



 **QleanAir**

Q2
2022

A MIXED Q2, INVESTMENTS FOR FUTURE GROWTH, INCREASE IN RECURRING REVENUES

April–June 2022 in summary

- Net revenue totaled SEK 108.3m (112.3), currency-adjusted net revenue totaled SEK 107.0m.
- Units installed 11,625 (10,746)
- Recurring revenue SEK 69.8m (64.0)
- Order intake SEK 89.3m (91.6)
- EBITDA¹ SEK 18.9m (28.0)
- EBITDA margin 17.4% (24.9%)
- Operating profit² (EBIT) SEK 11.3m (20.8)
- Operating margin 10.4% (18.5%)
- Profit for the period SEK 7.6m (14.9)
- Earnings per share SEK 0.51 (1.00)
- Operating cash flow SEK 9.0m (36.2)

January–June 2022 in summary

- Net revenue SEK 223.7m (222.8), currency adjusted net revenue amounted to SEK 219.5m
- Units installed 11,625 (10,746)
- Recurring revenue SEK 138.8m (128.9)
- Order intake SEK 206.3m (193.5)
- EBITDA¹ SEK 44.0m (54.8)
- EBITDA margin 19.7% (24.6%)
- Operating profit² (EBIT) SEK 28.8m (40.7)
- Operating margin 12.9% (18.3%)
- Profit for the period SEK 21.3m (35.7)
- Earnings per share SEK 1.44 (2.40)
- Operating cash flow SEK 8.8m (60.5)

Significant developments during the second quarter

- QleