseline** the reduction since 2019 is 50%.

Comment on 2023 outcome

A solar panel subscription in the Mississippi plant, a reduction in natural gas consumption, and improved production efficiency helped us reduce our emissions.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Reduce indirect use-phase emissions of sold products
Scope 3 emissions

>27.5%

by 2030 (base year 2019)

OUTCOME 2023:

In 2022 (2023 result not yet available) Scope 3 emissions, Category 11 amounted to 5,302 kt, a 16% reduction compared to 2019, with recalculated baseline**.

Comment on 2023 outcome

During 2023, we developed our Scope 3 product-use emission reduction target, and it was validated and approved by the Science Based Targets initiative. The reduction in emissions was due to lower volumes and grid improvement.

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 2023:

The number of accidents resulting in lost work time decreased bringing us closer to our target, at 0.54 (0.64).

Comment on 2023 outcome

We continued to address the root causes of accidents, working proactively with near misses and unsafe actions.

Gender diversity target for 2030

Gender diversity
Distribution men/women or women/men

40/60

Distribution across managerial positions by 2030

OUTCOME 2023:

The percentage of women in all managerial positions in 2023 was 27% (26).

Comment on 2023 outcome

Gender diversity across managerial positions improved somewhat. Activities related to diversity and inclusion, such as training and support for hiring managers have increased during the year.

* Including Unified Brands, which was acquired in 2021.
**Recalculation is made by distributing the first reported emission footprint backwards to previous years.

Sustainable Development Goals (SDG)

Electrolux Professional Group uses the SDGs as our compass to guide what we do to contribute to a more sustainable society. We have identified six SDGs where we believe we have a greater impact and opportunity to make a difference. We believe that the SDGs 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, human 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 have 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



3 GOOD HEALTH AND WELL-BEING



11 SUSTAINABLE CITIES AND COMMUNITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS

Other SDGs 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



1 Sustainable solutions



We serve a wide range of customers around the world, from restaurants, hotels, and laundrettes to healthcare and service facilities. Our solutions consume energy, water, and detergents and thus impact our customers and the consumers of the services 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 environmental and social impact throughout the value chain. The choices made will have an impact on materials used, manufacturing, distribution, product use, and end of life.

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

Focus on developing innovative and sustainable solutions

As there are few energy directives and certification schemes externally, Electrolux Professional has created an internal indicator to highlight technical solutions that can offer opportunities for carbon

reduction. Our intention is to track products that can technically support carbon reduction. We do not benchmark the indicators 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.

Three priority areas within sustainable solutions

Product performance and efficiency



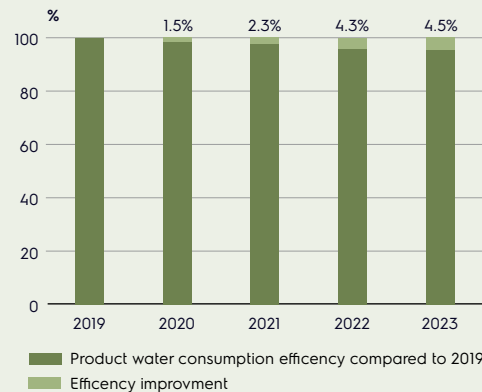
Efficient and low-consuming products

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. From 2019 to 2023 the company's R&D expenditure was an average of approximately 3.7% of sales per year.

Around 94% of the company's climate impact occurs as the products consume energy. The Scope 3 emissions (category 11) from the use phase of our products amounted to 5,302 kt in 2022 (2023 figures not yet available). The reduction of these emissions drives our continuous pursuit to innovate and to identify strategies to develop and provide energy-efficient and low-consuming products. We have set a target to increase the energy efficiency of our product range (base year 2019). This is positive both for the environment and for our customers' operating costs. A number 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 2023 we have improved water consumption efficiency by 4.5%. Read more about our sustainable product offering on pages 12, 31, 36, 60.

Product water consumption efficiency improvements



The sales volume for 2022 was incorrect so the efficiency was recalculated based on the correct volume.

Efficient use of material

Most 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 as user-operated equipment in the sharing economy. Material efficiency can be increased by designing durable products. We invest in lifetime testing and quality assurance to verify that our products meet durability and reliability requirements. For more information about our approach to Zero defects, see page 43.

Service and maintenance

During the product's lifetime we offer a wide range of spare parts, services, and customer support that can help to prolong the product's lifespan. Maintenance and service can also help to ensure that efficiency and performance are maintained during the product's lifetime. For more information about our service offering, see page 24.

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 material recovery and thereby reduce our impact from waste generation.

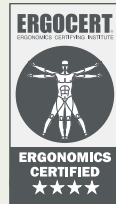


Customer health and safety

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. To improve the safety level of our appliances, we also use third-party laboratories to review products from a safety standpoint.

Appliances are designed with consideration for ergonomic principles on human functionality and according to the user's natural workflow, to achieve maximum efficiency with minimum effort. We also 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. Product safety concerns raised 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 Group'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.

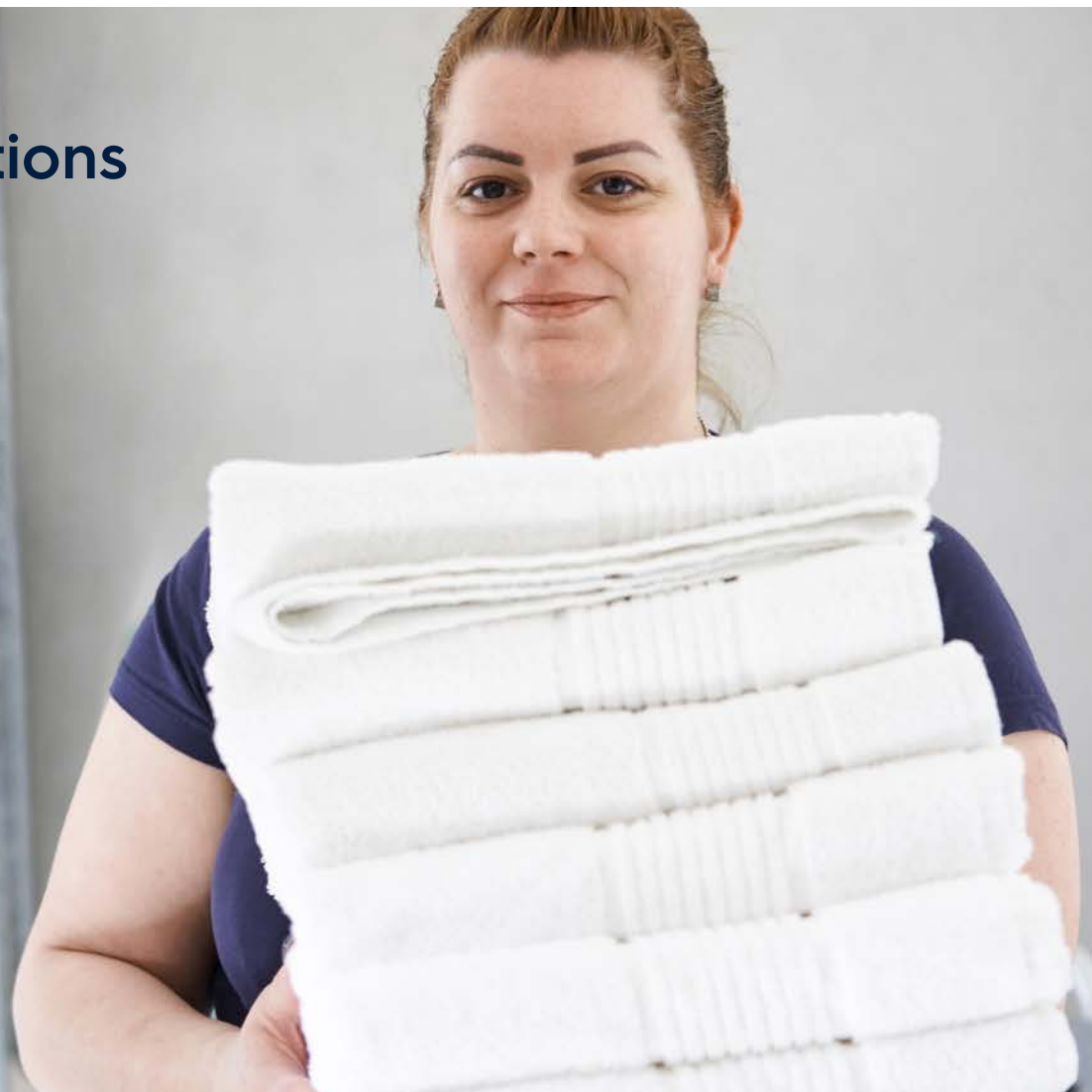
Microplastics

Research has demonstrated 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 that is 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 worldwide 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 take part in global efforts both as a knowledge contributor and by doing real-life tests of standard test methods.



2 Sustainable operations



Electrolux Professional Group has a global presence and applies the same high standards and principles of conduct globally. These are 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.



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. Risk mitigation and the transition to a low-carbon economy might have an impact on all stakeholders in society and have political, legal, and technological impacts on organizations.

We constantly strive to reduce our climate change impact through the climate-neutral ambitions for our industrial operations and by working relentlessly to achieve our SBTi Scope 1, 2, and Scope 3, Category 11 emission reduction targets.

Our efforts have been recognized by various rating institutes. 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 82.](#)



Sustainability Ratings	Score	Date
EcoVadis	Silver	March 2023
CDP Climate Change	B	February 2024
Sustainalytics ESG risk-rating	10.8 (low risk)	February 2024

Environmental management

We place great emphasis on reducing the environmental impact of our business activities. Our biggest 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 material sustainability topics within our operations are integrated into our Enterprise Production System. The system provides a method for minimizing all types of waste and losses in our

processes. Using fewer resources is good for the environment and for the long-term profitability of the company.

The Group complies with environmental legislation and the factories operate according to national legislation, apply for necessary permits, and report to local authorities in accordance with applicable legislation. 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. Our suppliers are assessed against sustainability parameters, as outlined in our supplier workplace standard/directive.

Our target is for all of our logistics, manufacturing, and R&D operations to become third-party certified according to ISO 9001 and ISO 14001. See all our ISO-certified sites on page 41. The Group's environmental policy and environmental work are described in more detail on pages 56 and 60-62.

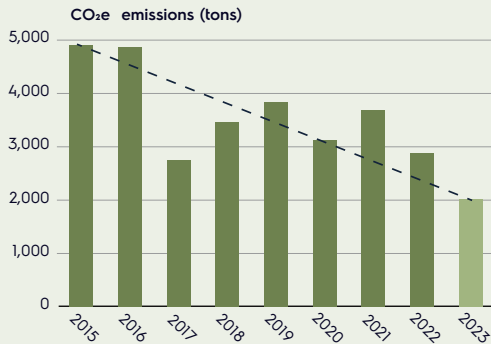
The climate and environment

CO₂ 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 to reduce emissions by 50% by 2025 (including contributions from acquisitions made in 2015–2019).

During 2023, we continued to reduce our Scope 1 and 2 emissions and have already achieved our 2025 targets.

CO₂ emissions target 2015-2025



We have set science-based targets for Scope 1 and 2 which were validated and approved by the Science Based Targets initiative in 2023. Our SBTi target is to reduce Scope 1 and 2 emissions by 70% by 2030 from a 2019 base year.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our emissions are mainly driven by gas consumption used for heating, use of HFCs, and electricity consumption. We have invested in renewable electricity during the year, which has reduced our carbon emissions. Furthermore, to meet our Scope 1 and Scope 2 emission reduction targets, we have developed the following plan:

Roadmap Scope 1 and 2:

- > Elimination of natural gas and electrification of heating
- > Installation of on/near-site solar PV
- > Purchasing of Renewable Energy Certificates (RECs), Guarantees of Origin (GO), and renewable electricity subscriptions
- > Improvement in both thermal and electrical efficiency

Scope 3 emissions

Product use

Analysis of our greenhouse gas emissions within Scope 1, 2, and 3 shows that our Scope 1 and 2 emissions constitute only a small portion, approximately 0.1%, of our total carbon emissions. Scope 3 emissions actually constitute around 99.9% of our total emissions.

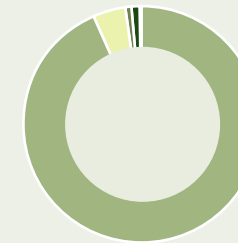
Our main climate impact occurs during the product-use phase within Scope 3 (~94% in 2022). The main source of emissions within the usage phase relates to the product's energy consumption. In 2022 (2023 result not yet available) Scope 3 emissions, Category 11, amounted to 5,302 kt, a 16% reduction compared to 2019 with a recalculated baseline. Recalculation is made by distributing the first reported emission footprint backwards to previous years.

During 2022, we developed our Scope 3 product-use emission reduction target of 27.5% by 2030 from a 2019 base year. This was validated and approved by the Science-Based Targets initiative (SBTi) in 2023. We have developed a clear plan to reduce our Scope 3 product use emissions:

Roadmap Scope 3:

- > Improve our product mix offering to our customers with an increase in low-electricity-consumption products
- > Continue developing highly energy-efficient products in line with the Scope 3 product-use emission targets (SBTi)
- > Continue developing cutting-edge technologies to further improve product performance efficiencies

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



* Based on 2022 data, including Unified Brands*



The climate and environment



Energy management

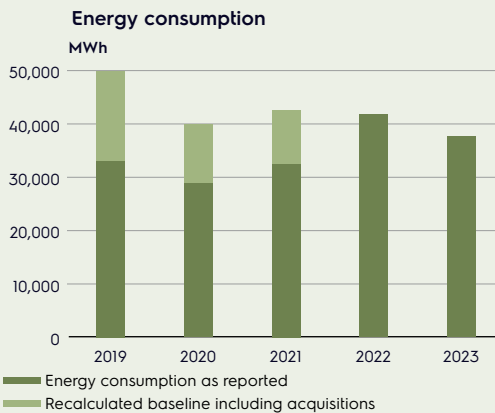
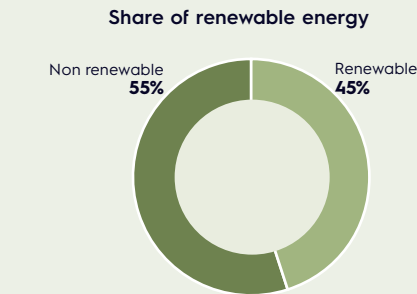
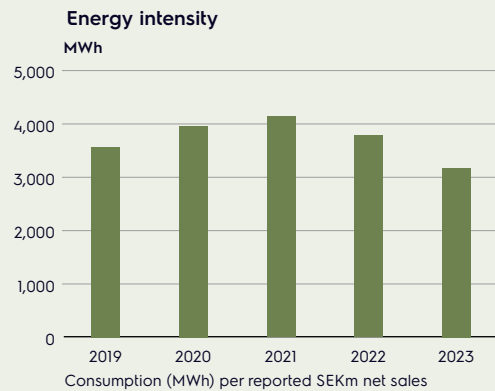
Electrolux Professional Group places a strong emphasis on reducing energy consumption in our operations. We constantly monitor our performance and have developed reduction targets.

Total energy consumption has decreased in 2023, mainly due to reduced electricity consumption and purchasing of solar subscriptions and renewable energy certificates. Electrolux Professional Group will continue to prioritize energy reduction measures.

We are currently operating with a 45% (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. In Mississippi we have subscribed to a community solar program.

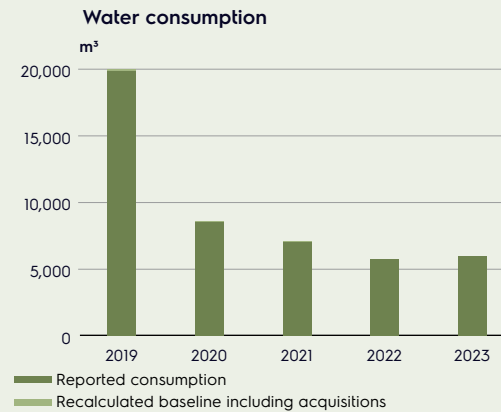
Our plan is based on continuous improvement activities, projects, and investments in energy-efficient equipment. We are also active supporters of the switch to renewable energy. A pilot project has been initiated to investigate solutions for reducing natural gas consumption through electrification at our Italian sites.



Water management

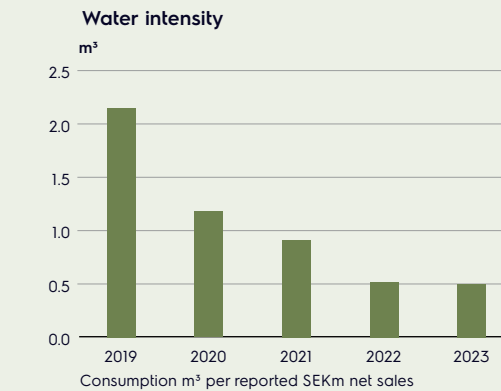
During the year, both water withdrawal and water discharge has decreased. Our water consumption has remained the same compared to last year.

We use the Worldwide 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. 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.



Earlier years water withdrawal was reported as water consumption. For this year's report, we recalculated water consumption by deducting water discharge from water withdrawal, using GRI 303-5.

Recalculation is made by distributing the first reported water consumption back-wards to previous years.

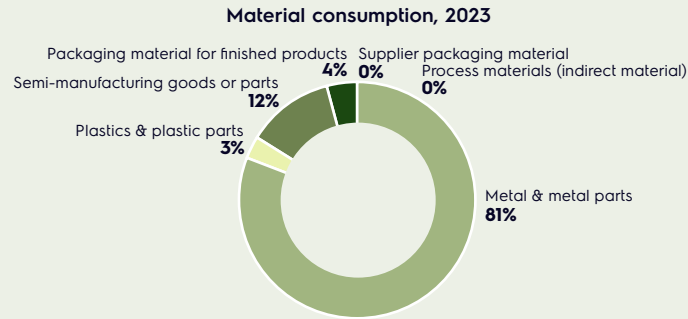


Water intensity has been recalculated based on water consumption, not water withdrawal.

The climate and environment

Materials

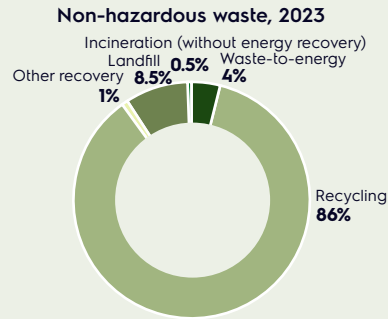
Metal and metal parts are the materials we consume the most. We have adopted a restricted materials list to restrict toxic and hazardous substances in our products and processes. Our factories also work to reduce material losses by improving the scrap rate and by using materials efficiently. Read more on page 56.



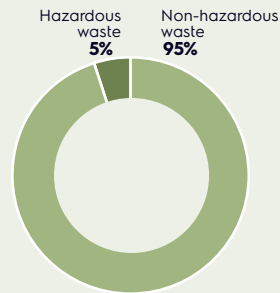
Waste and hazardous waste

86% of the non-hazardous waste we generate is recovered while 4% is sent to energy recovery. 8.5% goes to landfill or incineration without energy recovery.

5% of the waste generated is categorized as hazardous waste.



Share of hazardous waste, 2023



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.

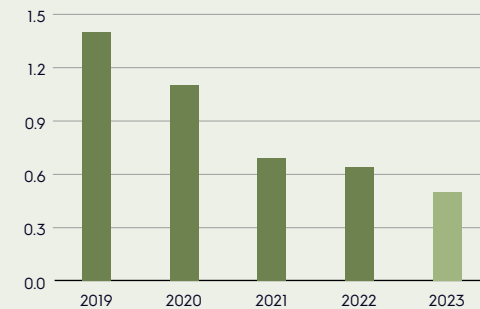
Our Group health and safety guidelines are outlined in our Code of Conduct and Group Workplace policy, and detailed requirements are described in our Group Workplace Directive. Our industrial operations pose higher risks, and we have established a dedicated Health & Safety pillar focused on maintaining 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 result 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 are third-party certified according to ISO 45001, read more on page 41.

We also collaborate with SOS International to protect our people during business travel.

Lost Time Injury Rate



3 Ethics and relationships



A good, sustainable relationship with the stakeholders that are impacted by our business is key to delivering on our strategic targets. We demonstrate our commitment, and seek stakeholder trust, through several 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.

Business ethics

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. During 2023 on-line anti-corruption training was rolled out to a targeted group of employees, with a completion rate of approximately 93%. In addition, face-to-face courses or webinars are regularly conducted on legal compliance topics for employees likely to face such risks.

Whistleblowing - 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 Group. Our online platform, EthicsPoint, where employees can report serious concerns, misconduct, or potential breaches of the company's Code of Conduct, is also open to external reporters. In 2023, 12 reports were received via the whistleblowing tool, EthicsPoint, and other channels. The reports received mainly concerned workplace conduct. All cases were thoroughly investigated according to the established procedures, under the instruction of the Code of Conduct Steering Committee consisting of the CHRO, the Head of Internal Audit and the General Counsel, and reported to the Audit Committee. The majority of the cases led to actions to mitigate the issue, although the majority were deemed not to be violations of the Code of Conduct.



82%
(2023)
of employees
participated in Code
of Conduct training

93%
(approx. completion rate)
training on anti-corruption
for targeted employee groups

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



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.

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 consistent 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. These audits include environmental and health & safety aspects, in addition to the quality aspects of our audits.

74
general supplier audits in 2023,
34 in Asia Pacific,
2 in Africa and 38 in Europe

74/74
audits included quality

74/74
audits included environment
and health & safety

In 2023 we commenced the Conflict Mineral due diligence process for selected suppliers (a pilot) to ensure that purchased components that contain the four minerals tin, tantalum, tungsten, and gold are sourced from responsible and conflict-free sources only. Our pilot showed that we meet the responsible sourcing standards set by the Organization for Economic Co-operation and Development (OECD).

Policies

Selected policies are available on our Corporate website.

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.

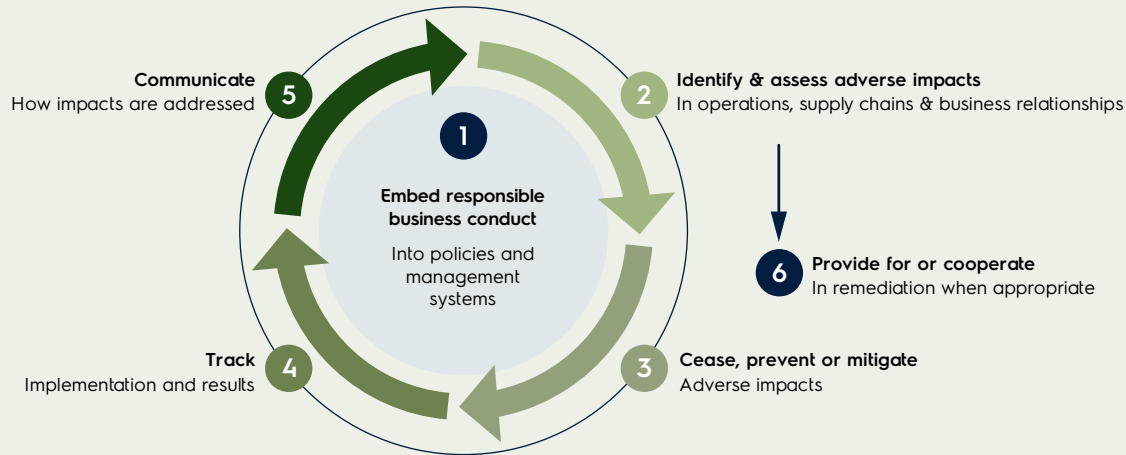
The health and safety of our employees is a top priority, and we work continuously to identify, manage, and mitigate any risks of accidents and illness. We aim to have an open and transparent dialog to engage with employees directly and, when applicable, with their representatives.

Human Rights Due Diligence

In 2023, we conducted a Human Rights Due Diligence (HRDD) assessment. The assessment involved collaborative workshops with a diverse internal team representing various departments and geographies in manufacturing, Sustainability, Human Resources, and Purchasing in APAC, US and Europe.

Through these workshops, we pinpointed potential human rights impacts across our value chain, and prioritized key risks in a heat mapping exercise. This strategic approach helps us focus on addressing the most crucial risks for both our stakeholders and our operations.

Due diligence process and supporting measures



Source: OECD p21 <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

Salient Human Rights Impacts

Group affected	Salient human rights impacts
Own workforce	<ul style="list-style-type: none"> • Health and Safety • Health and Safety/Health impacts • Freedom of association • Fair wages • Forced labor
Workers along the value chain	<ul style="list-style-type: none"> • Child labor • Discrimination • Harm to livelihoods • Working hours • Access to clean water
Communities affected	<ul style="list-style-type: none"> • Forced labor • Child labor • Discrimination • Harm to livelihoods • Land-related impacts • Health impacts • Access to clean water
Impact on end users	<ul style="list-style-type: none"> • Health and Safety



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.

- Investeringar i digitalisering
- Organisationsförändring som syftar till stärkare kund
- Bra förbättring avseende hållbarhetsmål. S Erkännande som ledande inom hållbarhet. Inbegriper ett hållbarhetsmål.
- Ny syndikerad lånefacilitet på 140 miljoner

Corporate governance

Chairman's comments	68
Corporate governance report	69
Board of Directors	76
Group Management Team	78
Remuneration report 2023	80
Risk and risk management	82

Robust strategic and financial progress

Despite high inflation, macroeconomic uncertainty, and continued geo-political tension, our markets held up well, particularly during the first half of the year. Sales and profitability improved, and cash generation was strong. Electrolux Professional Group took several important strategic steps this year. Two examples I'd like to highlight are progress in sustainability and the acquisition of TOSEI in Japan in January 2024, which will further strengthen the Group.



In parallel to general governance duties and monitoring of external dynamics, the Board of Directors has given particular attention to reviewing the business area plans over the last year. This has special significance given the reorganization of the Group in 2022. It is reassuring to see that the plans are making good progress in most of the relevant, attractive segments. In addition, Group Customer Care grew more than product sales, and investments continued in digitalization and connected products focused on delivering greater customer value.

The somewhat weaker development of the US Food and Beverage business, after a strong 2022, has also featured on the Board's agenda. Many steps have been taken to create a more streamlined and efficient organization, including managing channel partner dynamics in Food Service.

Electrolux Professional Group's ambition is to be the sustainability leader in our industry and the results achieved during the year continue to support this aspiration. One tangible example is the CO₂ emissions reduction, where we met our 50%-reduction target for 2025 already in 2023. In addition, the Group's near-term targets to reduce indirect greenhouse gas emissions from the use of our products by 2030 have been validated by the Science Based Targets initiative (SBTi). The company and the Board have also made efforts to establish governance and reporting readiness for the comprehensive Corporate Sustainability Reporting Directive (CSRD), due for the 2024 reporting.

Towards the end of the year, the Group announced the strategic acquisition of TOSEI Corporation, a move that is consistent with the Board's intention to use the strong cash generation to also expand inorganically. With the acquisition of TOSEI, Electrolux Professional will become a larger player in Japan, and further strengthen the Group's position in Asia. In general, acquisition opportunities remain on the Board agenda.

Towards the end of the year, the Group announced the strategic acquisition of TOSEI Corporation, a move that is consistent with the Board's intention to use the strong cash generation to also expand inorganically. With the acquisition of TOSEI, Electrolux Professional will become a larger player in Japan, and further strengthen the Group's position in Asia.

Kai Wärn, Chairman of the Board

Besides regular Board meetings, the Board has carried out two visits during the year. One meeting was in Milan, Italy where we visited the trade fair HOST, and one Board meeting was held in Ljungby, Sweden, the center of the Laundry operations.

At a business level, demand held up well in the first half of the year but declined somewhat during the second half as markets softened. Despite this, the Group has managed to increase sales and profit, including improving the margin. Overall we have continued to build a stronger company, which is also reflected in the Board's proposal to increase the dividend to SEK 0.80 (0.70) per share, in line with the dividend policy.

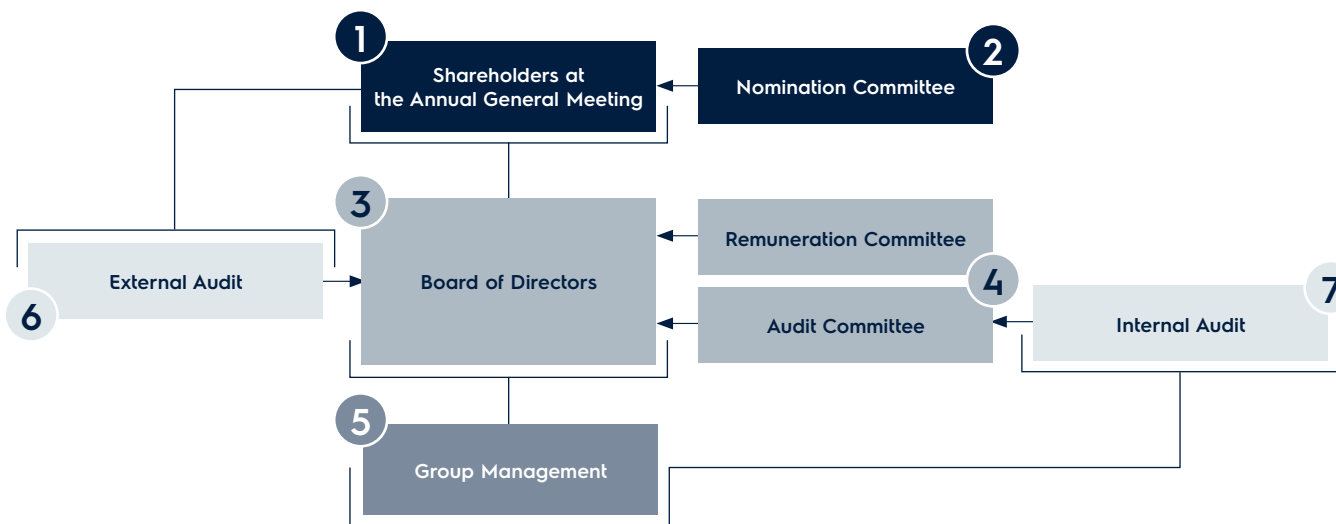
The Board would like to express its gratitude to Electrolux Professional Group's management and employees for their great contributions during the year.

Kai Wärn,
Chairman of the Board

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 2023. 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 nor the Swedish Securities Council in 2023. 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.

Electrolux Professional registered share capital is SEK 28,739,745, represented by 287,397,450 shares of which 8,031,461 are Class A shares and 279,365,989 are Class B shares (as of December 31, 2023), 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 2023, 13,853 Class A shares were converted to Class B shares.

1 Shareholders

The number of registered shareholders at December 31, 2023 was 44,069. On December 31, 2023, 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 information 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 2023 the Board of Directors proposes a dividend to the shareholders of SEK 0.80 (0.70) per share, corresponding to 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 26, 2023 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 working 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 be 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 25, 2024, 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 2023.

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 Audit Committee assists the Nomination Committee in preparing proposals for auditors, and the Nomination Committee's proposal includes 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, qualifications, 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 independence 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 it receives about the composition of the Board that may have been suggested by other shareholders.

Nomination Committee for the 2023 AGM

The Nomination Committee for the AGM 2023 was comprised of five members, led by Petra Hedengran of Investor AB. For the proposal for the AGM 2023, the Nomination Committee assessed the composition and size of the Board and the expected demands on the Board based on the Group's future strategy. The Nomination Committee applied rule 4.1 of the Code as the diversity policy in its nomination work.

The Nomination Committee proposed re-election of all Board members including re-election of Kai Wörn as Chairman of the Board and election of Josef Matosevic as a new member 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 2024.

Nomination Committee ahead of the 2024 AGM

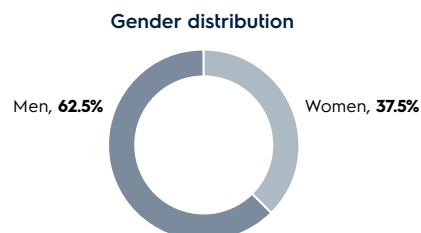
The Nomination Committee for the 2024 AGM is based on the ownership structure as of August 31, 2023, and was announced in a press release on September 21, 2023.

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 Wörn, 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 eight members elected by the 2023 AGM for a term of office extending until the close of the 2024 AGM, with no deputies, as well as two ordinary members and two 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 Wörn. 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

Board of Directors 2023 – AGM 2024

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 Wörn 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
Josef Matosevic	Member	2023	Yes	Yes	-	-	-
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
Joachim Nord	Member*	2019	-	-	-	-	130
Jens Pierard	Member*	2022	-	-	-	-	-
Per Magnusson	Deputy*	2019	-	-	-	-	-

* Employee representative.

1) Own holdings and holdings of related persons and affiliated companies. Each Board member's shareholding in Electrolux Professional as per March 1, 2024

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

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. Independence is 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. The Board shall ensure that the company has formalized procedures to ensure that the established principles for sustainability reporting are complied with and that Electrolux Professional's sustainability reporting is prepared in accordance with laws and applicable accounting standards. 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 CEO, 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 2023

In 2023, the Board held twelve meetings, ten 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 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 ordinary 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 capital investments exceeding SEK 25m and receives reports on all investments exceeding SEK 10m.

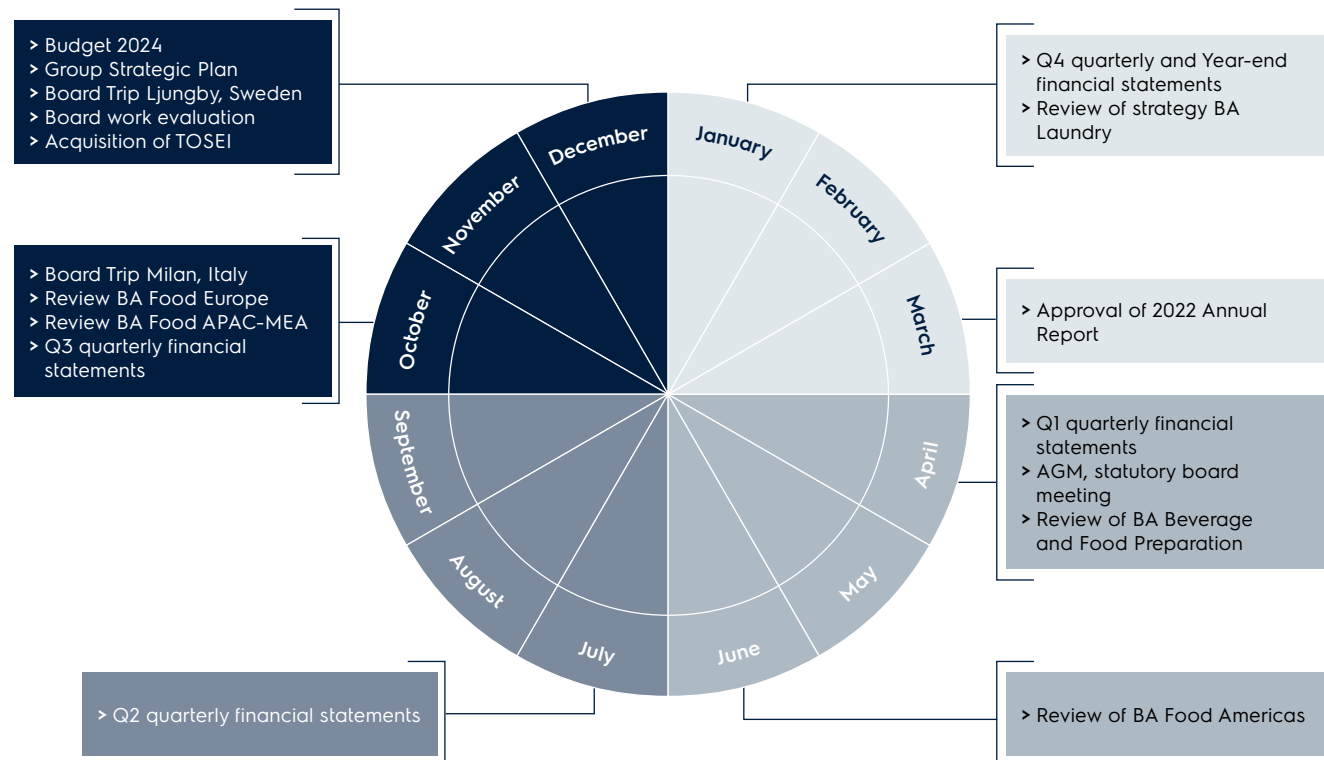
Finally, in most scheduled Board meetings a business function or strategic item is presented and reviewed.

Key focus areas for the Board during 2023

As the effects of the pandemic declined, and despite the macro-economic impact of Russia's war on Ukraine in terms of inflation, increased energy prices, and interest rates, overall market demand held up well during the first half of the year. During the second half of the year organic sales declined and market demand softened.

As a result of the implementation of the new and simplified

The work of the Board in 2023





organization to be able to execute faster on the company's strategic priorities and strategic plans, five Business Areas, Food Europe, Food Americas, Food APAC & MEA, Beverage & Food Preparation, and Laundry, were presented and reviewed by the Board

The sustainability strategy continued to develop and in August Electrolux Professional Group's near-term targets to reduce greenhouse gas emissions (Scope 1 and 2) and reduce indirect use-phase emissions (Scope 3) by 2030 were validated by the Science Based Targets initiative (SBTi). Another significant task consisted of establishing the governance and monitoring the preparations and readiness for Corporate Sustainability reporting.

In October one Board meeting was held in Milan and the Board visited the trade fair HOST. In December 2023 a board meeting was held in Ljungby, Sweden and the Board visited the laundry plant.

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 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 2023, Board members responded to written questionnaires. The evaluations were subsequently 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 Annual General Meeting 2023 resolved on fees to the Board of Directors in accordance with the Nomination Committee's proposal. Yearly fee to the Chairman of the Board of Directors of SEK 1,680,000 and SEK 560,000 to each of the other Directors appointed by the Annual General Meeting not employed by Electrolux Professional. In addition to these fees, the Annual General Meeting resolved on an additional fee of USD 4,000 per meeting to be paid to each Director that resides outside Europe for attendance at ordinary physical Board meetings in Sweden or Italy. Fees for committee work to the members who are appointed by the Board of Directors were approved as follows: SEK 175,000 to the Chairman of the Audit Committee and SEK 115,000 to each of the other members of the Audit Committee and SEK 115,000 to the Chairman of the Remuneration Committee and SEK 85,000 to each of the other members of the Remuneration Committee.

The compensation paid in 2023, shown in the table below, refers to compensation until the AGM in 2023 and three quarters of the compensation authorized by the AGM in 2023, see also note 26.

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. During 2023 the tasks of the Audit Committee have also included oversight of the preparations and readiness for Corporate Sustainability 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 Audit Committee meetings in 2023.

During 2023 the Audit Committee held five meetings. All Audit Committee members attended all the meetings.

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 CEO, for resolution by the Board, and reviews

Board of Directors – remuneration and meeting attendance

	Total remuneration 2023, '000 SEK	Board meeting attendance	Remuneration Committee attendance	Audit Committee attendance	Independence ¹
Kai Wörn	1,751	12/12	4/4		Yes
Katharine Clark	556	11/12			Yes
Lorna Donatone	757	12/12		5/5	Yes
Josef Matosevic	507	7/8 ²⁾			Yes
Hans Ola Meyer	730	12/12		5/5	Yes
Daniel Nodhäll	753	12/12	4/4	5/5	No
Martine Snels	670	11/12	4/4		Yes
Carsten Voigtländer	556	12/12			Yes

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

2) Mr Matosevic was elected in April 2023.

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 Wörn, and Daniel Nodhäll. The Chief Human Resources Officer participated in the meetings and was responsible for the meeting preparations.

During 2023 the Remuneration Committee held four meetings, one of which was per capsulum. Attendance is presented in the table on 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.

Key focus areas for the Group Management Team during 2023

- > Continued 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.
- > Continued development of sustainability strategy including readiness for the Corporate Sustainability Reporting Directive.
- > To address global macro-economic effects, 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 boards and forums have been created to ensure collaboration and coordination between the Business Areas, such as the Chains and Food Product Board.
- > The Acquisition of TOSEI Corporation.

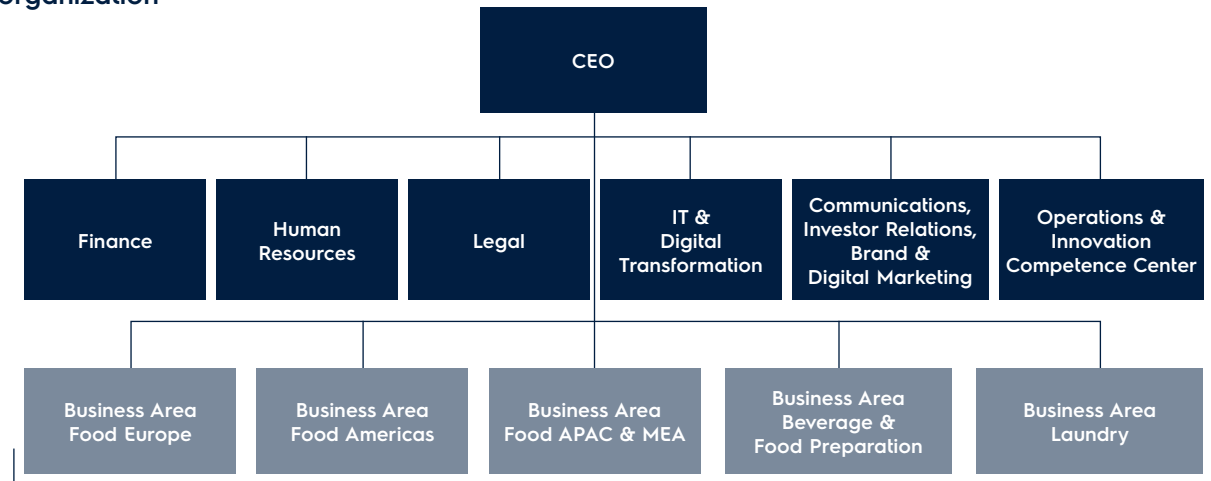
Management changes

Alberto Zanata, President and CEO acted as the head of the Business Area Food Europe from July 1 2022 to March 6, 2023 when Camilla Monefeldt Kirstein took up the position as President of the Business Area Food Europe.

6 Auditors

The 2023 AGM re-elected Deloitte AB for the period up to and including the 2024 AGM. Jonas Ståhlberg, authorized public account-

Our organization



tant and a member of FAR (the professional institute for authorized public accountants in Sweden), is the auditor-in-charge. During 2023 a tender process was conducted for the election of auditor at the coming 2024 AGM. For specification of remuneration to auditors refer to note 12.

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 administration 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 laws 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 CFO.



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.

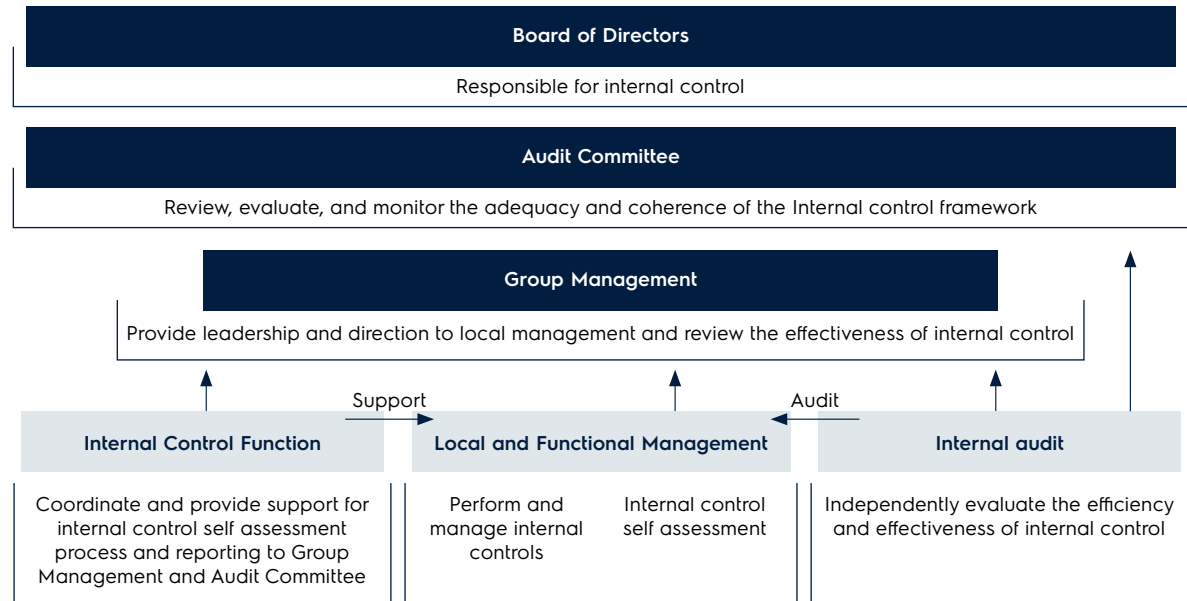
Control environment

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 and 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

JOSEF MATOSEVIC

HANS OLA MEYER

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 2023.	Board member since 2019. Chairman of the Audit Committee.
Year of birth	1959	1979	1957	1971	1955
Nationality	Swedish	British	American	American	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 Mechanical Engineering from Bayerische Julius-Maximilian's Universität in Würzburg, Germany.	B.Sc. in Economics and Business Administration from Stockholm School of Economics, Sweden.
Other board assignments	Board member of Sandvik AB, Mälärhamnar AB, Sunstreet Energy AB, Exandio Holding AB, and Comparso AB.	-	Board member of Dawn Food Products Inc., Sbarro, LLC and National Restaurant Association Educational Foundation, USA.	Board member at Helios Technologies.	-
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 EMEAL.	Previously various senior positions within the Sodexo Group	President and CEO, Helios Technologies. Previously Executive Vice President and Chief Operating Officer and interim President and CEO of Welbilt, Inc., Executive Vice President of Global Operations at The Manitowoc Company, Inc., Executive Vice President of Global Operations Oshkosh Corporation, as well as various executive positions with Wynnchurch Capital.	Previously CFO, Senior Vice President Controlling and Finance at Atlas Copco 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 as well as the company's major shareholders.
Shareholding at March 4, 2024	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.



DANIEL NODHÄLL



MARTINE SNELS



CARSTEN VOIGTLÄNDER

Position & year elected	Board member since 2019. Member of the Remuneration Committee and the Audit Committee.	Board member since 2019. Chairman of the Remuneration Committee.	Board member since 2019.
Year of birth	1978	1969	1963
Nationality	Swedish	Belgian	German
Education	M.Sc. in Economics and Business Administration, Stockholm School of Economics, Sweden.	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 Husqvarna AB.	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	Head of Listed Companies at Investor AB.	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 on 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, but not in relation to 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.
*Shareholding at March 4, 2024	20,000 Class B shares.	7,000 Class B shares	10,000 Class B shares



JOACHIM NORD

Position & year elected Board member since 2019. Employee representative of the Council for Negotiation and Cooperation (PTK).

Year of birth 1966 **Nationality** Swedish

Shareholding* 130 Class B shares.



JENS PIERARD

Position & year elected Board member since January 1, 2023. Employee representative of the Swedish Confederation of Trade Unions (LO).

Year of birth 1968 **Nationality** Swedish

Shareholding* -

PER MAGNUSSON

Position & year elected Deputy board member since 2019. Employee representative of the Swedish Confederation of Trade Unions (LO).

Year of birth 1964 **Nationality** Swedish

Shareholding* -

HELEN ÅKERMAN

Position & year elected Deputy board member since 2024. Employee representative of Unionen

Year of birth 1982 **Nationality** Swedish

Shareholding* -

Group Management Team



ALBERTO ZANATA

PAOLO SCHIRA

**CAMILLA MONEFELDT
KIRSTEIN**

DAVE HERRING

PHILIPPE ZAVATTIERO

RICHARD FLYNN

Position	President and Chief Executive Officer since 2009.	President Business Area Laundry, since 2022.	President Business Area Food Europe since March 2023.	President Business Area Food Americas, since 2022.	President Business Area Beverage and Food Preparation, since 2021.	President Business Area Food APAC and MEA since 2022.
Year of birth	1960	1975	1972	1964	1961	1980
Nationality	Italian	Italian	Norwegian	American	French	British
Education	Master's degree in Electronic Engineering with Business Administration, Padua University, Italy.	Master's Degree, Engineering, University of Trieste, Italy.	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.	MBA, University of Southern New Hampshire, USA. B.Sc in Mechanical Engineering, University of Iowa, USA.	Master's Degree of Engineering, National Institute Polytechnique of Grenoble, France. Master's degree ESSEC Business School Paris, France.	Business management, University of Gloucestershire, England.
Other assignments	-	-	Board member of Knowit AB.	-	Board member of Institut Paul Bocuse, France.	-
Previous positions	Head of Professional Products, Executive Vice President within the Electrolux Group	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.	Recently President Personal Protection Equipment Division at Hultafors Group. Previously Executive Vice President Snickers Workwear and Fris-tads AB. Various management positions at Oriflame Cosmetics, SAS Group, K-World, and Management consultant at McKinsey & Company.	Most recently President Unified Brands, part of the Group Management Team of Electrolux Professional since December 2021. VP/GM positions at Avery Dennison Inc.	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.	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.
Shareholding at March 4, 2024	173,203 Class B shares.	26,411 Class B shares.	-	-	31,836 Class B shares.	7,843 Class B shares.



	FABIO ZARPELLON	CARLO MARIO CARONI	PIA HOVLAND	CAROLINA TENDORF	JACOB BROBERG	GUILHEM SENEGAS
Position	CFO since 2009.	COO (Operations & R&D) since 2014 (Operations) and 2019 (R&D) respectively.	Chief Human Resources Officer since 2020.	General Counsel since 2022.	Chief Communication and Investor Relations Officer since 2019.	Chief Information Officer and Head of Digital Transformation, since 2020.
Year of birth	1967	1968	1965	1968	1964	1975
Nationality	Italian	Italian	Swedish	Swedish	Swedish	French
Education	Degree, Business Administration, Ca' Foscari University of Venice, Italy.	Master's degree in Mechanical Engineering in Economics and Management, Politecnico di Torino, Italy.	Bachelor's degree in Computer Science, Stockholm University, Sweden.	Master's Degree of Law, University of Stockholm, Sweden	B.A., Political Science and Economics, Lund University, Sweden.	Master's degree in Engineering from CentraleSupélec, Paris and MBA from Le Collège des Ingénieurs, Paris.
Other assignments	President La Vela srl.	-	-	-	Board member Sveriges Kommunikatörer AB, Board member Stiftelsen Svenska Dagbladet, Board member Swedish Investor Relations Association.	-
Previous positions	CFO of Professional Products within the Electrolux Group.	SVP Global Operations within the Professional Products business area of the Electrolux Group.	Various senior HR positions in Britannia Airways, Effnet Group and Electrolux including SVP HR, Communications & Continuous Improvement at Electrolux Business Area Europe.	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.	Most recently, since 2019 SVP Investor Relations and Corporate Communications in Electrolux Professional. Previously SVP Corporate Communications and Investor Relations, Cloetta AB.	Various Senior IT roles for bioMérieux & Mérieux Nutrisciences, IT consultant for Capgemini.
Shareholding at March 4, 2024	32,378 Class B shares.	27,352 Class B shares.	19,844 Class B shares.	7,088 Class B shares.	20,685 Class B shares.	10,716 Class B shares.

Electrolux Professional Group remuneration report 2023

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 2023. 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 Executive 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 134–136 of the 2023 Annual Report. Information on the work of the Remuneration Committee in 2023 is set out in the corporate governance report available on pages 73 of the 2023 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 134 of the 2023 Annual Report.

Key business developments in 2023

The President and CEO summarizes the company's overall performance in his statement on pages 4–5 of the 2023 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 92–93 of the 2023 Annual Report. During 2023, 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 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 www.electroluxprofessional.com/corporate. No remuneration has been reclaimed.

Table 1 – Total remuneration of the President and CEO in 2023 (kSEK)¹

kSEK	Fixed compensation		Variable compensation				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	Extraordinary items				
Alberto Zanata President and CEO) ²	7,269	394	2,717	5,635	-	583	16,599	50%/50%	

- 1) The table reports compensation earned in 2023 (irrespective of whether payments have been made the same year), except for multi-year variable compensation which reports what was vested in 2023 (settlement in Q1 the following year).
- 2) The remuneration of the President and CEO is defined in EUR. The presented remuneration in SEK is therefore impacted by the currency exchange rate.
- 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 2021 long-term incentive award.
- 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, 2023)		During the year		Closing balance (Dec 31, 2023)		
Specification of plan ¹	Performance period	Award date ²	End of vesting 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	102,457	5,635	0	0
LTI 2022 ¹¹	Jan 1 – Dec 31, 2022	May 5, 2022	Dec 31, 2024	49,181	0	0	0	0	49,181	55,995
LTI 2023 ¹²	Jan 1 – Dec 31, 2023	May 5, 2023	Dec 31, 2025	0	119,223	6,742	0	0	74,598	44,625

- 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 'End of vesting 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.
- 12) The maximum number of shares that could be awarded under LTI 2023 for the CEO was 119,223 shares. The outcome was 63% and resulted in 74,598 shares for the CEO.

Share-based remuneration

The aim of Electrolux Professional's long-term incentive plans (LTI) is 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.

During 2023, the company had three ongoing performance share programs (LTI 2021, LTI 2022, and LTI 2023) for senior managers and key employees, including the President and CEO. All programs run over a three-year vesting period including a one-year performance period. The allocation of shares in the 2021 and 2022 programs is determined by the position level and the outcome of two objectives: (i) earnings per share and (ii) operating cash flow after investments. The allocation of shares in the 2023 program is determined by the position level and the outcome of three objectives: (i) earnings per share, (ii) operating cash flow after investments and (iii) CO₂ emission reduction.

Performance outcome of the objectives in the three plans is 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 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 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 2023.

Application of performance criteria

The performance measures for the President and CEO's variable compensation have been defined to deliver the Group's strategy and to encourage behavior that is in the long-term interest of the Group. The strategic objectives and short-term and long-term business priorities for 2023 have been taken into account in the definition of performance measures.

Descriptions of how the performance measures for payment of variable short-term and long-term compensation have been applied during the financial year are set out in Tables 3(a) and 3(b) on this page.

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) 12% b) 1,804 kSEK
	Group Net Sales Growth (%) ²	15%	a) 2% b) 256 kSEK
	Group Operating Working Capital (%) ³	15%	a) 18% b) 0
	Group Customer Care Net Sales Growth (%) ⁴	15%	a) 8% b) 657 kSEK

- 1) Year-on-year EBITA value growth %, adjusted to budget rate 2023 in SEKm. EBITA = EBIT (absolute) plus amortization. Effects of acquisitions and divestments excluded.
- 2) Year-on-year External Net Sales growth (%), adjusted to budget rate 2023 in SEKm. Effects of acquisitions and divestments excluded.
- 3) Operating Working Capital (OWC) % = OWC (excluding factoring contribution) divided by External Net Sales. OWC: 12-month average OWC (Acc. Receivables excluding factoring contribution + Inventory + Acc. Payable) adjusted to average rate 2023. External Net Sales: 12-month External Net sales adjusted to average rate 2023. Effects of acquisitions and divestments excluded.
- 4) Year-over-year External Net Sales growth (%), adjusted to budget rate 2023 in SEKm. Effects of acquisitions and divestments excluded.

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 ⁴
Alberto Zanata (President and CEO)	LTI 2023	Earnings per share ¹	50%	a) 2.70 SEK b) 26,694
		Operating cash flow after investments ²	30%	a) 1,453 mSEK b) 24,059
		CO ₂ emission reduction ³	20%	a) 680 tonnes b) 23,845

- 1) Income for the period (attributable to equity holders of Electrolux Professional) 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) CO₂ emission reduction refers to Year-on-Year greenhouse gas reductions measured in absolute values within the following areas: (i) Scope 1 and (ii) Scope 2, in accordance with the Greenhouse Gas (GHG) Protocol.
- 4) The vesting period ends on December 31, 2025 and shares will be paid in the following year (subject to continued employment).

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

Actual Value and Annual Change ²	2023	2022	2021	2020
President and CEO Remuneration in kSEK (change in %) ³	16,599 (+46%) ⁴	11,331 (-9%)	12,453 (+102%) ²	6,163
Group EBITA in SEKm (change in %)	1,330 (+16%) ⁵	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 %) ⁶	552 (+2%)	539 (+10%)	489 (-4%)	509

- 1) The table presents the actual value for the reported financial year and, in parentheses, the annual change vs the previous year.
- 2) The increase in 2021 compared to 2020 is due to close to maximum outcome for 2021 incentive programs and zero outcome for 2020 programs.
- 3) The remuneration of the President and CEO is defined in EUR. The presented remuneration in SEK is therefore impacted by the currency exchange rate.
- 4) The increase in 2023 compared to 2022 is due to the vesting of the first LTI program (LTI 2021) in Electrolux Professional AB.
- 5) EBITA adjusted to budget foreign exchange rates for 2023, excluding costs for acquisitions.
- 6) 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 which means that we are exposed to strategic, operational, and financial risks at a micro and macro level. Risks are managed through a systematic risk management framework to enhance resilience and empower the Group to achieve its goals.

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.

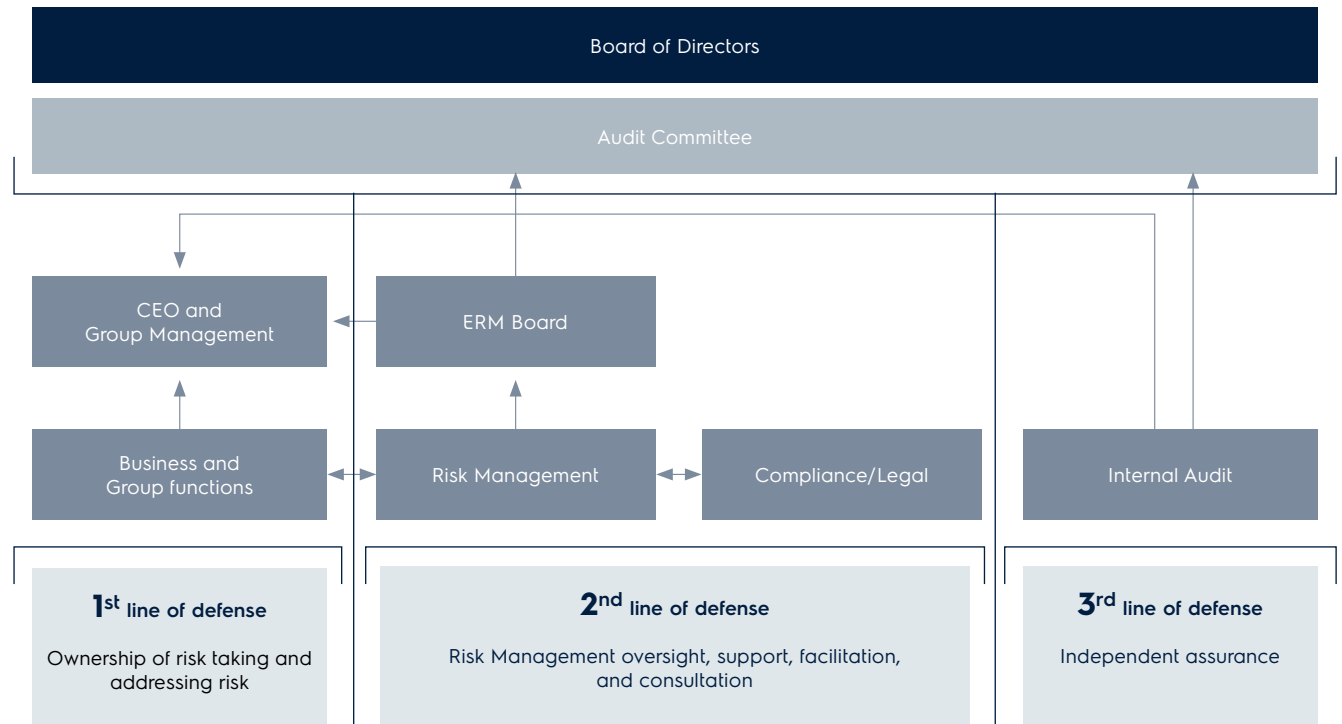
The CEO, Group Management, Business and Group functions form the first line of defense with ownership of risks, ensuring monitoring of risks, and the responsibility for addressing risk.

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 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 achievement 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 mitigation actions.

Electrolux Professional Group transfers certain risks to established and internationally recognized commercial insurance markets. 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 produce and deliver to customers without interruptions.

Risk Governance



Enterprise Risk Management

The purpose of the Enterprise Risk Management (ERM) process is to proactively manage risks that have the greatest potential to impact Electrolux Professional Group's ability to fulfill the company's mission, strategy, and business goals. The foundation for the ERM process is bi-annual workshops with Group Management and Business Area Management Teams as well as continuous support for risk mitigation actions.

ERM objectives and process

- > Promote integration of 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 coordination and accountability for risk mitigation.

Identified risks are assessed by management teams through a combination of potential impact on the company and current level of risk management. This assessment determines the degree of materiality for each risk, which in turn sets the prioritization for

risk mitigation and guides identification of appropriate actions to improve the specific risk management. The process setup ensures strong risk ownership and highlights the ability to act to improve risk management as the core component in the ERM process.

Risk materiality scale

● Low ● Moderate ● Substantial ● Critical

Risks

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

Strategic risks

Strategic risks relate to macro-economic factors and geopolitical conditions resulting in changes in the business environment that potentially have a significant effect on operations and business objectives. Read about climate scenario analysis in Note 31 on page 139.

	Materiality	Risk	Management
Economic climate	● ● ● ● ●	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.	Strategic risks are managed through the normal course of business, i.e. strategic plans and business decisions taken by the Board of Directors, the Group Management Team, and management teams throughout the Group.
Political instability	● ● ● ● ●	Market accessibility is impacted by geopolitical decisions, aggressions, sanctions, export controls, etc. as well as the general prevailing political discourse, e.g. globalization or protectionism, which ultimately affects the legal possibilities to do business in certain areas of the world as well as general supply and demand.	Close monitoring of the geopolitical developments in countries with political risk exposure. Readiness to act to ensure continuity of business.
Climate change	● ● ● ● ●	Climate change is expected to drive global geographic shifts affecting tourism/business travel, and is a chronic physical risk. In a 4-degree climate change scenario, a large part of our customer base could become exposed to significant risks due to climate change in 2050.	Geographic shifts in global tourism/business travel 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. A shift in peak season tourism to shoulder seasons could open up future business opportunities and increase sales in these currently off-peak seasons. Read more about actions taken in the Sustainability report on pages 48-66.

● Low ● Moderate ● Substantial ● Critical

Operational risks

Operational risks stem from business operations and have a potential impact on the Group's financial position and performance. Risks are mainly associated with the development, design, and manufacturing of the Group's products, the supply chain, and sales of products and services worldwide. Read about climate scenario analysis in Note 31 on page 139.

	Materiality	Risk	Management
Manufacturing	● ● ● ● ●	<p>The Group has 13 manufacturing plants in eight countries and manufacturing is a chain of processes. Unfavorable geopolitical 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 a changed 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>
Supply chain	● ● ● ● ●	<p>Manufacturing depends on the availability and timely supply of components and raw materials, sourced and purchased primarily from external suppliers. A shortage of electronics and raw materials poses risks related to product costs and 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 complies with laws and the Group's business principles, which is having a positive effect. We perform regular supplier audits and continuous monitoring of supplier performance and financial stability, and long-term agreements are in place with single-source suppliers. In addition, we are establishing more dual-sourcing for key components and raw materials.</p>
Products	● ● ● ● ●	<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 products during the manufacturing process as well as through field tests at 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 (ERGO-CERT). The Group has transferred part of its product liability risk to the direct insurance market.</p>

● Low ● Moderate ● Substantial ● Critical

Operational risks, continued

	Materiality	Risk	Management
Legal and compliance	● ● ● ● ●	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.	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 have been implemented. Regular training is held for relevant employees (face-to-face, via video or e-learning).
IT systems and cyber security	● ● ● ● ●	The Group is dependent on information technology and systems. Cyber security risks are increasing globally, and the risk of a cyber intrusion is continuously on the rise. A cyber security breach could disrupt manufacturing processes and IT systems, which could impact the Group's financial position and result.	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 conducted regularly. 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.
Human resources	● ● ● ● ●	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. Difficulties in recruiting and retaining qualified personnel could result in a diminished competitive edge and increased costs.	To offer attractive positions and personal and professional development, a good working environment and competitive compensation and benefits are prioritized within the Group. Salaries and other conditions are adapted to the market and linked to business priorities. The Group strives to maintain good relationships with unions.

● Low ● Moderate ● Substantial ● Critical

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 102, Note 2 Financial risks on page 104 and Note 17 Trade receivables on page 120.

Foreign exchange risk

Electrolux Professional's solutions and products are manufactured in thirteen facilities located in eight 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 repeat 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 factor determining this risk is the interest-fixing period. In 2023, the Group's average interest-fixing period was 1.1 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.

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, and 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.



Financial information

Financial information, contents

Financial information

Administration report	89
Consolidated statement of total comprehensive income	94
Consolidated balance sheet	95
Change in consolidated equity	96
Consolidated cash flow statement	97
Parent Company income statement	98
Parent Company balance sheet	99
Parent Company change in equity	100
Parent Company cash flow statement	101
Notes	102
The Board's assurance	141
Auditor's report	142
Seven years in summary	145
Definitions and reconciliation of alternative performance measures	147

Notes to the financial statements

Note 1	Accounting principles	102
Note 2	Financial risk management	104
Note 3	Segment information	107
Note 4	Revenue recognition	108
Note 5	Operating expenses	110
Note 6	Other operating income and expenses	110
Note 7	Material profit and loss items	110
Note 8	Leases	111
Note 9	Financial income and financial expenses	112
Note 10	Taxes	112
Note 11	Other comprehensive income	113
Note 12	Property, plant and equipment	114
Note 13	Goodwill and other intangible assets	116
Note 14	Other non-current assets	119
Note 15	Inventories	119
Note 16	Other current assets	119
Note 17	Trade receivables	120
Note 18	Financial instruments	120
Note 19	Assets pledged for liabilities to credit institutions	128
Note 20	Share capital, number of shares, and earnings per share	128
Note 21	Post-employment benefits	129
Note 22	Other provisions	131
Note 23	Other liabilities	132
Note 24	Contingent liabilities	132
Note 25	Acquired and divested operations	132
Note 26	Employees and remuneration	133
Note 27	Fees to auditors	136
Note 28	Transactions with related parties	136
Note 29	Untaxed reserves, Parent Company	136
Note 30	Shares and participations	137
Note 31	Climate	139
Note 32	Events after the balance sheet date	140
Note 33	Proposed distribution of earnings	140

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, 2023 to December 31, 2023.

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 reportable 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 a variety of professional users in 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, 2023, Electrolux Professional's production units operated through twelve 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 to order, while for the beverage plants there is a mix between make-to-order and make-to-stock.

Significant events during the financial year

All US Food & Beverage brands on show at NAFEM

For the very first time since the acquisition of Unified Brands in 2021, all of Electrolux Professional Group's Food and Beverage brands in the US were displayed together at the NAFEM Show, the largest food-service exhibition in the US. All these brands combined creates a stronger than ever platform in the US – which supports the Group strategy for growth in the US and through restaurant chains.

The Group's sustainability targets validated by Science-based targets initiative (SBTi)

Electrolux Professional Group's near-term targets to reduce greenhouse gas emissions (Scope 1 and 2) and reduce indirect use-phase emissions (Scope 3) by 2030 were validated by the Science Based Targets initiative (SBTi). The new Science Based Target is to reduce Scope 1 and 2 emissions by 70% by 2030 from a 2019 base year. In addition, a further Science Based target to reduce indirect use-phase emissions of sold products by 27.5% by 2030 from a 2019 base year was also approved.

CO₂ emission target reached

The target to reduce CO₂ (Scope 1 and 2) emissions from our industrial sites with >50% by 2025 (base year 2015, excluding Unified Brands) was achieved already during 2023 – two years ahead of plan.

Acquisition of TOSEI Corporation

In December 2023 Electrolux Professional Group entered into an agreement to acquire TOSEI Corporation ("TOSEI"), a leading Japanese manufacturer of professional laundry equipment and vacuum packing machines. The acquisition was completed on January 10, 2024. Through this acquisition Electrolux Professional became a larger player in Japan, which is the second largest laundry market and third largest food-service market globally. The Group will also be able to expand the vacuum packing products that are already used globally in the fast-growing segment of sous-vide cooking.

Commercial paper program launched

The Commercial paper program has a framework amount of SEK 2,000m, and is mainly used for short-term financing of working capital needs and to replace other short-term financing.

Conversion of shares

According to Electrolux Professional's Articles of Association, owners of A shares have the right to convert such shares to B shares. Conversion reduces the total number of votes in the company. 13,853 shares were converted during 2023. On December 31, 2023, the company's registered share capital amounted to SEK 28,739,745, represented by 287,397,450 shares of which 8,031,461 were Class A shares and 279,365,989 were Class B shares. The total number of votes amounted to 35,968,059.9.

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.

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 2023 amounted to SEK 11,848m (11,037), an increase of 7.3% compared to the same period last year. Organically, sales increased by 2.6%, changes in exchange rates contributed 4.9% while the divestment of the Russian operations had an effect of -0.2%.

Sales of Food & Beverage decreased organically by 1.0%. Sales of Laundry increased organically by 9.7%. Sales in Europe increased organically by approximately 7% and in Asia-Pacific, Middle East and Africa by 4%. Sales declined by 6% in the Americas.

Changes in net sales

%	2023	2022
Organic growth	2.6	16.9
Acquisitions	-	17.2
Divestments	-0.2	-0.8
Changes in exchange rates	4.9	7.1
Total	7.3	40.4

Operating income and EBITA

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 1,317m (1,111), corresponding to a margin of 11.1% (10.1). Operating income amounted to SEK 1,154m (955), corresponding to a margin of 9.7% (8.7). The improved operating income is mainly due to price, but also lower material and transportation costs.

Performance per segment

The Group's operations are reported to the President and CEO under two segments, Food&Beverage and Laundry, which have been identified based on the monitoring and reporting structures.

Food & Beverage

Sales for Food & Beverage were SEK 7,616m (7,290), an increase of 4.5% compared to last year. Organically sales decreased by -1.0% (17.4) and changes in exchange rates had an effect of 5.6% (10.3). The divestment of the operations in Russia had an effect of -0.1%.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 766m (679), corresponding to a margin of 10.1% (9.3). Operating income amounted to SEK 620m (542), corresponding to a margin of 8.1% (7.4).

Laundry

Sales for Laundry were SEK 4,231m (3,747), an increase of 12.9% compared to last year. Organically, sales increased by 9.7% (16.2) and changes in exchange rates had an effect of 3.5% (3.2).

Key ratios Food & Beverage performance

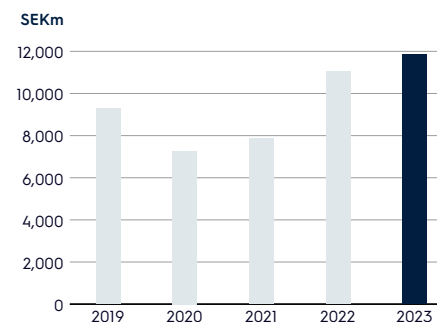
SEKm	2023	2022	Change
Net sales	7,616	7,290	4.5
Organic growth, %*	-1.0	17.4	-
Acquisitions, %*	-	28.3	-
Divestments*	-0.1	-0.9	-
Changes in exchange rates, %	5.6	10.3	-
EBITA*	766	679	12.7
EBITA margin, %*	10.1	9.3	-
Operating income*	620	542	14.4
Operating margin, %*	8.1	7.4	-

Key ratios Laundry performance

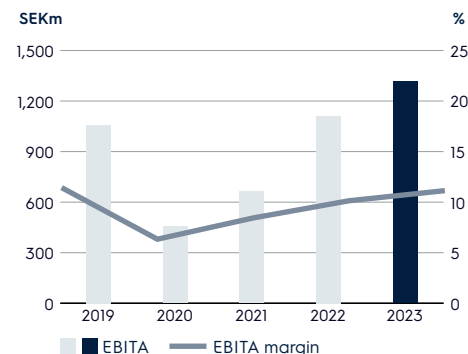
SEKm	2023	2022	Change
Net sales	4,231	3,747	12.9
Organic growth, %*	9.7	16.2	-
Divestments*	-0.3	-0.7	-
Changes in exchange rates, %	3.5	3.2	-
EBITA*	702	608	15.6
EBITA margin, %*	16.6	16.2	-
Operating income*	686	590	16.2
Operating margin, %*	16.2	15.7	-

*) Alternative performance measures are explained on pages 147-148.

Total net sales

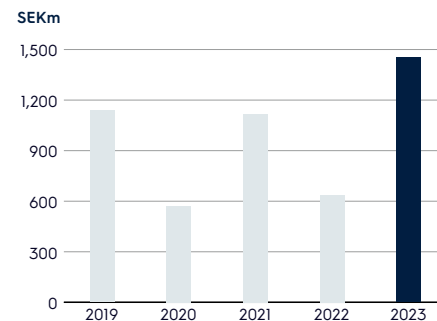


EBITA and EBITA margin



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

Operating cash flow after investments



Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 702m (608), corresponding to a margin of 16.6% (16.2). Operating income amounted to SEK 686m (590), corresponding to a margin of 16.2% (15.7).

Seasonal variation

No seasonal variations exist.

Financial net

Net financial items amounted to SEK -121m (-61). 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 775m (686), corresponding to SEK 2.70 (2.39) in earnings per share. Income tax for the period amounted to SEK -259m (-209). The effective tax rate was 25.0% (23.3).

Group common cost

Group common cost was SEK -152m (-177).

Cash flow

Operating cash flow after investments amounted to SEK 1,453m (636). Cash conversion continues to be good with a positive contribution from reduced inventory.

Operating working capital

Operating working capital as a percent of annualized net sales was 18.1% compared to 16.7% at the end of 2022. Inventory is starting to come down, but is still at a high level. Inventory has decreased by SEK 289m compared to the end of 2022.

Financial position

Net debt

As of December 31, 2023, Electrolux Professional Group had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 973m compared to SEK 1,643m as of December 31, 2022. Lease liabilities amounted to SEK 319m and net provisions for post-employment benefits amounted to SEK 98m.

In total, net debt amounted to SEK 1,390m as of December 31, 2023, compared to SEK 2,050m as of December 31, 2022. Long-term borrowings amounted to SEK 1,192m. Short term borrowings amounted to SEK 771m. Total borrowings amounted to SEK 1,963m compared to SEK 2,894m as of December 31, 2022.

Liquid funds as of December 31, 2023, amounted to SEK 989m compared to SEK 1,251m as of December 31, 2022.

During 2023 Electrolux Professional Group executed voluntary pre-payment of EUR 140m to its syndicated term loan facility. This means that the loan facility has now been fully repaid and cancelled.

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 commercial paper program with a framework amount of SEK 2,000m, and a revolving credit facility of EUR 200m with a tenure until 2027. None of the loan facilities contain any financial covenants. As of December 31, 2023, the revolving credit facility was unutilized and Electrolux Professional Group had SEK 650m issued under its commercial paper program.

Related-party transactions

See Note 28 on page 136.

Employees

The number of employees at year-end was 3,983 (4,022).

Corporate governance report

Electrolux Professional has prepared the Corporate Governance report presented on pages 69-79.

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 48-66 and 149-162 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, 2023, Electrolux Professional had manufacturing operations at twelve sites in seven 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 82-86 and in note 2 on pages 104-106.

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.

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 a 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) takes place 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 next few 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 2024 Remuneration Guidelines for Group Management will be proposed to the 2024 Annual General meeting. The proposal contains only minor editorial changes.

The guidelines set forth below were resolved by the 2020 Annual General Meeting and apply to the remuneration and other terms of employment of the President and CEO and other members of the Group Management of Electrolux Professional Group ("Group Management"). The Group Management currently (December, 31, 2023) comprises twelve executives, including the CEO.

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

The guidelines will 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 also monitors and evaluates 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.

Based on the recommendation from the Remuneration Committee, the Board of Directors prepares a proposal for new guidelines at least every four years and submits 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 that 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 must emphasize 'pay for performance', and vary with the performance of the individual and the Group. The total remuneration for the Group Management must 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") must be competitive relative to the relevant market and reflect the scope of the job responsibilities.

Salary levels are to 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 programs") 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 the case of a share-related LTI program, proposed to the General Meeting.

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

Consistent with the 'pay for performance' principle, variable compensation must represent a significant portion of the total compensation potential for Group Management.

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

The extent to which the criteria for awarding variable cash remuneration has been satisfied is determined by the Remuneration Committee when the measurement period has ended. For financial objectives, the evaluation will 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 participate in an STI plan under which they may receive variable compensation. The objectives set in the STI plan must be financial and the measurement

period must be one year. The objectives may include EBITA Growth and Net Sales Growth.

The maximum STI entitlements are dependent on position and may amount to no more than 100% of the ABS.

Cash-based LTI programs

Variable remuneration may also be paid as part of cash-based LTI programs. The objectives for cash-based LTI programs must 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 must be one year, however, any payout under the program must not be awarded until two years after the expiry of the measurement period, provided that the conditions for payout are fulfilled.

Any payout is to be used by the participant to purchase shares in Electrolux Professional, and the participant is 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 must always be designed with the aim of further enhancing the common interest of participating employees and Electrolux Professional shareholders of good long-term growth for Electrolux Professional.

The maximum LTI entitlements are dependent on position and may amount to no more than 100% of the 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 in these situations must 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 devised 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 also has 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 are designed to reflect home-country practices and requirements.

When possible, pension plans are to 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 must 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 must not amount to 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 must 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 is 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 is 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 a 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 must be reduced by the equivalent value of any income that the individual earns during a 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 may be awarded for any non-compete undertaking. Such compensation must 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. These are included in the Remuneration Committee's and the Board of Directors' basis for 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, LTI 2022 and LTI 2023 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 Group income for the period. The Board of Directors proposes to pay a dividend of SEK 0.80 (0.70) per share, corresponding to around 30% of the income for the period, which is in line with the policy, in total SEK 230m and SEK 6,510m 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 3,218m (2,963) of which SEK 1,228m (1,158) referred to sales to Group Companies and SEK 1,990m (1,805) to external customers. Income after financial items was SEK 509m (431). Income for the period amounted to SEK 454m (392).

Capital expenditure in tangible and intangible assets was SEK 47m (21).

Cash and cash equivalents at the end of the period, including short term investments, amounted to SEK 778m, compared to SEK 877m in the beginning of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 6,740m, compared to SEK 6,495m at the beginning of the year.

The income statement and balance sheet for the Parent Company are presented on pages 98-99.

Consolidated statement of total comprehensive income

SEKm	Note	2023	2022
Net sales	3, 4	11,848	11,037
Cost of goods sold	5, 7	-7,850	-7,421
Gross operating income		3,997	3,616
Selling expenses	5, 7	-1,969	-1,829
Administrative expenses	5, 7	-873	-819
Other operating income/expenses	5, 6	-1	-13
Operating income		1,154	955
Financial items, net	9	-121	-61
Income after financial items		1,033	895
Taxes	10	-259	-209
Income for the period		775	686

SEKm	Note	2023	2022
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	21	4	-152
Income tax relating to items that will not be reclassified		-1	14
Total		3	-138
Items that may be subsequently reclassified to income for the period:			
Cash flow hedges		-15	0
Exchange-rate differences on translation of foreign operations		-138	360
Income tax relating to items that may be reclassified		13	0
Total		-140	360
Other comprehensive income, net of tax	11	-137	223
Total comprehensive income for the period		638	909
Income for the period attributable to:			
Equity holders of the Parent Company		775	686
Total		775	686
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company		638	909
Total		638	909
Earnings per share, SEK	20		
For income attributable to the equity holders of the Parent Company:			
Basic, SEK		2.70	2.39
Diluted, SEK		2.70	2.39
Average number of shares	20		
Basic, million		287.4	287.4
Diluted, million		287.4	287.4

Consolidated balance sheet

SEKm	Note	December 31 2023	December 31 2022
Assets			
Non-current assets			
Property, plant and equipment, owned	12	1,559	1,577
Property, plant and equipment, right-of-use	8	309	294
Goodwill	13	3,290	3,381
Other intangible assets	13	837	997
Deferred tax assets	10	427	428
Pension plan assets	21	2	0
Other non-current assets	14	17	19
Total non-current assets		6,441	6,696
Current assets			
Inventories	15	1,692	1,981
Trade receivables	17, 18	1,904	2,028
Tax assets		86	11
Other current assets	16	266	416
Short-term financial assets	18	0	200
Cash and cash equivalents	18	959	898
Total current assets		4,906	5,533
Total assets		11,347	12,229

SEKm	Note	December 31 2023	December 31 2022
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	378	517
Retained earnings	20	4,293	3,719
Equity attributable to equity holders of the Parent Company		4,705	4,270
Total equity		4,705	4,270
Non-current liabilities			
Long-term borrowings	18	1,192	2,824
Long-term lease liabilities	18	221	225
Deferred tax liabilities	10	96	116
Provisions for post-employment benefits	21	100	103
Other provisions	22	317	288
Total non-current liabilities		1,926	3,557
Current liabilities			
Trade payables	18	1,761	2,040
Tax liabilities		360	357
Other liabilities	23	1,659	1,773
Short-term borrowings	18	716	7
Short-term lease liabilities	18	98	79
Other provisions	22	122	146
Total current liabilities		4,716	4,402
Total equity and liabilities		11,347	12,229

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, 2022		29	5	157	3,334	3,525
Income for the period		-	-	-	686	686
Cash flow hedges		-	-	0	-	0
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
Opening balance, January 1, 2023		29	5	517	3,719	4,270
Income for the period		-	-	-	775	775
Cash flow hedges		-	-	-15	-	-15
Remeasurement of provisions for post-employment benefits		-	-	-	4	4
Exchange differences on translation of foreign operations		-	-	-138	-	-138
Income tax relating to other comprehensive income		-	-	13	-1	12
Other comprehensive income, net of tax		-	-	-140	3	-137
Total comprehensive income for the period		-	-	-140	777	638
Dividend		-	-	-	-201	-201
Share-based incentive program		-	-	-	25	25
Equity swap for share-based incentive program		-	-	-	-27	-27
Total transactions with equity holders		-	-	-	-203	-203
Closing balance, December 31, 2023		29	5	378	4,293	4,705

Consolidated cash flow statement

SEKm	Note	2023	2022
Operations			
Operating income		1,154	955
Depreciation and amortization		427	413
Other non-cash items		36	47
Interest and similar items received		36	10
Interest and similar items paid		-148	-65
Taxes paid		-355	-226
Cash flow from operations, excluding change in operating assets and liabilities		1,150	1,135
Change in operating assets and liabilities			
Change in inventories		260	-433
Change in trade receivables		96	-277
Change in trade payables		-269	88
Change in other operating assets, liabilities and provisions		-62	-37
Cash flow from change in operating assets and liabilities		24	-660
Cash flow from operations		1,175	475
Investments			
Acquisition of operations	25	0	4
Divestment of operations	25	0	-35
Capital expenditure in property, plant and equipment	12	-163	-130
Capital expenditure in product development	13	-9	0
Capital expenditure in other intangibles	13	-19	-9
Other		3	18
Cash flow from investments		-188	-152
Cash flow from operations and investments		987	323

SEKm	Note	2023	2022
Financing			
Change in short-term investments, net	18	200	-200
Change in short-term borrowings, net	18	766	-1,362
New long-term borrowings	18	0	1,534
Amortization of long-term borrowings	18	-1,543	-0
Payment of lease liabilities	18	-86	-80
Dividend		-201	-144
Equity swap for share-based incentive program		-27	-33
Cash flow from financing		-892	-285
Total cash flow		94	38
Cash and cash equivalents at beginning of period		898	836
Exchange-rate differences pertaining to cash and cash equivalents		-34	24
Cash and cash equivalents at end of period		959	898

Parent Company income statement

SEKm	Note	2023	2022
Net sales	4	3,218	2,963
Cost of goods sold		-2,264	-2,078
Gross operating income		954	885
Selling expenses		-434	-405
Administrative expenses		-219	-222
Other operating income/expenses	6	-17	-20
Operating income		284	238
Financial income/expenses	9	304	660
Impairment of shares in subsidiaries	14	-79	-467
Income after financial items		509	431
Appropriations	29	10	12
Income before taxes		519	443
Taxes	10	-65	-51
Income for the period		454	392

Parent Company statement of total comprehensive income

SEKm	Note	2023	2022
Income for the period		454	392
Items that may be subsequently reclassified to income for the period:			
Cash flow hedges		-15	-
Exchange-rate differences on translation of foreign operations		-1	3
Income tax relating to items that may be reclassified		3	-
Other comprehensive income, net of tax		-13	3
Total comprehensive income for the period		441	395

Parent Company balance sheet

SEKm	Note	December 31 2023	December 31 2022
Assets			
Non-current assets			
Property, plant and equipment, owned	12	233	216
Intangible assets	13	15	38
Deferred tax assets	10	16	14
Shares in subsidiaries	14, 30	5,866	5,946
Long-term receivables from subsidiaries	14	1,644	2,890
Total non-current assets		7,774	9,104
Current assets			
Inventories	15	289	303
Receivables from subsidiaries		1,446	746
Trade receivables	17	300	332
Tax assets		12	-
Other current assets		84	208
Short-term financial assets		-	200
Cash and cash equivalents	18	778	677
Total current assets		2,909	2,466
Total assets		10,683	11,570

SEKm	Note	December 31 2023	December 31 2022
Equity and liabilities			
Restricted equity			
Share capital	20	29	29
Statutory reserve		5	5
Development reserve		2	6
		36	40
Non-restricted equity			
Retained earnings		6,286	6,103
Income for the period		454	392
		6,740	6,495
Total equity		6,776	6,535
Untaxed reserves			
		88	97
Non-current liabilities			
Other provisions		121	104
Other non-current loans		1,192	2,824
Total non-current liabilities		1,313	2,928
Current liabilities			
Payables to subsidiaries		1,152	1,301
Trade payables		351	388
Tax liabilities		-	5
Other liabilities		287	315
Short-term borrowings		716	-
Other provisions		-	1
Total current liabilities		2,506	2,010
Total equity, untaxed reserves, and liabilities		10,683	11,570

Parent Company change in equity

SEKm	Note	Restricted equity			Non-restricted equity		Total equity
		Share capital	Statutory reserve	Development reserve	Fair value reserve	Retained earnings	
Opening balance, January 1, 2022		29	5	10	0	6,263	6,307
Income for the period		-	-	-	-	392	392
Cash flow hedges		-	-	-	-	-	-
Exchange differences on translation of foreign operations		-	-	-	-	3	3
Income tax relating to other comprehensive income		-	-	-	-	-	-
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	0	6,495	6,535
Income for the period		-	-	-	-	454	454
Cash flow hedges		-	-	-	-	-15	-15
Exchange differences on translation of foreign operations		-	-	-	-	-1	-1
Income tax relating to other comprehensive income		-	-	-	-	3	3
Total comprehensive income for the period		-	-	-	-	441	441
Dividend		-	-	-	-	-201	-201
Share-based incentive program		-	-	-	-	28	28
Equity swap for share-based incentive program		-	-	-	-	-27	-27
Development reserve		-	-	-4	-	4	0
Total transactions with equity holders		-	-	-4	-	-196	-200
Closing balance, December 31, 2023		29	5	2	0	6,740	6,776

Parent Company cash flow statement

SEKm	Note	2023	2022
Operations			
Operating income		284	238
Depreciation and amortization	12, 13	67	64
Other non-cash items		-	10
Financial items paid, net		-1	26
Taxes paid		-81	-41
Cash flow from operations, excluding change in operating assets and liabilities		269	297
Change in operating assets and liabilities			
Change in inventories		14	-94
Change in trade receivables		31	-66
Change in trade payables		-38	51
Change in other operating assets, liabilities and provisions		97	-63
Cash flow from change in operating assets and liabilities		104	-172
Cash flow from operations		373	125
Investments			
Capital expenditure in property, plant and equipment	12	-47	-21
Cash flow from investments		-47	-21
Cash flow from operations and investments		325	104

SEKm	Note	2023	2022
Financing			
Change in short-term investments		200	-200
Change in internal lending and borrowing		324	-564
Change in external short-term borrowing	18	810	-1,129
New long-term borrowing	18	-1,633	1,610
Equity swap for share-based incentive program		-27	-33
Dividend to shareholders		-201	-144
Dividend from subsidiaries		304	642
Cash flow from financing		-224	182
Total cash flow		102	286
Cash and cash equivalents at beginning of period		677	391
Cash and cash equivalents at end of period		778	677

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 registered office is at Franzéngatan 6, 112 51 Stockholm, Sweden. The consolidated financial statements were authorized for issue by the Board of Directors on March 27, 2024. The balance sheets and income statements are subject to approval by the Annual General Meeting of shareholders on April 25, 2024.

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 2023, the Group consisted of 41 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	2023		2022	
	Average	End of period	Average	End of period
CNY	1.50	1.41	1.50	1.51
CZK	0.4778	0.4488	0.4326	0.4612
DKK	1.54	1.49	1.43	1.50
EUR	11.46	11.10	10.63	11.12
GBP	13.17	12.77	12.45	12.54
JPY	0.0754	0.0710	0.0773	0.0791
NOK	1.01	0.99	1.05	1.06
CHF	11.7844	11.9827	10.5914	11.2946
THB	0.3044	0.2922	0.2881	0.3019
TRY	0.4594	0.3398	0.6206	0.5571
USD	10.59	10.04	10.09	10.43

NOTE 1 ACCOUNTING PRINCIPLES, CONT.

New or amended accounting standards to be applied in 2023

The following new, amended or improved accounting standards were applicable from January 1, 2023: Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on May 7, 2021); Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on February 12, 2021); Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on February 12, 2021) and Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued May 23, 2023). 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 2023 and have not been adopted early by Electrolux Professional: Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on September 22, 2022); Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date (issued on January 23, 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on July 15, 2020); and Non-current Liabilities with Covenants (issued on October 31, 2022); Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on May 25 2023) and Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on August 15, 2023). The new, amended or improved standards mentioned above are not expected to have any material impact on Electrolux Professional's consolidated financial statements.

Critical accounting policies and key sources of estimation uncertainty

Use of estimates

The Group's management has made a number of estimates and assumptions relating to the reporting of 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 section, Electrolux Professional summarizes 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 indi-

cate 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 value in use 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. The Group's management regularly reassesses the useful lives of all significant assets. See Note 12 for more information.

See note 31 for assessments related to 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.

Electrolux Professional has applied the exception not to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance. The initial analysis shows no material consequences for the Group.

Current taxes

Electrolux Professional's provisions for uncertain outcomes of tax audits and tax litigations are based on the management's best estimates and are 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.

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., the discount rate, mortality rates, and 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.

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 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.

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.

NOTE 1 ACCOUNTING PRINCIPLES, CONT.

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. In accordance with RFR2, transaction costs are recognized 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 including deferred tax liability are recognized in the Parent Company. In the group's income statement untaxed reserves are 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

In accordance with 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.

The policies are adopted through a delegation of authority matrix, which defines roles and responsibilities within the Group management structure. Application of the policies is 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 must ensure that the remaining

NOTE 2 FINANCIAL RISK MANAGEMENT, CONT.

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, cash equivalents, and short-term investments. 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 inflows 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 table below shows the effect from a change in exchange rates for the Group's major currencies. The analysis 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.

Currency	Change	Exposures				Profit or Loss Impact				
		12m net flows (in and out)	Hedge	12m net flows including Hedges	EBIT	12m net flows and EBIT	Transaction exposure	EBIT Translation exposure	Profit or loss impact 2023	Profit or loss impact 2022
USD/SEK	-10%	649	-	649	290	939	-65	-29	-94	-92
GBP/SEK	-10%	183	-	183	10	193	-18	-1	-19	-23
EUR/SEK	-10%	-333	-	-333	501	168	33	-50	-17	8
JPY/SEK	-10%	72	-	72	26	99	-7	-3	-10	-5
DKK/SEK	-10%	90	-	90	7	97	-9	-1	-10	-11
TRY/SEK	-10%	37	-	37	55	91	-4	-5	-9	-6
NOK/SEK	-10%	72	-	72	7	79	-7	-1	-8	-8
CZK/SEK	-10%	37	-	37	1	38	-4	0	-4	-4
AUD/SEK	-10%	25	-	25	4	29	-3	0	-3	-3
THB/SEK	-10%	-317	-	-317	73	-244	32	-7	24	21

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 counterparty. The Purchasing department is not permitted to enter into any financial hedges or financial contracts. There are no outstanding financial hedges related to commodities at the balance date.

Credit risk

Credit risk in financial activities

Credit risk in financial transactions is the risk that the counterparty 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 must 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	Master netting agreement			Net position
	Gross	Net in BS		
Assets				
Derivatives	29	29	-8	21
Liabilities				
Derivatives	40	40	-8	32

Credit risk in trade receivables

Electrolux Professional's client base contains a mix of repeat 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, 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, 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 factor determining this risk is the interest-fixing period.

Interest-rate risk in liquid funds

All liquidity is invested in interest bearing instruments, normally with maturities of between 0 and 3 months. For more information, see Note 18, liquidity profile.

The Financial Policy states that:

- Surplus cash holdings are to be avoided. Excess liquidity must be offset against external debts.
- Short-term investments must 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 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 2023, the Electrolux Professional Group primarily held two bilateral term loans with the Swedish Export Credit Corporation (AB Svensk Exportkredit) and the Nordic Investment Bank, and issued commercial papers in the Swedish capital markets. 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) is to 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. Any binding of interest rates for a longer time period than 5 years is not permitted without the approval of the Board of Directors. 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. For those derivatives Electrolux Professional practices hedge accounting, which has affected other comprehensive income by SEK -15m (-) during 2023.

On the basis of 2023 borrowings with an average interest fixing period of 1.1 years, and considering that the amount of loans outstanding as at December 31, 2023 were approximately SEK 1.9bn, a 1%-point shift in interest rates would impact the Group's interest expenses by approximately SEK 13m. 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 does not take into consideration the fact that the interest rates on different maturities and different currencies might change differently.

NOTE 3 SEGMENT INFORMATION

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 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 Food & Beverage segment 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 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 Laundry segment consists of one global business area. Laundry offers equipment designed to meet a diverse array of pro-

fessional requirements, from self-service and the hospitality industry to healthcare providers and commercial laundries. Customers include hospital and hotel laundries, apartment-building laundries in Scandinavia, and laundrettes. 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 is 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, where some allocations of costs are made. Operating costs not included in the business areas are shown under Group shared costs, which mainly are costs related to the 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.

Geographical information, net sales¹

SEKm	2023	2022
United States	2,913	3,048
Italy	1,589	1,377
France	961	861
Sweden	901	851
Germany	689	675
Great Britain	447	407
Finland	408	302
Spain	314	241
Switzerland	306	278
Denmark	294	273
Turkey	220	152
Japan	204	201
China	193	195
Norway	155	161
Netherlands	146	127
Australia	131	121
Austria	114	109
Malaysia	110	48
Belgium	107	114
Greece	94	74
Other	1,552	1,422
Total	11,848	11,037

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 278m (270). Property, plant and equipment and intangible assets located in all other countries amounted to SEK 5,717m (5,978). Individually, material countries in this regard are the US with SEK 3,143m (3,380), Italy with SEK 879m (895) and France with SEK 524m (537).

No single customer of the Group represents 10% or more of the external revenue.

Net sales and operating income per segment

SEKm	2023				2022			
	Food & Beverage	Laundry	Group shared costs	Total	Food & Beverage	Laundry	Group shared costs	Total
Net sales	7,616	4,231	-	11,848	7,290	3,747	-	11,037
EBITA	766	702	-151	1,317	679	608	-176	1,111
Amortization intangible assets	-145	-17	-1	-163	-137	-18	-1	-155
Operating income	620	686	-152	1,154	542	590	-177	955
Financial items, net				-121				-61
Income after financial items				1,033				895
Taxes				-259				-209
Income for the period				775				686

Depreciation of tangible assets including right-of-use assets

SEKm	2023				2022			
	Food & Beverage	Laundry	Group shared costs	Total	Food & Beverage	Laundry	Group shared costs	Total
Depreciation	-178	-84	-2	-264	-174	-79	-5	-258

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 for follow-up from Electrolux Professional and/or reporting back from the customer that the service is being 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 11,848m (11,037) during the year consisted of finished products, spare parts, services, and accessories. The Group's net sales in Sweden amounted to SEK 901m (851). Exports from Sweden during the year amounted to SEK 2,326m (2,125), of which SEK 1,227m (1,158) 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 geographic region based on the location of the customer. See Note 3 for net sales per country based on customer location.

NOTE 4 REVENUE RECOGNITION, CONT.

SEKm	2023			2022			2023		2022	
	Food & Beverage	Laundry	Total	Food & Beverage	Laundry	Total	Parent Company			
Geographical region										
Europe	4,414	2,804	7,218	3,993	2,435	6,429	2,218		1,956	
Asia Pacific, Middle East and Africa	783	696	1,479	764	613	1,377	355		383	
Americas	2,419	732	3,151	2,532	699	3,232	645		624	
Total	7,616	4,231	11,848	7,290	3,747	11,037	3,218		2,963	

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				Parent Company	Contract liabilities			
	Advances from customers	Customer bonuses/incentives	Prepaid income – service/warranty	Contract liabilities, total		Advances from customers	Customer bonuses/incentives	Prepaid income – service/warranty	Contract liabilities, total
SEKm					SEKm				
Opening balance, January 1, 2022	242	93	260	595	Opening balance, January 1, 2022	30	22	50	102
Gross increase during the period	106	220	501	827	Gross increase during the period	16	49	14	79
Paid to/settled with customer	-	-191	-	-191	Paid to/settled with customer	-	-49	-	-49
Revenue recognized during the year	-168	-	-491	-658	Revenue recognized during the year	-23	-	-14	-37
Acquisition of operations	-13	-	-	-13	Other	-	-	-1	-1
Other	-	-	-1	-1	Closing balance, December 31, 2022	23	22	49	94
Exchange-rate differences	18	11	20	49	Opening balance, January 1, 2023	23	22	49	94
Closing balance, December 31, 2022	186	132	289	607	Gross increase during the period	7	54	18	79
Opening balance, January 1, 2023	186	132	289	607	Paid to/settled with customer	-	-54	-	-54
Gross increase during the period	206	214	509	929	Revenue recognized during the year	-18	-	-26	-44
Paid to/settled with customer	-	-242	-	-242	Other	-	-	-	-
Revenue recognized during the year	-207	-	-475	-682	Closing balance, December 31, 2023	12	22	41	75
Acquisition of operations	-	-	-	-					
Other	-	-	-	-					
Exchange-rate differences	-8	-3	-3	-14					
Closing balance, December 31, 2023	177	101	319	597					

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	2023	2022
Operating expenses		
Direct material and components	-3,069	-3,278
Sourced products	-1,739	-1,694
Depreciation and amortization	-427	-413
Salaries, other remuneration, and employer contribution	-2,912	-2,788
Transportation	-407	-415
Other	-2,140	-1,493
Total	-10,694	-10,081

Cost of goods sold includes direct material and components amounting to SEK 3,069m (3,278) and sourced products amounting to SEK 1,739m (1,694). The depreciation and amortization charge for the year amounted to SEK 427m (413). Costs for research and development amounted to SEK 388m (381). The Group's operating income includes net exchange rate differences in the amount of SEK -41m (16).

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 those functions. Administration costs related to manufacturing are included in cost of goods sold.

NOTE 6 OTHER OPERATING INCOME AND EXPENSES

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Other operating income				
Gain on sale of property, plant and equipment	1	10	-	1
Government grant/subsidy	2	2	-	-
Other	9	16	-	1
Total	12	28	-	2
Other operating expenses				
Loss on sale of property, plant and equipment	0	-1	-	-
Transaction costs, acquired operations	-4	-4	-	-
Loss on sales of operations and shares	-	-35	-	-10
Other	-9	-1	-17	-12
Total	-13	-41	-17	-22
Other operating income and expenses	-1	-13	-17	-20

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

There were no material profit and loss items in 2023. Material profit and loss items in 2022 consists of the costs related to the divestment of the operation in Russia.

Material profit and loss items

SEKm	2023	2022
Loss from divesting the operation in Russia	-	-35
Total	-	-35

Material profit and loss items per function

SEKm	2023	2022
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 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).

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.

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.

Property, plant and equipment, right-of-use

SEKm	Buildings	Machinery	Vehicles	Other equipment	Total
Carrying amount					
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
Opening balance, January 1, 2023	236	0	57	1	294
Divestment of operations	-	-	-	-	-
Additions	44	1	61	3	109
Cancellations	-0	-	-1	-	-2
Depreciation	-51	-0	-34	-1	-86
Reclassification	-	-	-	-	-
Exchange rate differences	-6	0	-0	-0	-6
Closing balance, December 31, 2023	222	1	83	3	309

NOTE 8 LEASES, CONT.

Lease expenses

SEKm	2023	2022
Lease expenses		
Short-term leases	-10	-0
Leases of low-value assets	-1	-1
Depreciation	-86	-82
Variable lease payments	-4	-4
Total	-100	-87
Lease liability, interest expense	-11	-10

Total cash outflow from lease contracts for 2023 amounts to SEK 112m (97). There were no committed lease contracts for which the commencement date has not yet occurred neither at year-end 2023 nor 2022.

For information on maturity profile, see note 18.

NOTE 9 FINANCIAL INCOME AND FINANCIAL EXPENSES

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Financial income				
Interest income				
from subsidiaries	-	-	196	90
from others	128	81	13	2
Exchange rate differences, gains	1,078	702	1,078	694
Dividends from subsidiaries	-	-	304	642
Pension interest income	22	2	-	-
Other financial income	0	2	-	-
Total financial income	1,228	787	1,591	1,428

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Financial expenses				
Interest expenses				
to subsidiaries	-	-	-26	-3
to others	-247	-131	-134	-56
Exchange rate differences, losses	-1,054	-696	-1,121	-696
Pension interest expenses	-26	-3	-	-
Lease liability interest expense	-11	-10	-	-
Other financial expenses	-11	-9	-6	-14
Total financial expenses	-1,349	-848	-1,287	-768
Financial items, net	-121	-61	304	660

NOTE 10 TAXES

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Current taxes	-292	-246	-66	-52
Deferred taxes	33	37	1	1
Taxes included in income for the period	-259	-209	-65	-51
Taxes related to OCI	12	14	3	-
Taxes included in total comprehensive income	-247	-195	-62	-51

Current taxes in 2023 includes adjustments related to prior years of SEK 17m (-7). The consolidated accounts contain SEK 18m (20) 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	
	2023	2022	2023	2022
Theoretical tax rate	24.4	23.3	20.6	20.6
Non-taxable/non-deductible income statement items, net	-0.3	0.5	-9.5	-7.8
Non-recognized tax losses carried forward	-	-	-	-
Utilized non-recognized tax losses carried forward	-	-1.2	-	-
Other changes in estimates relating to deferred tax	-2.7	-4.7	-	-
Withholding tax	0.3	0.1	0.5	0.1
Other	3.3	5.3	1.2	-1.3
Actual tax rate	25.0	23.3	12.8	11.6

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, 2023, the Group had tax loss carry-forwards and other deductible temporary differences of SEK 8m (7), 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, 2023
2024	-
2025	-
2026	-
2027	-
2028	-
And thereafter	8
Without time limit	-
Total	8

Deferred tax assets in the Parent Company relates to other provisions of SEK 14m (11) and expected credit losses of SEK 4m (5). Deferred tax liabilities relates 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	2023	2022
Deferred tax assets		
Property, plant and equipment	40	11
Provision for pension obligations	9	9
Provision for restructuring	0	1
Other provisions	36	38
Inventories	48	42
Accrued expenses and prepaid income	69	72
Unused tax losses carried forward	69	115
Lease liability	67	74
Other deferred tax assets	224	149
Deferred tax assets before netting of deferred tax assets and liabilities	562	510
Netting of deferred tax assets and liabilities	-135	-82
Deferred tax assets, net	427	428
Deferred tax liabilities		
Property, plant and equipment, owned	8	14
Property, plant and equipment, right-of-use	64	71
Other provisions	34	16
Inventories	2	4
Intangible assets	37	58
Other taxable temporary differences	87	34
Deferred tax liabilities before netting of deferred tax assets and liabilities	232	197
Netting of deferred tax assets and liabilities	-136	-81
Deferred tax liabilities net	96	116

NOTE 11 OTHER COMPREHENSIVE INCOME

SEKm	2023	2022
Items that will not be reclassified to income for the period:		
Remeasurement of provisions for post-employment benefits		
Opening balance, January 1	23	161
Gain/loss to other comprehensive income	4	-152
Income tax relating to items that will not be reclassified	-1	14
Closing balance, December 31	26	23
Items that may subsequently be reclassified to income for the period:		
Cash flow hedges		
Opening balance, January 1	-	-
Gain/loss to other comprehensive income	-15	-
Closing balance, December 31	-15	-
Exchange differences on translation of foreign operations		
Opening balance, January 1	517	157
Translation differences	-88	360
Extended net investment	-50	-
Closing balance, December 31	379	517
Income tax relating to items that may subsequently be reclassified to income for the period		
Opening balance, January 1	-	-
Cash flow hedges	3	-
Extended net investment	10	-
Closing balance, December 31	13	-
Other comprehensive income, net of tax	-137	223

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, 2022	156	1,163	1,973	331	60	3,683
Acquired during the year	-	6	55	17	53	130
Divestment of operations	-	-	-	-6	-	-6
Transfer of work in progress and advances	3	17	24	14	-58	0
Sales, scrapping, etc.	-	-6	-27	-5	-0	-38
Exchange rate differences	18	118	140	24	3	304
Closing balance, December 31, 2022	176	1,298	2,166	375	58	4,073
Acquired during the year	0	8	50	13	91	163
Divestment of operations	-	-	-	-	-	-
Transfer of work in progress and advances	0	5	61	9	-75	1
Sales, scrapping, etc.	-2	-1	-44	-7	-0	-54
Exchange rate differences	3	2	-9	-3	-1	-7
Closing balance, December 31, 2023	178	1,312	2,225	388	73	4,175
Accumulated depreciation						
Opening balance, January 1, 2022	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	0
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
Divestment of operations	-	-	-	-	-	-
Depreciation for the year	1	46	109	23	-	178
Transfer of work in progress and advances	-	-0	0	0	-	1
Sales, scrapping, etc.	-2	-1	-45	-6	-	-54
Impairment	-	-	-	-	-	-
Exchange rate differences	-0	1	-4	-2	-0	-5
Closing balance, December 31, 2023	20	496	1,785	315	1	2,616
Net carrying amount, December 31, 2022	155	848	441	76	57	1,577
Net carrying amount, December 31, 2023	158	816	440	73	72	1,559

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. Elements of property, plant and equipment that have 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 2023 or 2022.

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, 2022	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
Acquired during the year	-	-	-	-	47	47
Transfer of work in progress and advances	-	-	19	6	-25	-
Sales, scrapping, etc.	-	-	-30	-	-	-30
Closing balance, December 31, 2023	10	95	493	105	47	750
Accumulated depreciation						
Opening balance, January 1, 2022	4	24	377	82	0	487
Depreciation for the year	-	3	21	6	-	30
Closing balance, December 31, 2022	4	27	398	88	0	517
Depreciation for the year	1	2	22	5	-	30
Sales, scrapping, etc.	-	-	-30	-	-	-30
Closing balance, December 31, 2023	5	29	390	93	0	517
Net carrying amount, December 31, 2022	6	68	106	11	25	216
Net carrying amount, December 31, 2023	5	66	103	12	47	233

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 of its 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 at 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, 2023, had a total carrying value of SEK 3,290m (3,381). 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 cases where 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 business areas units and therefore included in the

impairment testing of each business area. Common group costs that cannot be allocated on a reasonable and consistent basis to any of the individual business areas are included in impairment testing of the total carrying amount of all business areas combined.

Value-in-use is calculated using the discounted cash flow model based on forecasts approved by Group management for the upcoming four years.

The forecasts are built up from the estimates of the units within each business area. 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. Furthermore the possibility to raise prices, cost reduction via simplified production, new more attractive products combined with phasing out products with low profitability and capital efficiency through reducing working capital levels, have been taken into consideration.

Moreover, the trends driving the growth of the Group's business are still valid, and despite the potential down-turn in the economy, people continue to travel and spend money on eating out and on take-away.

The pre-tax discount rate used in 2023 was between 10.5% and 13.5% (13.1) depending on business area and is calculated based on market information as at October 2023. For 2022, since there was no reliable information available to calculate the discount rate per business area, the pre-tax Group WACC (Weighted Average Cost of Capital) was used for all business areas.

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 to calculate the in-perpetuity value. In accordance with 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 2.7% (4.4) is between 9.3% and 10.8% depending on business area (8.7). The impairment testing for 2023 did not lead to any impairment.

Sensitivity analysis has been performed in the form of increasing the discount rate by two percentage points, and has not led to a need for impairment. A reduction of the cash flow forecast to a zero 'headroom' (calculated recoverable amounts being equal to their carrying amounts) has been performed and the conclusion is that such a deviation from the forecast is not probable for any of the business areas.

Goodwill and discount rates

2023 SEKm	Goodwill	Discount rate, %
Food Europe	56	13.5
Food Americas	1,346	10.5
Food APAC & MEA	118	13.5
Beverage and Food Preparation	1,448	12.0
Laundry	322	11.0
Total	3,290	

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	

NOTE 13 GOODWILL AND OTHER INTANGIBLE ASSETS, CONT.

SEKm						Group	Parent
	Goodwill	Product development	Customer relations	Trademarks	Other	Other intangible assets	Company
						Total other intangible assets	Total intangible assets
Acquisition costs							
Opening balance, January 1, 2022	3,068	108	682	206	326	1,321	115
Acquired during the year	-	-	-	0	22	22	-
Acquisition of operations ¹	-73	-	-	-	-0	-0	-
Internally developed	-	-	-	-	-	-	-
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
Acquired during the year	-	-	-	0	19	19	-
Acquisition of operations ¹	-	-	-	-	-	-	-
Internally developed	-	9	-	-	-	9	-
Reclassification	-	-	-	-0	-1	-1	-
Sales, scrapping etc.	-	-	-	-0	-2	-2	-
Exchange rate differences	-92	2	-22	-7	-14	-41	-
Closing balance, December 31, 2023	3,290	127	753	227	397	1,503	115

NOTE 13 GOODWILL AND OTHER INTANGIBLE ASSETS, CONT.

SEKm						Group	Parent
	Goodwill	Product development	Customer relations	Trademarks	Other	Other intangible assets	Company
						Total other intangible assets	Total intangible assets
Accumulated amortization							
Opening balance, January 1, 2022	-	85	122	38	76	322	54
Amortization for the year	-	10	59	23	63	155	23
Reclassification	-	-	-	-	-	-	-
Sales, scrapping etc.	-	-	-	-	-	-	-
Impairment	-	-	-	3	-	3	-
Exchange rate differences	-	8	17	6	12	43	-
Closing balance, December 31, 2022	-	104	198	70	151	522	77
Amortization for the year	-	9	62	21	70	163	23
Reclassification	-	-	-	-	-1	-1	-
Sales, scrapping etc.	-	-	-	-	-2	-2	-
Impairment	-	-	-	-	-	-	-
Exchange rate differences	-	2	-7	-3	-8	-16	-
Closing balance, December 31, 2023	-	115	253	88	211	667	100
Carrying amount, December 31, 2022	3,381	13	576	164	243	997	38
Carrying amount, December 31, 2023	3,290	12	500	139	186	837	15

1) For more information about the reduction in acquired goodwill in 2022, see note 25.

Amortization of intangible assets has been included in Cost of goods sold in the amount of SEK 71m (69). Administrative expenses of SEK 8m (5) and Selling expenses of SEK 83m (82) are included in the consolidated statement of comprehensive income. No borrowing costs were capitalized during 2023 or 2022.

NOTE 14 OTHER NON-CURRENT ASSETS

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Shares in subsidiaries	-	-	5,866	5,946
Long-term financial receivables from subsidiaries	-	-	1,644	2,890
Long-term operational receivables	17	19	-	-
Total	17	19	7,510	8,836

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 (5).

Shares in subsidiaries

SEKm	Parent Company	
	2023	2022
Accumulated cost		
Opening balance, January 1	8,451	8,461
Investments	-	-
Divestments	-	-10
Shareholders' contribution	-	-
Closing balance, December 31	8,451	8,451
Accumulated impairment		
Opening balance, January 1	2,505	2,039
Impairment	79	467
Closing balance, December 31	2,584	2,505
Total	5,866	5,946

In the fourth quarter of 2023, Electrolux Professional AB impaired SEK 79m (467) related to some of its investments in subsidiaries. The main reason for the impairment is lower future statutory expected profit generation.

NOTE 15 INVENTORIES

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Raw materials	657	752	78	70
Work in progress	64	71	16	26
Finished products	966	1,151	195	207
Advances to suppliers	4	7	-	-
Total	1,692	1,981	289	303

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 6,479m (5,981) for the Group.

Write-downs due to obsolescence amounted to SEK 102m (98) and reversals, due to scrapping or sale of previous write-downs amounted to SEK 190m (65) 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	2023	2022
VAT receivable	142	167
Prepaid expenses and accrued income	74	71
Prepaid interest expenses and accrued interest income	1	1
Derivatives	29	152
Miscellaneous short-term receivables	19	27
Total	266	416

Miscellaneous short-term receivables include advances to employees and receivables from tax agencies.

NOTE 17 TRADE RECEIVABLES

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Trade receivables	1,980	2,116	313	343
Provisions for expected credit loss	-76	-88	-13	-11
Trade receivables, net	1,904	2,028	300	332
Provisions in relation to trade receivables, %	3.8	4.2	4.2	3.2

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 measures 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.

Provisions for expected credit loss

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Provisions, January 1	-88	-93	-11	-11
Acquisition of operations	-	-	-	-
Divestment of operations	-	1	-	-
Charged/released to PL, net	7	-4	-2	-
Actual credit losses	5	15	-	-
Exchange rate differences and other changes	1	-7	-	-
Provisions, December 31	-76	-88	-13	-11

Aging analysis of trade receivables past due

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Trade receivables not overdue	1,647	1,772	313	343
Past due date 1-15 days	122	115	-	-
Past due date 16-60 days	88	93	-	-
2-6 months overdue	65	72	-	-
6-12 months overdue	25	22	-	-
More than 1 year	33	43	-	-
Provision for expected credit loss	-76	-88	-13	-11
Total trade receivables	1,904	2,028	300	332

For accounts receivable that are not yet due and those past their due date by up to 60 days, 0% 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 at 100%. The percentages refer to the 2023 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

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

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 financial obligations, Electrolux Professional Group follows the Standard & Poor's Global Ratings approach, which generally record a default on the first occurrence of a payment default on any financial obligation, other than a financial obligation subject to a bona fide commercial dispute. Payment default is defined by the earliest of above and a relevant obligation being overdue for more than 90 days.

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.

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 a derivative contract is entered into and are subsequently measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item hedged. Changes in fair value for derivatives that do not fulfill the criteria for hedge accounting are recognized as operating or financial transactions based on the purpose of the use of the derivative. Interest payments for interest rate swaps are recognized as interest income or expense, whereas changes in fair value of future payments are presented as gains or losses from financial instruments.

IFRS 9 Hedge accounting is applied. To qualify for hedge accounting the hedging relationship must be:

- formally identified and designated,
- expected to fulfil the effectiveness requirements, and
- documented.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity via other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income. Amounts accumulated in equity are recycled to the statement of profit or loss in the periods when the hedged item affects profit or loss. They are recorded in the income or expense lines in which the revenue or expense associated with the related hedged item is reported. The impact of cash flow hedges on equity was SEK -15m (-) at the year end.

Net debt

At year-end 2023, the Group's net debt amounted to SEK 1,390m (2,050). The following table presents how the Group calculates net debt and what it consists of.

Net debt

SEKm	December 31, 2023	December 31, 2022
Short-term loans	642	7
Short-term part of long-term loans	74	-
Short-term borrowings	716	7
Financial derivative liabilities	40	54
Accrued interest expenses and prepaid interest income	14	8
Short-term borrowings and other	771	69
Long-term loans	1,192	2,824
Long-term borrowings	1,192	2,824
Total borrowings	1,963	2,894
Cash and cash equivalents	959	898
Short-term investments	0	200
Liquid funds	959	1,098
Financial derivative assets	29	152
Prepaid interest expenses and accrued interest income	1	1
Liquid funds and other	989	1,251
Financial net debt (total borrowings less liquid funds and other)	973	1,643
Lease liabilities	319	304
Net provisions for post-employment benefits	98	103
Net debt	1,390	2,050

1) Of which interest-bearing borrowings amounts to SEK 1,908m (2,832).

Liquid funds

Liquid funds consist of cash and cash equivalents and short-term investments. 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 carry-over amount of liquid funds is approximately equal to fair value.

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

Liquidity profile

SEKm	December 31, 2023	December 31, 2022
Cash and cash equivalents	959	898
Short-term investments	-	200
Liquid funds	959	1,098
Less total short-term borrowings	716	7
Net liquidity	242	1,091

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 2023, the Group's total interest-bearing borrowings amounted to SEK 1,908m, of which SEK 1,266m was for long-term borrowings including short-term portions of long-term loans. Short-term borrowings consisted of SEK 642m. The majority of total borrowings is raised at the Parent Company level.

In 2020, Electrolux Professional AB entered into a EUR 250m multi-currency 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 agreed with the Nordic Investment Bank. In September 2022 Electrolux Professional AB entered into a 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, the second one-year extension option was executed in 2022, and the loan was repaid during 2023. 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.

At year-end 2023, the average interest-fixing period for long and short-term borrowings was 1.1 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 1,934m. The fair value including swap transactions used to manage the interest fixing was approximately SEK 1,963m.

The Group's exposure to the reform of interbank rates (IBOR) is limited. At year-end 2023, the Group had no derivative transactions denominated in USD.

The Group uses interest rate swaps for cash flow hedges, hedging borrowings with variable interest.

Changes in liabilities arising from financing

Group	Cash flow			Non-cash flow				Closing balance
	Opening balance	Amortization	New debt	Acquisitions	Additions/cancellations	Reclassification	Exchange rate differences	
2023 SEKm								
Long-term borrowings (including short-term part of long-term)	2,824	-1,543	-	-	-	-	-15	1,266
Short-term borrowings (including factoring with recourse)	7	-717	1,359	-	-	-7	-	642
Lease liabilities	304	-86	109	-	-2	-	-6	319
Total	3,135	-2,346	1,468	-	-2	-7	-21	2,227
Group	Cash flow			Non-cash flow				
2022 SEKm	Opening balance	Amortization	New debt	Acquisitions	Additions/cancellations	Reclassification	Exchange rate differences	Closing balance
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

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

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	
2023								
SEKm								
Long-term borrowings (including short-term part of long-term)	2,824	-1,543	-	-	-	-	-15	1,266
Short-term borrowings (including factoring with recourse)	7	-	642	7	-	-	-	656
Total	2,831	-1,543	642	7	-	-	-15	1,922

1) Of the SEK 656m, SEK 642m is presented as short-term borrowings in the balance sheet and SEK 14m 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	
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.

Group	Carrying amount						
	Description of loan	Duration	Interest rate	Currency	Nominal amount	2023	2022
SEKm, borrowings							
AB Svensk Exportkredit	2020-2027	Floating, 3 months	SEK	600	600	600	
Nordic Investment Bank	2021-2028	Floating, 6 months	EUR	60	592	667	
Syndicated loan facility	2022-2024	Floating, 3 months	EUR	140	-	1,557	
Long-term borrowings					1,192	2,824	
Commercial paper	3 months	4.54% - 4.72%	SEK	650	642	-	
Loan in Italy		Floating	EUR	0.6	-	7	
Short-term part of long-term loans					74	-	
Short-term borrowings					716	7	
Total borrowings					1,908	2,832	
Lease liabilities							
Long-term lease liabilities					221	225	
Short-term lease liabilities					98	79	
Total lease liabilities					319	304	

Parent Company	Carrying amount						
	Description of loan	Duration	Interest rate	Currency	Nominal amount	2023	2022
SEKm, borrowings							
AB Svensk Exportkredit	2020-2027	Floating, 3 months	SEK	600	600	600	
Nordic Investment Bank	2021-2028	Floating, 6 months	EUR	60	592	667	
Syndicated loan facility	2022-2024	Floating, 3 months	EUR	140	-	1,557	
Long-term borrowings					1,192	2,824	
Commercial paper	3 months	4.54% - 4.72%	SEK	650	642	-	
Loan from subsidiaries	2024	Fixed rate	EUR	1.3	14	-	
Loan from subsidiaries	2023	Fixed rate	EUR	0.6	-	7	
Short-term part of long-term loans					74	-	
Short-term borrowings					730	7	
Total borrowings					1,922	2,831	

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

Repayment schedule for long-term borrowings, December 31, 2023

SEKm	2024	2025	2026	2027	2028	2029-	Total
Bank and other loans	724	148	148	748	148	-	1,916
Total	724	148	148	748	148	-	1,916

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 2024, at year-end 2023. As of December 31, 2023, no financial instruments were in place to hedge transaction flows.

Forecasted transaction flows and hedges

SEKm	SEK	EUR	THB	CZK	CNY	NOK	JPY	DKK	GBP	USD	Other	Total
Inflow of currency, long position	1,399	1,333	107	48	44	72	72	95	184	842	221	4,417
Outflow of currency, short position	-1,980	-1,666	-423	-12	-1	-	-	-5	0	-192	-138	-4,417
Net transaction flow	-581	-333	-317	37	43	72	72	90	183	649	84	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	-682	-101	-187	-1,092	-	-2,062
Lease liabilities	-52	-52	-87	-111	-62	-364
Gross settled derivatives	16	-1	-9	-18	0	-12
of which outflow	-1,702	-121	-171	-480	-	-2,474
of which inflow	1,718	120	162	462	-	2,462
Trade payables	-1,761	-	-	-	-	-1,761
Total	-2,479	-154	-283	-1,221	-62	-4,199

Trade receivables amounted to SEK 1,904m and liquid funds to SEK 959m as per December 31, 2023. Furthermore, the group has an unutilized revolving credit facility in EUR equivalent to SEK 2,219m. That combination supports the Group's commitment of a minimum liquidity reserve of SEK 500m.

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	-682	-101	-187	-1,092	-	-2,062
Loans from subsidiaries	-14	-	-	-	-	-14
Gross settled derivatives	16	-1	-9	-18	-	-12
of which outflow	-1,702	-121	-171	-480	-	-2,474
of which inflow	1,718	120	162	462	-	2,462
Trade payables	-549	-	-	-	-	-549
Other financial liabilities, subsidiaries	-930	-	-	-	-	-930
Total	-2,159	-102	-196	-1,110	-	-3,567

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	2023				2022			
	Gain/loss in profit or loss	Gain/loss in OCI	Interest income	Interest expense	Gain/loss in profit or loss	Gain/loss in OCI	Interest income	Interest expense
Recognized in operating income								
Financial assets and liabilities at amortized cost	-41	-	-	-	16	-	-	-
Total net gain/loss, income and expense	-41	-	-	-	16	-	-	-
Recognized in financial items								
Financial assets and liabilities at fair value through profit or loss	87	-15	32	-63	-17	-	28	-42
Financial assets at amortized cost	-20	-	17	-	398	-	5	-
Other financial liabilities at amortized cost	-43	-50	-	-104	-375	-	-	-41
Total net gain/loss, income and expense	24	-65	49	-167	6	-	33	-83

Net gain/loss, income and expense of financial instruments

Parent Company SEKm	2023				2022			
	Gain/loss in profit or loss	Gain/loss in OCI	Interest income	Interest expense	Gain/loss in profit or loss	Gain/loss in OCI	Interest income	Interest expense
Recognized in operating income								
Financial assets and liabilities at amortized cost	-17	-	-	-	-12	-	-	-
Total net gain/loss, income and expense	-17	-	-	-	-12	-	-	-
Recognized in financial items								
Financial assets and liabilities at fair value through profit or loss	81	-15	32	-63	-17	-	28	-42
Financial assets at amortized cost	-33	-	210	-	388	-	92	-
Other financial liabilities at amortized cost	-42	-	-	-129	-374	-	-	-45
Total net gain/loss, income and expense	6	-15	242	-192	-3	-	120	-87

NOTE 18 FINANCIAL INSTRUMENTS, CONT.

Fair value and carrying amount of financial assets and liabilities

Group SEKm	2023 ¹		2022 ¹	
	Hierarchy level	Carrying amount	Hierarchy level	Carrying amount
Financial assets		0		200
Financial assets at fair value through profit or loss	3	0	3	0
Financial assets at fair value through profit and loss	1	0	1	200
Trade receivables		1,904		2,028
Financial assets at amortized cost		1,904		2,028
Derivatives		29		152
Financial assets at fair value through profit or loss	2	29	2	152
Cash and cash equivalents		959		898
Financial assets at amortized cost		959		898
Total financial assets		2,892		3,278
Long-term borrowings		1,192		2,824
Financial liabilities at amortized cost		1,192		2,824
Trade payables		1,761		2,040
Financial liabilities at amortized cost		1,761		2,040
Short-term borrowings		716		7
Financial liabilities at amortized cost		716		7
Derivatives		40		54
Financial liabilities at fair value through profit or loss	2	40	2	54
Total financial liabilities		3,710		4,926

1) Carrying amount equals fair value except for long-term and short-term borrowings with a combined fair value of SEK 1,934m (2,846). The calculation of fair value of the Group's borrowings is level 2 in the fair value hierarchy.

Parent Company SEKm	2023 ¹		2022 ¹	
	Hierarchy level	Carrying amount	Hierarchy level	Carrying amount
Trade receivables		410		534
Financial assets at amortized cost		300		333
Financial assets at amortized cost, subsidiaries		110		201
Derivatives		29		152
Financial assets at fair value through profit or loss		29	2	152
Long-term financial assets		1,644		2,890
Financial assets at amortized cost, subsidiaries		1,644		2,890
Short-term financial assets		1,280		517
Financial assets at amortized cost, subsidiaries		1,280		517
Cash and cash equivalents		778		677
Financial assets at amortized cost		778		677
Total financial assets		4,141		4,770
Financial liabilities				
Long-term borrowings		1,192		2,824
Financial liabilities at amortized cost		1,192		2,824
Trade payables		550		578
Financial liabilities at amortized cost		351		388
Financial liabilities at amortized cost, subsidiaries		199		190
Short-term borrowings²		1,660		1,106
Financial liabilities at amortized cost		716		-
Financial liabilities at amortized cost, subsidiaries		944		1,106
Derivatives		40		54
Financial liabilities at fair value through profit or loss		40	2	54
Total financial liabilities		3,442		4,562

1) Carrying amount equals fair value except for long-term and short-term borrowings with a combined fair value of SEK 1,934m (2,846). The calculation of fair value of the Group's borrowings is level 2 in the fair value hierarchy.

2) Of the SEK 1,660m (1,106), SEK 716m (0) is presented in the balance sheet as short-term borrowings and SEK 1,142m (1,296) 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 is 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 2023 nor for 2022.

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, 2023, the share capital of Electrolux Professional AB consisted of 8,031,461 Class A shares with a quota value of SEK 0.1 per share and 279,365,989 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, 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

Share capital, December 31, 2023	
8,031,461 A shares, with a quota value of SEK 0.1	1
279,365,989 B shares, with a quota value of SEK 0.1	28
Total	29

Number of shares

SEKm	Owned by other shareholders
Shares, December 31, 2022	
Class A shares	8,045,314
Class B shares	279,352,136
Total	287,397,450

Conversion of Class A shares into Class B shares	
Class A shares	-13,853
Class B shares	13,853

Shares, December 31, 2023	
Class A shares	8,031,461
Class B shares	279,365,989
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, and 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	2023	2022
Income for the period	775	686
Earnings per share		
Basic, SEK	2.70	2.39
Diluted, SEK	2.70	2.39
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 2023 was 287,397,450 (287,397,450) and the average number of diluted shares was 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 remeasurement 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 remeasurement effects in Other comprehensive income.

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. Remeasurement due to actuarial assumptions is recorded in Other comprehensive income. 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. In accordance with a statement from the Swedish Financial Reporting Board, UFR10, this is a defined benefit multi-employer plan. For the 2023 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, 2023, Alecta's surplus, which can be distributed between the policy holder and/or the persons insured in the form of the collective consolidation rate, preliminary amounted to 157% (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 13m (9).

The discount rate used for the calculation of expenses during 2023 was 2.42% on average, which was the same rate used to estimate liabilities at the end of 2022.

An explanation of the amounts in the financial statements relating to defined benefit obligations is presented in the following table.

SEKm	December 31, 2023	December 31, 2022
Amounts included in the balance sheet		
Funded plans		
Present value of funded obligations	880	739
Fair value of plan assets	-1,057	-970
Effect of asset ceiling	175	231
Net amount (surplus)/deficit, funded plans	-2	0
Average duration of the obligation, years	11.9	11.6
Unfunded plans		
Present value of unfunded obligations	100	103
Average duration of the obligation, years	8.4	8.1
Total net amount (surplus)/deficit	98	103
Of which reported as		
Pension plan assets	2	0
Provisions for post-employment benefit plans	100	103

NOTE 21 POST-EMPLOYMENT BENEFITS, CONT.

SEKm	2023	2022
Pension cost		
Service cost	-13	-8
Interest income/expense, net	-3	0
Pension cost, defined benefit plans	-16	-8
Pension cost, defined contribution plans	-70	-65
Pension cost included in income for the period	-86	-73
Remeasurement gain/loss attributable to defined benefit plans	1	-152
Total pension cost included in other comprehensive income	-85	-225
Amounts included in the cash flow statement		
Contributions by the employer	-12	-10
Benefits paid by the employer	-7	-5
Major assumptions for the valuation of the liability		
Funded plans		
Longevity, years, ¹		
Male	21.8	21.8
Female	23.6	23.6
Inflation, % ²	1.3	1.3
Discount rate, %	1.3	2.2
Unfunded plans		
Inflation, % ²	2.1	2.4
Discount rate, %	3.7	3.8

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	2023	2022
Opening balance, January 1	842	935
Current service cost	13	13
Special events	-1	-6
Interest expense	20	3
Remeasurement arising from changes in financial assumptions	78	-206
Remeasurement from changes in demographic assumptions	0	2
Remeasurement from experience	14	24
Contributions by plan participants	12	10
Benefits paid	-43	-50
Exchange differences	45	110
Settlements and other	0	7
Closing balance, December 31	980	842

Reconciliation of change in the fair value of plan assets

SEKm	2023	2022
Opening balance, January 1	970	974
Interest income ¹	22	2
Return on plan assets, excluding amounts included in interest ¹	20	-111
Net contribution by employer	12	10
Contribution by plan participants	12	10
Benefits paid	-37	-45
Exchange differences	58	129
Settlements and other	-	1
Closing balance, December 31	1,057	970

1) The actual return on plan assets amounts to SEK 42m (-113).

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	2023	2022
Longevity +1 year	26	21
Inflation +0.5% ¹	12	11
Discount rate +1%	-99	-79
Discount rate -1%	120	94

1) The inflation change feeds through to other inflation-dependent assumptions, i.e., pension increases and salary growth.

In 2024, the Group expects to pay a total of SEK 15m (16) in contributions to the pension funds and as payments of benefits directly to the employees.

Market value of plan assets by category

SEKm	2023	2022
Fixed income	274	234
Equity	323	284
Other alternative assets	129	138
Real estate	327	306
Cash	4	8
Total value of plan assets	1,057	970

NOTE 21 POST-EMPLOYMENT BENEFITS, CONT.

Investment strategy and risk management

The assets held in funds are managed professionally by asset managers who propose portfolio allocations based on a framework decided by the fund 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 pensions 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 34m (33). Expected fees for the next reporting period for ITP2 insurance with Alecta amount to SEK 13m.

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, 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
Opening balance, January 1, 2023	14	273	146	433	0	101	3	104
Reclassification	-	-	-	-	-	-	-	-
Acquisitions of operations	-	-	-	-	-	-	-	-
Provisions made	6	69	53	127	-	15	4	19
Provisions used	-9	-44	-36	-88	-	-	-	-
Unused amounts reversed	-3	-13	-12	-27	-	-2	-	-2
Exchange rate differences	0	-4	-2	-7	-	-	-	-
Closing balance, December 31, 2023	8	282	149	439	0	114	7	121
Of which current provisions	8	96	17	122	-	-	-	-
Of which non-current provisions	-	185	132	317	-	114	7	121

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	
	2023	2022	2023	2022
Accrued holiday pay	157	149	43	40
Other accrued payroll costs	287	361	58	59
Accrued interest expenses	14	8	11	6
Other prepaid income	4	16	-	-
Government grants	17	19	-	-
Other accrued expenses	206	216	20	20
Contract liabilities ¹⁾	597	607	75	94
VAT liabilities	191	197	-	3
Personnel-related liabilities	88	90	31	29
Other operating liabilities	58	56	9	10
Derivatives	40	54	40	54
Total	1,659	1,773	287	315

1) Movement in contract liabilities in 2023 and 2022 is presented in Note 4.

NOTE 24 CONTINGENT LIABILITIES

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Contingent liabilities	10	10	22	22
Total	10	10	22	22

Parent Company

The Parent Company has issued guarantees on behalf of some of its subsidiaries. The nominal amount is SEK 22m (22) 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

Acquisitions in 2023

No acquisitions were made in 2023. See note 32 for acquisition in 2024.

Acquisitions in 2022

No acquisitions were 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.

Divested operations in 2023

No divestments were made in 2023.

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.

NOTE 26 EMPLOYEES AND REMUNERATION

Employees and employee benefits

As of December 31, 2023, the number of employees was 3,978 (4,022).

Average number of employees, per country

	2023			2022		
	Women	Men	Total	Women	Men	Total
Parent company						
Sweden	146	416	563	137	412	550
Subsidiaries						
Australia	3	13	16	2	14	16
Austria	8	21	29	5	24	29
Belgium	0	4	4	0	4	4
China	40	127	167	40	133	172
Croatia	1	4	5	1	4	6
Czech Republic	2	5	8	2	6	8
Denmark	11	33	44	11	32	43
Finland	14	24	38	13	24	37
France	130	255	385	87	287	374
Germany	64	151	214	64	147	211
Greece	1	4	5	1	4	5
Hungary	4	7	12	2	3	5
India	2	13	15	2	11	13
Italy	451	658	1,109	447	647	1,094
Japan	12	31	43	13	38	50
Malaysia	9	10	19	9	7	16
Netherlands	4	12	15	5	13	18
New Zealand	2	2	4	2	2	4
Norway	5	13	18	5	13	18
Poland	1	2	3	1	2	3
Russia ¹	-	-	-	8	6	14
Singapore	13	16	29	12	15	27
Slovak Republic	8	7	15	8	7	15
South Korea	2	0	2	3		3
Spain	12	20	32	9	21	31
Switzerland	35	112	147	32	122	154

	2023			2022		
	Women	Men	Total	Women	Men	Total
Thailand	80	196	277	79	197	276
Turkey	10	11	21	9	12	20
United Arab Emirates	1	10	11	1	10	11
United Kingdom	23	36	59	21	39	60
USA	190	491	681	214	524	737
Total	1,284	2,704	3,988	1,243	2,781	4,024

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	2023			2022		
	Salaries and remuneration ¹	Social costs ²	Total	Salaries and remuneration ¹	Social costs ²	Total
Parent Company	394	124	518	365	119	485
of which pension costs		35	35		35	35
Subsidiaries	1,959	435	2,394	1,834	470	2,304
of which pension costs		46	46		37	37
Total Group	2,353	559	2,912	2,199	589	2,788
of which pension costs		81	81		72	72

1) For the Parent Company, salaries and remuneration of SEK 67m (59) were paid by another legal entity in the Group.
2) For the Parent Company, social costs of SEK 12m (14) (of which pension costs amounted to SEK 2m (2)) were paid by another legal entity in the Group.

Salaries and remuneration for Board members, senior managers, and other employees

SEKm	2023			2022		
	Board members and senior managers	Other employees	Total	Board members and senior managers	Other employees	Total
Parent Company	90	304	394	74	291	365
Others	32	1,927	1,959	28	1,806	1,834
Total Group	122	2,231	2,353	102	2,097	2,199

NOTE 26 EMPLOYEES AND REMUNERATION, CONT.

Of the Board members in Group companies, 21 were men and 3 women, of which 5 men and 3 women were in the Parent Company, excluding 3 union members. In accordance with the definition of Senior managers in the Swedish Annual Accounts Act, the number

of Senior managers in the Group consisted of 9 men and 3 women, of which 9 men and 3 women were in the Parent Company. The total pension costs for Board members and Senior managers in the Group amounted to SEK 5m.

Compensation to Board members

SEK thousand	2023			2022		
	Ordinary compensation	Compensation for committee work	Total compensation	Ordinary compensation	Compensation for committee work	Total compensation
Kai Wörn, Chairman	1,668	84	1,752	1,613	80	1,693
Lorna Donatone	643	114	757	539	109	648
Hans Ola Meyer	556	174	730	539	166	705
Daniel Nodhäll	556	198	754	539	189	728
Martine Snels	556	114	670	539	109	648
Carsten Voigtländer	556	-	556	539	-	539
Katharine Clark	556	-	556	539	-	539
Josef Matosevic	505	-	505	-	-	-
Jens Pierard	-	-	-	-	-	-
Joachim Nord	-	-	-	-	-	-
Per Magnusson	-	-	-	-	-	-
Total compensation	5,596	684	6,280	4,845	653	5,498

Compensation for the Board of Directors

The Annual General Meeting (AGM) determines the compensation for 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 2023 encompasses one quarter of the compensation authorized by the AGM in 2022 and three quarters of the compensation authorized by the AGM in 2023. Total compensation paid in cash in 2023 amounted to SEK 6.3m, of which SEK 5.6m 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 in 2020. 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, consistent 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 92).

- Fixed compensation must 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-compete component. Base salary levels are to be reviewed periodically (usually annually) to ensure continued competitiveness and to recognize individual performance.
- Variable compensation may consist of short-term and long-term incentives. Following the 'pay for performance' principle, variable compensation must represent a significant portion of the total potential compensation for the Group Management Team. Variable compensation must always be measured against pre-defined targets and have a maximum above which no payout is to be made. Both short-term incentives' and long-term incentives' entitlement must be dependent on job level and the variable compensation must not amount to more than 100% of the annual base salary.
- Pension and Benefits such as old-age and survivor's pension, disability benefits, and healthcare benefits must be designed to reflect home-country practices and requirements. When possible,

pension plans are to be based on defined contribution. In individual cases, depending on provisions in collective bargaining agreements, 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 a company car, housing, and private health insurance.

- The notice period for the President and CEO must 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 2023 was set at EUR 600,000 (approximately SEK 6,800k).

The variable compensation for the President and CEO consists of both short-term cash-based incentive (STI) and long-term share-based incentive (LTI). STI is based on fixed financial targets at Group level and LTI is based on fixed financial and ESG targets at Group level. STI can give a maximum of 100% of annual base salary and LTI 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 it is 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 bene-

NOTE 26 EMPLOYEES AND REMUNERATION, CONT.

fits such as pension and insurance. Base salary is reviewed annually per January 1.

The variable compensation for other members of the Group Management consists of both short-term cash-based incentive (STI) and long-term share-based incentive (LTI). STI is based on fixed financial targets at Group level and Regional and Group level for the Business Area Heads. LTI is based on fixed financial and ESG targets at Group level. STI and LTI 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 (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 managers (Dirigenti).

The Group Management Team members employed in Sweden are covered by the collectively agreed ITP1, and a top-up plan providing 30% of fixed salary and ST I, 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, 2022, and 2023

The Annual General Meeting on April 26, 2023, approved a long-term incentive program for 2023. The General Meeting of Electrolux Professional has also approved a long-term incentive program for 2021 and 2022.

All 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 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.

The allocation of shares in the 2023 program is determined by the participant's position level and the outcome of three objectives: (i) earnings per share, (ii) operating cash flow after investments and (iii) CO₂ emission reduction. The performance targets adopted by the Board stipulate a minimum level and a maximum level, with the relative weight of the performance targets (i), (ii) and (iii) being 50%, 30%, and 20% respectively. Performance outcome of the three objectives was determined by the Board after the expiry of the one-year performance period.

For the 2021, 2022, and 2023 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.

All programs cover up to 30-35 senior managers and key employees. Participants 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 total sum of the maximum values of the Performance Shares defined for all participants in LTI 2023 will not exceed SEK 49m, excluding social costs.

The performance outcome for LTI 2023 was 63%, which means that 63% of the maximum number of shares granted under the LTI 2023 will be paid out after the end of the vesting period 2026.

Remuneration to Group Management

2023 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	7,269	2,717	5,676	583	394	2,872	19,511
Other members of Group Management ⁵	33,205	9,755	17,182	4,142	5,216	11,381	80,881
Total	40,474	12,472	22,858	4,725	5,610	14,253	100,392

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

2) Variable salary earned in 2023, to be paid in 2024.

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 2023 is based on an outcome of 66%. The adjustment to 63% will be made during 2024.

4) Includes allowances and other benefits such as housing, company car, medical insurance, and retention bonus.

5) Other members comprised of 11 people at the end of 2023.

6) The remuneration of the President and CEO is defined in EUR, hence the presented remuneration in SEK is impacted by the currency exchange rate.

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
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, 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 made during 2023.

4) Includes allowances and other benefits such as housing, company car, medical insurance, and retention bonus.

5) Other members comprised 10 people at the end of 2022. Remuneration for other members of Group Management included the 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 Tendof, as of July 2022.

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	2023			2022	
	LTI 2023	LTI 2022	LTI 2021	LTI 2022	LTI 2021
At January 1 ¹	-	325,489	539,902	-	601,807
Granted ²	826,495	-	-	711,519	-
Forfeited ³	-318,601	-13,496	-	-386,030	-61,905
Exercised ⁴	-	-	-539,902	-	-
At December 31⁵	507,894	311,993	0	325,489	539,902

- 1) Outstanding share awards at the beginning of the year.
- 2) Shares awarded during the year.
- 3) Forfeited awards during the year based on performance outcome and/or employees leaving the company.
- 4) Vested awards during the year. LTI 2021 vested end of 2023, LTI 2022 will vest in 2024, and LTI 2023 will vest in 2025.
- 5) Number of share awards at the end of the year.

NOTE 27 FEES TO AUDITORS

At the 2023 Annual General Meeting Deloitte was appointed as auditor for the period until the end of the 2024 Annual General Meeting.

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Deloitte				
Audit fees ¹	18	17	6	6
Audit-related fees ²	0	0	-	-
Tax fees ³	0	0	-	-
All other fees	0	0	-	-
Total fees to Deloitte	18	18	6	6
Audit fees to other audit firms	0	2	-	-
Total fees to auditors	18	20	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, and 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 32.5% 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 AND APPROPRIATIONS, PARENT COMPANY

SEKm	December 31, 2023	Appropriations	December 31, 2022
Accumulated depreciation in excess of plan			
Brands	8	-	8
Licenses	-	-	-
Machinery and equipment	76	-9	85
Buildings	-	-	-
Other	4	-	4
Total	88	-9	97
Group contributions		-1	
Total appropriations		-10	

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 registered office	Holding, %	Legal form	Carrying amount Parent Company	
						2023	2022
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	294
UNIC SAS ²	958 806 408	France	Carros	100%	Limited Liability Company	0	0
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	179	258
Electrolux Professional Japan Limited	01040103326	Japan	Tokyo	100%	Limited Liability Company	32	32
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	0
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

NOTE 30 SHARES AND PARTICIPATIONS, CONT.

Subsidiaries, direct shareholdings	Corp. ID no.	Country	City of registered office	Holding, %	Legal form	Carrying amount Parent Company	
						2023	2022
Electrolux Professional Sweden AB	556025-2081	Sweden	Stockholm	100%	Limited Liability Company	61	61
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						5,866	5,945

- 1) Electrolux Professional Sweden AB holds 1%
2) Merged into Electrolux Professionnel SAS during 2022
3) Divested 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	0% ¹
Electrolux Professional LLC	USA	Louisville	0% ²
Grindmaster Corporation	USA	Louisville	0% ³
Electrolux Professional Inc	USA	Delaware	100%

- 1) Liquidated in 2023
2) Merged into Grindmaster in 2023
3) Merged into Unified Brands in 2023 which was renamed to Electrolux Professional Inc in 2023.

NOTE 31 CLIMATE

In preparing the financial statements the management has considered the potential impact of climate change. Our target is to reduce CO₂ emissions of Scope 1 & 2 by at least 50% by 2025 compared to 2015. During 2023, we continued to reduce our Scope 1 and 2 emissions and have already achieved our 2025 targets.

Our climate ambition for 2030 is to become climate neutral within all our industrial operations by 2030. During 2023 our scope 1, 2, and 3 targets were validated by the Science Based Targets initiative (SBTi). The new targets reduce Scope 1 and 2 emissions by 70% by 2030 from a 2019 base year and reduce indirect use-phase emissions of sold products by 27.5% by 2030 from a 2019 base year. Read more in the Sustainability Report on pages 48–66.

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 in accordance with the TCFD recommendations for 2022.

The two scenarios help to identify 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 pages 48–66 and Risk Management on pages 82–86.

Products

Our main environmental impact occurs during the product-use phase (energy, water, detergents), we therefore have 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, and also have less of an 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 has been taken into consideration when assessing the need for impairment of existing products and product development.

For the development of new products we invest above historical levels to reach our sustainability targets and this is considered in our forecasts underpinning the 2023 financial statements.

Production

The Group's factories are modern and efficient and in the short-term, energy efficiency is the main focus area. This includes using less energy and converting to renewable energy sources, reviewing the replacement of heating systems, ventilation, lighting, insulation, compressed air, windows, doors etc. and streamlining production processes. The climate targets for 2025 were already achieved during 2023 within normal running costs and investments. To reach our climate ambition for 2030, we initiated a plant decarbonization study project in five of our plants worldwide. The project resulted in several initiatives and required investments to achieve the Scope 1 and 2 reduction targets. The necessary investments are covered as part of normal investment levels. The initiatives also resulted in operational cost-saving opportunities.

NOTE 32 EVENTS AFTER THE BALANCE SHEET DATE

Acquisitions in 2024

TOSEI Corporation

On January 10, 2024, Electrolux Professional acquired 100% of the shares in TOSEI Corporation in a cash deal. The enterprise value amounted to JPY 23,006m corresponding to SEK 1,620m.

TOSEI, founded in 1950, had sales of approximately SEK 940m during 2023. After synergies, the EBITA margin is expected to be well in line with Electrolux Professional's EBITA target of 15%. The company has approximately 340 employees and is based in Tokyo. TOSEI operates one manufacturing facility in Izunokuni, Shizuoka and has six regional sales offices in Japan. The company supplies washers, dryers, combined washers and dryers, tabletop vacuum packing machines, and stationary vacuum packing machines under the main brands TOSEI and TOSPACK.

The acquisition of TOSEI will make Electrolux Professional a larger player in Japan, which is the second largest laundry market and third largest food-service market globally. In addition, Electrolux Professional will be able to expand the vacuum packing products that are already used globally in the fast-growing segment of sous-vide cooking.

Goodwill mainly represents the value of increasing Electrolux Professional's presence in Japan. Goodwill will not be deductible for income tax.

TOSEI's net sales and operating income from January 1, 2024 to the completion of the deal is immaterial and will be included fully in the consolidated financial statements of Electrolux Professional in quarter one, 2024.

Approximately 70% of the business will be included in the Laundry segment and 30% in Food & Beverage.

Transaction costs

Transaction costs related to the acquisition amounted to SEK 7m and have been expensed as incurred during the acquisition process in 2023.

The costs have been reported in operating income within Group Common Costs.

Acquired operations

SEKm	2024
TOSEI Corporation	
Enterprise value	1,620
Less financial debt	-628
Cash paid for the acquisition	992
Recognized amount for assets acquired and liabilities assumed	
Assets less liabilities	-291
Goodwill	1,283
Total	992

The purchase price allocation is preliminary and will be subject to changes. Part of the value of goodwill will be reclassified to assets with definite useful lives, e.g. customer relationships and trademarks.

NOTE 33 PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors proposes that income for the year and retained earnings be distributed as follows.

	'000 SEK
Dividend to the shareholders	229,918
To be carried forward	6,510,006
Total	6,739,924

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 27, 2024

Electrolux Professional AB (publ)
556003-0354

Kai Wärn
Chairman of the Board

Katharine Clark
Board member

Lorna Donatone
Board member

Josef Matosevic
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 27, 2024
Deloitte AB

Jonas Ståhlberg
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 2023-01-01 - 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 89-141 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 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue Recognition

Revenues in the Group amounts to SEK 11,848 million 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 SEK 1,692 million 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 1-7, 9-47, 80-86, 145-148, 164-168. 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 2023-01-01 – 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board

of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among 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 2023-01-01 – 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of 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 69-79 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 by the general meeting of the shareholders on the 2023-04-26 and has been the company's auditor since 2018-06-01.

27 March, 2024

Deloitte AB

Jonas Ståhlberg

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.

Seven years in summary

SEKm	2023	2022	2021	2020	2019	2018	2017
Food & Beverage							
Net sales	7,616	7,290	4,704	4,198	5,895	5,399	4,922
EBITA*	766	679	299	87	568	629	607
EBITA, %*	10.1	9.3	6.4	2.1	9.6	11.7	12.3
Operating income*	620	542	244	35	522	599	572
Operating margin, %*	8.1	7.4	5.2	0.8	8.9	11.1	11.6
Laundry							
Net sales	4,231	3,747	3,159	3,065	3,386	3,267	2,801
EBITA*	702	608	492	467	507	573	502
EBITA, %*	16.6	16.2	15.6	15.2	15.0	17.6	17.9
Operating income*	686	590	475	452	488	558	499
Operating margin, %*	16.2	15.7	15.0	14.7	14.4	17.1	17.8
Group shared cost							
Operating income*	-152	-177	-128	-100	-18	-14	-11
Total Group							
Net sales	11,848	11,037	7,862	7,263	9,281	8,666	7,723
EBITA*	1,317	1,111	663	456	1,058	1,188	1,098
EBITA, %*	11.1	10.1	8.4	6.3	11.4	13.7	14.2
Operating income*	1,154	955	592	387	992	1,143	1,060
Operating margin, %*	9.7	8.7	7.5	5.3	10.7	13.2	13.7

*) Alternative performance measure.

SEKm, if not otherwise stated	2023	2022	2021	2020	2019	2018	2017
Net sales	11,848	11,037	7,862	7,263	9,281	8,666	7,723
Organic growth, %*	2.6	16.9	10.6	-21.0	-0.3	4.1	5.6
EBITA*	1,317	1,111	663	456	1,058	1,188	1,098
EBITA, %*	11.1	10.1	8.4	6.3	11.4	13.7	14.2
Operating income*	1,154	955	592	387	992	1,143	1,060
Operating margin, %*	9.7	8.7	7.5	5.3	10.7	13.2	13.7
Income after financial items	1,033	895	587	363	978	1,134	1,052
Income for the period	775	686	487	278	663	952	786
Items affecting comparability*	-	-35	-	-77	-32	-	-
Capital expenditure*	-191	-139	-159	-273	-257	-169	-167
Operating cash flow after investments*	1,453	636	1,116	570	1,138	1,131	1,167
Operating working capital, % of net sales*	18.1	16.7	14.9	19.9	17.7	16.3	13.8
Earnings per share, SEK ¹	2.70	2.39	1.69	0.97	2.31	3.31	2.74
Dividend per share, SEK ^{1, 2}	0.80	0.70	0.50	-	-	-	-
Equity per share, SEK, ^{1, 3}	16.37	14.86	12.27	9.74	9.43	31.91	8.43
Net debt*	1,390	2,050	1,705	549	1,025	-226	-481
EBITDA*, ⁴	1,581	1,369	886	684	1,280	1,363	1,253
Net debt/EBITDA ratio*	0.9	1.5	1.9	0.8	0.8	-0.2	-0.4
Average number of shares, million ¹	287.4	287	287	287,4	287,4	287,4	287,4
Number of employees, end of period	3,978	4,022	3,973	3,515	3,624	3,555	3,183

*) Alternative performance measure.

1) Basic number of outstanding shares.

2) 2023, 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 net sales are mainly in other currencies. Organic growth is dependent on fluctuations in SEK versus other currencies, and acquired or divested businesses can have a further impact on reported net sales. Organic growth adjusted for acquisitions, divestments 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 on 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 (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 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-downs 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 above. 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 Group.
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 a percentage of the 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

About this report	150
The EU Taxonomy regulation	151
Environmental data	155
People data	157
GRI index	160
Auditor's Report on Sustainability Report	162

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 emphasize 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 2023 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 on page 41 and page 59 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

An error was discovered in our water consumption data reporting. In the past, we mistakenly reported water withdrawal as water consumption. However, water withdrawal only represents the amount of water taken out of its source, and it does not indicate how much water is actually available for use by the ecosystem or local community. This year, we have corrected this mistake and calculated our water consumption using the GRI 303-5 standard.

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 (i.e. 2023 uses figures for 2020). The company uses zero as the emission factor for use of renewable energy.

To calculate emissions in Scope 3, category 11, "Use of Sold Products," we utilize the average useful life of products sold from the EUP LOT studies to ensure fair comparisons. We group the products based on their loading capacity and type of energy source using the EUP LOT studies. The volume is based on the products in markets served. The emission factor for electricity is calculated using the weighted average of the IEA emission factor in the market served. For natural gas, we use the DEFRA CO₂e value. Since steam is not truly the energy input, we use the electricity emission factor for steam. The emissions that occur during the use of a product are reported in the year the product was sold, and not over its estimated useful life. However, the reported Scope 3 sold product-use emissions may not be entirely accurate due to the uncertainties involved in obtaining precise primary data. The level of uncertainty could vary by up to 10%, although we are dedicated to minimizing these uncertainties as much as possible.

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 foot notes.

Omissions from GRI Standards

GRI 2-21 Annual total compensation ratio: Information on the ratio per 2-21-a and 2-21-b is not disclosed, since collecting information from the various systems for calculation is an extensive process.

GRI 201-1 Direct economic value generated and distributed: Direct economic value distributed is based on operating costs instead of actual value distributed (payments).

GRI 205-2 Communication and training on anti-corruption policies: Information on training by region is not disclosed.

GRI 303-3 Water withdrawal: Sea water and Produced water are not reported.

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. Ground water and sea water are not reported.

GRI 306 Waste: Only reporting on topic disclosure.

GRI 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

A Sustainability Board was established in 2022 to share 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. The Sustainability Board is chaired by the Group Sustainability Vice President who reports the performance of the Sustainability Board to the Group Management and the Board of Directors. In 2023, the focus of the Sustainability Board has been on;

- > Implementation of the Sustainability network
- > Allocating resources for conflict mineral compliance
- > Final selection of Sustainability reporting platform
- > CSRD gap analysis and preparations

Code of Conduct governance

Information about the business ethics and conduct expected of managers and employees is 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

The Taxonomy supports a transition to an economy that is consistent with the environmental objectives of the European Union (EU). The EU Taxonomy includes definitions of economic activities that are considered eligible, as well as technical screening criteria for the six environmental objectives. These activities must also avoid causing significant harm to any of the other objectives and adhere to minimum social safeguards e.g., related to protection of human rights, and social and labor standards.

In the year 2023, Electrolux Professional assessed its economic activities to determine significant contributions to at least one of the EU's environmental goals, as outlined in the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486) and NACE code information. Electrolux Professional manufactures professional equipment and offers services in food service, beverage, and laundry, with a strong emphasis on energy efficiency, durability, and reparability, ensuring that our products contribute to the transition to a circular economy.

Assessment of compliance with the regulation

Assessment of eligibility

Electrolux Professional has identified taxonomy-eligible activities by screening the economic activities in the Commission Delegated Regulation (EU) 2023/2486). Regulation (EU) 2020/852, Article 9, Annex II sets out criteria for which an economic activity qualifies as contributing substantially to the transition to a circular economy and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. Four activities have been qualified as contributing substantially to the transition to a circular economy for Electrolux Professional:

Manufacture of electrical and electronic equipment

Electrolux Professional's core business relates to the manufacturing of electrical and electronic equipment for professional food service, beverages, and laundry.

Product as a service and other circular use and result-oriented service models

Electrolux Professional offers rental services for some of the products. For the product we develop, we are responsible for production, leasing, maintenance, and environmentally responsible disposal.

Repair, refurbishment, and remanufacturing

Electrolux Professional offers refurbished products to our customers in exchange for their old products. We take their old products, re-

place key components, and update the latest improvements. We provide customer care including repair and replacement of wear and tear parts through our Essentia program.

Sale of spare parts:

Electrolux Professional sells spare parts for the appliances it has sold in the market

Assessment of alignment

(significant contribution / Do No Significant Harm (DNHS))

DNHS assessment is yet to be conducted. For circular economy activities, an in-depth assessment (on climate change adaptation and mitigation, pollution, biodiversity, and water) will be conducted at each site for the next year. For climate change mitigation activities, we still lack the information required to conclude this year.

Assessment of Minimum Safeguard

Minimum safeguards are yet to be assessed in detail. In 2024, we will perform a gap analysis to determine compliance with four core topics: Human rights, Bribery/corruption, Taxation, and Fair competition.

Accounting policies

According to Article 8 of the EU Taxonomy Regulation (the taxonomy), turnover, capital expenditure, and operational expenditure are defined as described below. For capital expenditure operational expenditure, these definitions are different compared with Electrolux Professional Group's financial reporting. The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and as endorsed by the EU. The basis of the preparation of the financial statements is explained in note 1 to the consolidated financial statements.

Turnover

Turnover is defined as net sales as disclosed in the Consolidated statement of total comprehensive income. See page 94.

Capital expenditure

Capital expenditures 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 2023, includes certain capitalized assets as found on the balance sheet related to the activities assessed as eligible.

Operational expenditure

Operational expenditure includes direct non-capitalized costs related to R&D costs, costs for renovating buildings and offices, short-term lease costs, and costs for maintaining or repairing buildings/offices/production equipment/forklifts/warehouse equipment

Eligible turnover, capital expenditure, and operational expenditure

Turnover, capital expenditure, and operational expenditure in accordance with the above definition and which is associated with eligible activities constitutes the basis for calculating the share of eligible turnover, capital expenditure, and operational expenditure. Amounts recorded on product codes and/or legal entities related to eligible activities have been used as the basis to calculate amounts of eligible turnover, capital expenditure, and operational expenditure. A reconciliation of amounts has been performed to avoid any double counting.

Nuclear and fossil gas related activities

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
---	----

The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
--	----

The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
---	----

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce energy using fossil gaseous fuels.	No
---	----

The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
---	----

The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No
--	----

Proportion of turnover from products or services associated with taxonomy-aligned economic activities - disclosure covering 2023

Financial year 2023		Year		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safe-guards	Proportion of Taxonomy aligned (A.1) or eligible (A.2.) turnover, 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	Code(s)	Turnover	Proportion of Turnover, year N	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity				
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1))																			
		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	E	
Of which transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	8,390	72%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Product-as-a-service and other circular use and result-oriented service models	CE 5.5	266	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%	E	
Sale of spare parts	CE 5.2	1,839	16%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		10,495	90%	0%	0%	0%	0%	90%	0%								0%		
Total (A.1 + A.2)		10,495	90%	0%	0%	0%	0%	90%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities (B)		1,353	11%																
Total (A + B)		11,848	100%																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	90%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities - disclosure covering 2023

Financial year 2023	Year		Substantial contribution criteria							DNSH criteria (Do No Significant Harm)				Minimum safe-guards	Proportion of Taxonomy aligned (A.1) or eligible (A.2.) CapEx, 2022	Category (enabling activity)	Category (transitional activity)		
	Code(s)	CapEx	Proportion of CapEx, year N	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution					Circular economy	Biodiversity
Economic activities	MSEK	0%	Y; N; N/EL	Y; N; N/EL	Y; N; N/E	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N/	Y/N	Y/N	Y/N	Y/N	0%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1)																			
	0	0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	E	
Of which transitional	0	0%	0%							-	-	-	-	-	-	-	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
			EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	121	51%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Product-as-a-service and other circular use and result-oriented service models	CE 5.5	5	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Sale of spare parts	CE 5.2	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								12		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1		
Acquisition and ownership of buildings	CCM 7.7	44	18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		170	71%	18%	0%	0%	0%	53%	0%								10%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		170	71%	18%	0%	0%	0%	53%	0%								10%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		69	29%																
Total		239	100%																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	18%
CCA	0%	0%
WTR	0%	0%
CE	0%	53%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities - disclosure covering 2023

Financial year 2023		Year		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safe-guards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	Code(s)	OpEx	Proportion of OpEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1))																			
		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	0%	
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	0%	E
Of which transitional		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	Y	0%	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	543	98%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									0%	
Product-as-a-service and other circular use and result-oriented service models	CE 5.5	1	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									0%	
Sale of spare parts	CE 5.2	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									0%	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		544	98%	0%	0%	0%	0%	98%	0%									0%	
A. OpEx of Taxonomy eligible activities (A.1+A.2)		544	98%	0%	0%	0%	0%	98%	0%									0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		10	2%																
Total		554	100%																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	98%
PPC	0%	0%
BIO	0%	0%

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					
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					
	Electrolux Professional excl. Unified Brands					9,430	987	3,936	17,156	31,509	15,592	15,917	31,509
	Unified Brands					2,772	254	0	7,230	10,256	0	10,256	10,256
2022	Total					12,202	1,241	3,936	24,386	41,765	15,592	26,173	41,765
2023						9,657	1,059	4,123	22,829	37,668	16,967	20,702	37,668

1) Electrolux Professional has not previously reported on-site generated electricity when the company was part of the Electrolux Group. On-site generated Electricity is included in the above figures.

Note: The baseline is not fully comparable as five acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as two acquired plants were added in 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	
2019	94			94	
2020	83	1		84	
2021	67	1	1	69	
	Electrolux Professional excl. Unified Brands		60	1	62
	Unified Brands		1	0	1
2022	Total		61	1	63
2023			61	1	62

1) 1 megaliter equals 1,000 m³.

2) Internal risk area defined 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 five acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as two acquired plants were added in 2022 (Unified Brands, US).

Own disclosure - Product water consumption

	2020	2021	2022*	2023
Product water consumption efficiency compared to 2019	1.5%	2.3%	4.3%	4.5%

Only includes dishwashing and laundry. Target to improve efficiency by 8% by year-end 2025 (base year 2019). Calculation is based on annual sales figures, consumption data, and the expected number of cycles during the product life time.

*Data for 2022 has been corrected due to an error in sales volume.

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		
2019	50	25	0	0	74	
2020	42	33	0	0	75	
2021	36	26	0	0	62	
2022	Electrolux Professional excl. Unified Brands	5	51	0	0	56
	Unified Brands	1	0	0	0	1
	Total	6	51	0	0	57
2023	26	30			56	

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 five acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as two acquired plants were added in 2022 (Unified Brands, US).

Emissions

GRI 305-1 and 305-2

Year	GRI 305-1	GRI 305-2	Own disclosure		
	Direct CO2e emissions ^{1, 2} (metric kton)	Indirect CO2e emissions (metric kton)	Total CO2e (metric kton)	Use of HFC/HFO gases (ton)	
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 excl. 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
2023	2.0	2.2	4.2	17.7	

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 five acquired plants were added during 2018 and 2019.

Note: The baseline is not fully comparable as two acquired plants were added in 2022 (Unified Brands, US).

Waste^{1, 2}

GRI 306-3 and 306-4

2023	Metric kiloton	% of non-hazardous waste	Recovery (%)	Disposal (%)
Landfill	0.5	8.5%		8.5%
Incineration (without energy recovery)	0.03	0.5%		0.5%
Waste-to-energy	0.2	4%		4%
Recycling	4.9	86%	86%	
Other recovery	0.1	1%	1%	
Total non-hazardous waste	5.7	100%	87%	13%

Waste^{1, 2}

GRI 306-3 and 306-4

2023	Metric kiloton	% of non-hazardous waste	Recovery (%)
Hazardous waste			
Disposal without energy recovery	0.1	23%	
Recycling	0.2	68%	68%
Other/Unspecified	0.0	9%	
Total hazardous waste	0.3	100%	14%

2023 (metric kiloton)	Non-hazardous waste	Hazardous waste	Total	% of total
Total				
Disposal without energy recovery	0.5	0.1	0.6	10%
Waste-to-energy	0.2	0.2	0.4	7%
Recovery	5.0		5.0	83%
Other/unspecified		0.0	0.0	0%
Total	5.7	0.3	6.0	100%
Percentage of total	95%	5%	100%	

1) All waste is directed to and diverted from disposal off-site.

2) Only disclosing data for 2023.

People data

General

	Gender balance, employees		Gender balance, employees in managerial positions		Production/non-production		Covered by collective bargaining agreements ¹
	Male	Female	Male	Female	Production	Non-production	Coverage
Total number of employees	68%	32%	73%	27%	41%	59%	44%
	2,714	1,264	403	152	1,616	2,362	1,750

1) For employees who are not covered by collective bargaining, contractual conditions are defined in agreement with local legislation requirements.

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	1,264	2,714	0	0	3,978
Number of permanent employees	1,234	2,669	0	0	3,903
Number of temporary employees	30	45	0	0	75
Number of non-guaranteed-hours, employees	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Number of full-time employees	1,225	2,705	0	0	3,930
Number of part-time employees	39	9	0	0	48

Breakdown by region	Europe	US	APAC	MEA	Total
Number of employees ¹	2,722	656	567	33	3,978
Number of permanent employees	2,653	655	562	33	3,903
Number of temporary employees	69	1	5	0	75
Number of non-guaranteed-hours, employees	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Number of full-time employees	2,674	656	567	33	3,930
Number of part-time employees	48	0	0	0	48

Workers who are not employees²

Total number of workers who are not employees and whose work is controlled by the organization	784
--	-----

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, 2023). 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	159	284	0	0	132	221	90	255	112	69	7	443
Rate of new employee hires during the reporting period	13%	10%	0%	0%	36%	11%	6%	9%	16%	12%	22%	11%
Total number of employee turnover during the reporting period	135	334	0	0	130	196	143	212	172	79	6	469
Rate of employee turnover during the reporting period	11%	12%	0%	0%	35%	10%	9%	8%	25%	14%	18%	12%

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	14	19.5	0	0	17.7	22.7	10	17.7
Number of training hours ¹⁾	17,335	52,882	0	0	70,217	53,558	16,659	70,217
Number of training hours, Code of Conduct only ³⁾	866	1,564.5	0	0	2,430	1,700	731	2,430
Number of employees who received a performance review in 2023 ²⁾	897	2,169	0	0	3,066	2,308	758	3,066
Percentage of employees who received a performance review in 2023	71%	80%			77%	98%	47%	77%
Number of employees participating in Code of Conduct training in 2023 ³⁾	1,154	2,086	0	0	3,240	2,266	974	3,240
Percentage of employees participating in Code of Conduct training in 2023 ³⁾	91%	77%			82%	96%	60%	82%

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

	2023	2022	2021	2020	2019
Number of work-related fatalities	0	0	0	0	0
Number of high-consequence injuries, >6 months	0	1	0	0	1
Total number of work-related lost time injuries	15	18	14	19	25
Working hours (in thousands of hours)	5,576	5,588	4,062	3,453	3,569
Rate of fatalities as a result of work-related injury	0	0	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	1	0	0	0.1
Lost Time Injury rate ¹⁾	0.54	0.64	0.69	1.10	1.40

1) Own definition (Lost time injuries per 200,000 worked hours)

Note: The number of accidents resulting in lost work time decreased in 2023 and the lost time injury rate improved to 0.5 (0.6). No high-consequence injury occurred in 2023. The most common injuries are lacerations and contusions (7 of 15). The most commonly injured body parts were the hand and fingers (7/15). More severe risks are related to forklift vehicles and machines. Most lost time injuries in 2023 occurred in our assembly stations and warehouses. 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⁾

2023	Gender distribution		Age distribution		
	Female	Male	<30	30-50	>50
Board of Directors ¹⁾	38%	63%		25%	75%
Group Management	25%	75%		25%	75%
Employees ²⁾	32%	68%	8%	50%	42%
Managerial positions	27%	73%	1%	55%	44%

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.

General information (2021)

	Page/Information
2-1	Organizational details 89
2-2	Entities included in the organization's sustainability reporting 137-138
2-3	Reporting period, frequency, and contact point 150
	150
	Contact point: Swapnil S Choudhari, VP Group Sustainability & Quality (swapnil.s.choudhari@electroluxprofessional.com)
2-4	Restatements of information
2-5	External assurance 162
2-6	Activities, value chain, and other business relationships 7
2-7	Employees 44-47, 157-159
2-8	Workers who are not employees 45, 157
2-9	Governance structure and composition 67-74, 76-79, 159
2-10	Nomination and selection of the highest governance body 69-70
2-11	Chair of the highest governance body 76
2-12	Role of the highest governance body in overseeing the management of impacts 68-74
2-13	Delegation of responsibility for managing impacts 68-74
2-14	Role of the highest governance body in sustainability reporting 150
2-15	Conflicts of interest 74

	Page/Information
2-16	Communication of critical concerns 46
2-17	Collective knowledge of the highest governance body 150
2-18	Evaluation of the performance of the highest governance body 150
2-19	Remuneration policies 92-93
2-20	Process to determine remuneration 80-81, 93
2-22	Statement on sustainable development strategy 4-5
2-23	Policy commitments 64-66, 150
2-24	Embedding policy commitments 64-65
2-25	Processes to remediate negative impacts 46, 52, 59, 64, 82-86, 150
2-26	Mechanisms for seeking advice and raising concerns 47
2-27	Compliance with laws and regulations 59, 64, 75
2-28	Membership associations Not followed at group level
2-29	Approach to stakeholder engagement 52, 64-66
2-30	Collective bargaining agreements 157
3-1	Process to determine material topics 50, 52, 55-65
3-2	List of material topics 50-52, 161
3-3	Management of material topics 50-52, 161

GRI - topic specific indicators

		Page/Information
GRI 201	Economic performance (2016)	
GRI 201-1	Direct economic value, generated and distributed	7
GRI 205	Anti-corruption (2016)	
GRI 205-2	Communication and training on anti-corruption policies	66, 150, 158
GRI 302	Energy (2016)	
GRI 302-1	Energy consumption within the organization	61, 150-151, 155
	Included from 2022: Unified Brands in Michigan and Mississippi. Included from 2019: Spilamberto, Carros and Louisville. Included from 2018: Rayong (beverage) and Shanghai. Other sites included 2016 or earlier.	
GRI 303	Water and effluents (2018)	
GRI 303-3	Water withdrawal	61-62, 155
	Included from 2022: Unified Brands in Michigan and Mississippi. Included from 2019: Spilamberto, Carros and Louisville. Included from 2018: Rayong (beverage) and Shanghai. Other sites included 2016 or earlier.	
GRI 303-4	Water discharge	156
GRI 303-5	Water Consumption	61-62, 150
GRI 305	Emissions (2016)	
GRI 305-1	Direct (Scope 1) GHG emissions	60-61, 156
	Included from 2022: Unified Brands in Michigan and Mississippi. Included from 2019: Spilamberto, Carros and Louisville. Included from 2018: Rayong (beverage) and Shanghai. Other sites included 2016 or earlier.	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	61, 150, 156
GRI 305-3	Other indirect (Scope 3) GHG emissions Category II	61, 150

		Page/Information
GRI 306	Waste (2020)	
GRI 306-3	Waste generated	156
	Included from 2022: Unified Brands in Michigan and Mississippi. Only disclosing data from 2022.	
GRI 306-4	Waste diverted from disposal	156
GRI 401	Employment (2016)	157
GRI 401-1	New employee hires and employee turnover	158
GRI 403	Occupational health and safety (2018)	
GRI 403-9	Work-related injuries	63, 159
	Sites above refer to the full scope of operations located on the site (manufacturing, R&D, office functions, etc.)	
GRI 404	Training and education (2016)	
GRI 404-1	Average hours of training per year per employee	158
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	158
GRI 405	Diversity and equal opportunity (2016)	
GRI 405-1	Diversity of governance bodies and employees	46, 159
	Gender distribution	159

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 2023. 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 91.

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 27 March 2024

Deloitte AB

Jonas Ståhlberg
Authorized Public Accountant

Adrian Fintling
Expert Member of FAR



Other information

Share and shareholders	164
Our history	168

Share and shareholders

Share price and trading

Between January 1, 2023 and December 31, 2023 a total of 66 million Electrolux Professional shares were traded, amounting to a value of SEK 3,473m. This corresponds to a daily volume of 261,232 shares.

Trading on Nasdaq Stockholm accounted for 52% and Cboe Europe accounted for 40%.

The highest bid price (last price paid) during 2023 was SEK 61.40 on May 08, 2023. The lowest last price paid was registered on October 27, 2023 at SEK 40.56.

During the period, the Electrolux Professional B share price increased by 25.5% while Nasdaq OMX Stockholm PI increased by 15.5%.

Share ownership structure

At December 31, 2023 Electrolux Professional AB had 44,069 registered shareholders.

At December 31, 2023, Investor AB was the largest shareholder with a holding representing 32.5% of the votes and 20.5% of the capital in the company. The second largest shareholder was

Swedbank Robur with 8.4% of the votes and 10.5% of the capital. Alecra Pension was the third largest shareholder with 6.8% of the votes and 7.1% 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, 2023, the company's registered share capital amounted to SEK 28,739,745, represented by 287,397,450 shares, of which 8,031,461 were Class A shares and 279,365,989 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

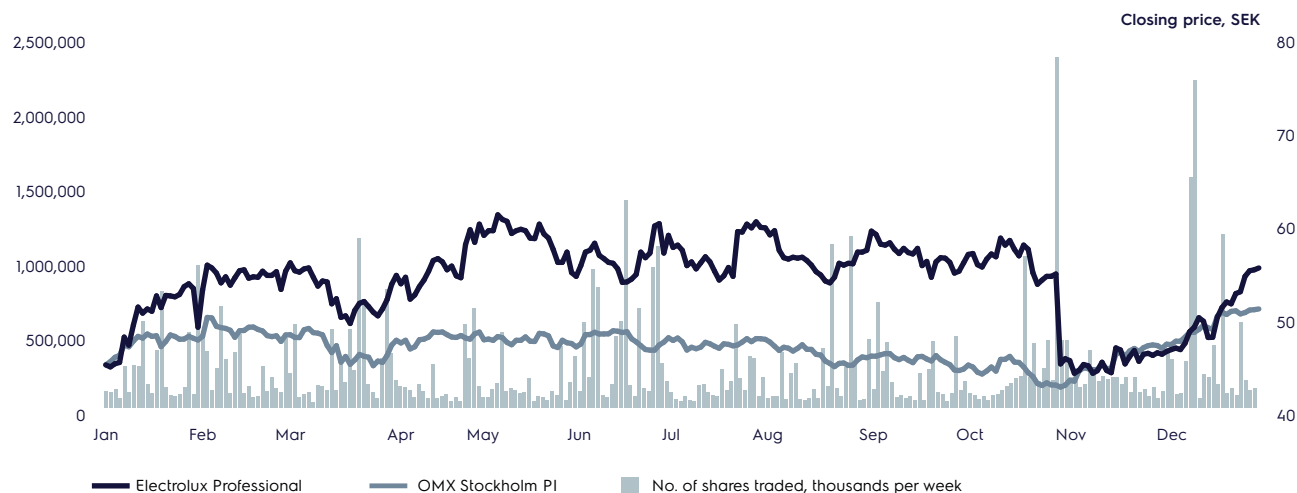
Electrolux Professional's target is for the dividend to correspond to approximately 30% of the income for the year. Any dividend is normally resolved upon by the Annual General Meeting. The Annual General Meeting of Electrolux Professional will be held on April 25, 2024.

The Board of Directors proposes distribution of a dividend to the shareholders of SEK 0.80 (0.70) per share for the 2023 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 29, 2024 and payment is expected to be made on May 3, 2024.

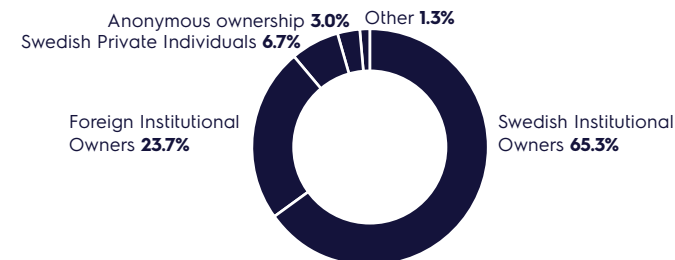
Delisting of Class A shares

In September 2020, the Company's series A shares were delisted from Nasdaq Stockholm.

Share price performance, 2023



Owner distribution, % of capital

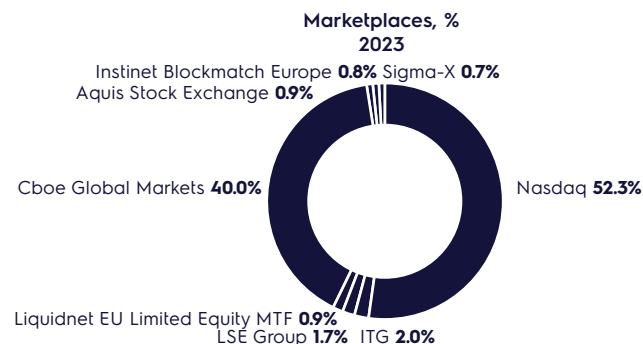


Conversion of Class A shares

Shareholders who hold Class A shares are entitled to convert their shares to Class B shares. In 2023, 13,853 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 2023

	EPRO B	Large Cap Stockholm
Average daily turnover, SEK	13,836,987	112,279,227
Average daily turnover rel. mcap	0.09%	0.18%
Average daily shares traded	261,232	1,243,093
Number of shares traded	65,569,255	47,933,665,937
Average trades per day	503	2,119
Number of trades	126,373	81,725,441
Average value per trade, SEK	27,483	37,539
High, SEK	61.40	-
Low, SEK	40.56	-
Volume-Weighted Average Price (VWAP)	52.97	-

Ownership structure

On December 31, 2023, Electrolux Professional Group had 44,069 registered shareholders. The table below shows Electrolux Professional Group's ownership structure on December 31, 2023.

Owners	EPRO A	EPRO B	Capital, %	Votes, %	Δ Capital, %
Investor	6,420,771	52,520,883	20.51%	32.45%	
Swedbank Robur Funds		30,172,403	10.50%	8.39%	
Alecta Tjänstepension	453,900	20,025,098	7.13%	6.83%	
Handelsbanken Funds		19,484,922	6.78%	5.42%	-0.05%
Second Swedish National Pension Fund		12,149,652	4.23%	3.38%	
First Swedish National Pension Fund		12,000,000	4.18%	3.34%	0.07%
Nordea Funds		9,929,280	3.45%	2.76%	0.47%
AMF Pension & Fonder	1,000,000	7,609,567	3.00%	4.90%	1.45%
Vanguard		8,154,699	2.84%	2.27%	0.02%
ODIN Fonder		7,000,000	2.44%	1.95%	-0.59%
Investering & Trygghed A/S		6,327,685	2.20%	1.76%	
Didner & Gerge Funds		5,827,301	2.03%	1.62%	0.04%
C WorldWide Asset Management		5,400,000	1.88%	1.50%	
Norges Bank		5,040,846	1.75%	1.40%	-0.05%
BlackRock		3,930,365	1.37%	1.09%	
Total top 15	7,874,671	205,572,701	74.27%	79.05%	1.36%
Others	156,790	73,793,288	25.73%	20.95%	-1.36%
Total	8,031,461	279,365,989	100.00%	100.00%	

Data compiled by Modular Finance. Sources: Euroclear, Morningstar, Finansinspektionen, Millistream

Owner distribution by country

December 31, 2023

Country	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
Sweden	209,366,329	72.85%	78.27%	42,335	96.07%
United States	24,849,892	8.65%	6.91%	153	0.35%
Denmark	14,122,380	4.91%	3.93%	393	0.89%
Norway	12,280,783	4.27%	3.41%	285	0.65%
Finland	10,814,891	3.76%	3.01%	161	0.37%
Other countries	7,325,742	2.55%	2.04%	740	1.68%
Unknown country	8,637,433	3.01%	2.42%	2	0.00%
Total	287,397,450	100.00%	100.00%	44,069	100.00%

Data compiled by Modular Finance. Sources: Euroclear, Morningstar, Finansinspektionen, Millistream.

Owner distribution by holdings

December 31, 2023

Size class	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
1-1,000	8,442,966	2.94	2.51	40,157	91.12
1,001-10,000	9,278,736	3.23	2.63	3,675	8.34
10,001-20,000	1,158,104	0.40	0.32	80	0.18
20,001-	259,880,699	90.43	92.12	157	0.36
Unknown holding size	8,636,945	3.01	2.42	0	0.00
Total	287,397,450	100.00	100.00	44,069	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		
Jan 1-Dec 31 2023	Conversion	-13,853	13,853		8,031,461	279,365,989	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 2023 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

Contact

IR contact Jacob Broberg
 Chief Communication
 and Investor Relations Officer
 Telephone: +46 70 190 00 33
 jacob.broberg@electroluxprofessional.com

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 positions in structurally growing underlying end-markets.

Geographically balanced business with a large part being recurring sales. Relatively resilient to economic downturns.

Track record of delivering solid EBITA, cash flow and cash conversion. Solid balance sheet

Focused plan to expand in high-margin products, segments, and geographies, supported by potential M&A.

Innovation-focused with attractive pipeline of product launches.

Committed to be the sustainability leader in our industry.

Annual General Meeting 2024

The Annual General Meeting of Electrolux Professional will be held on April 25, 2024, at 3pm, at hotel Courtyard by Marriott, Rålabsbshovsleden 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.

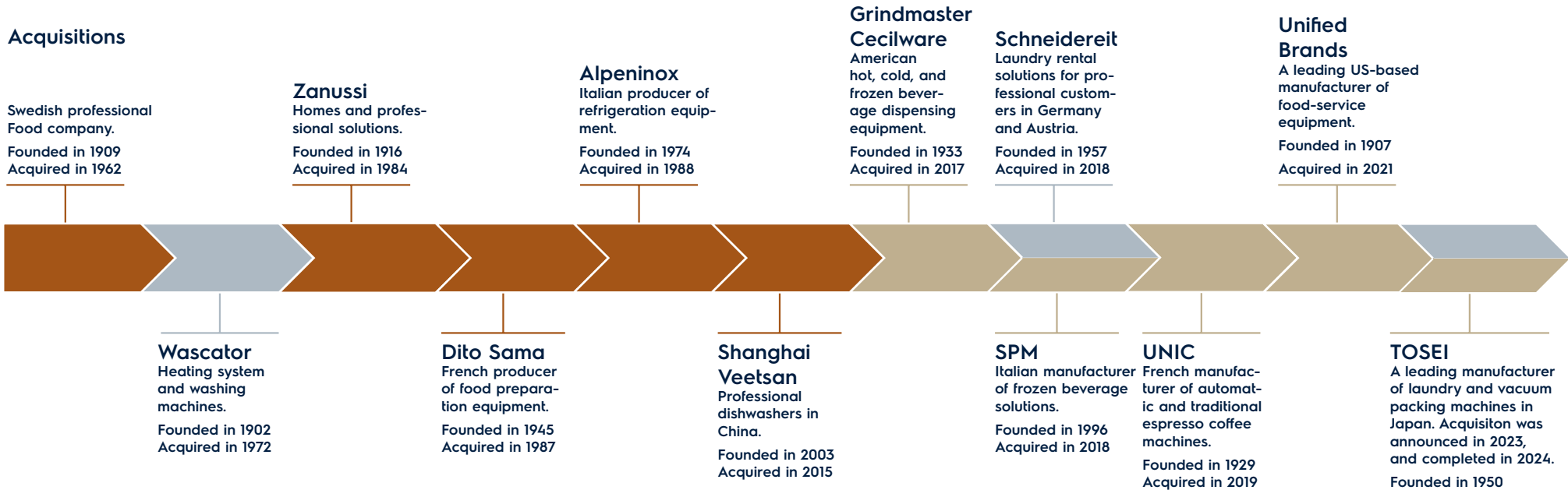
Financial calendar 2024

	Date
Interim report Q1, January - March 2024	April 24, 2024
Annual General Meeting 2024	April 25, 2024
Proposed dividend record date	April 29, 2024
Proposed dividend payment	May 3, 2024
Interim report Q2, April - June 2024	July 19, 2024
Interim report Q3, July - September 2024	October 25, 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.

Acquisitions



Company history





100



**Electrolux
Professional
Group**

Electrolux Professional AB (publ), 556003-0354
Postal and visiting address: Franzégatan 6,
SE-112 51 Stockholm, Sweden
Telephone: +46 8 41056450

Website: www.electroluxprofessionalgroup.com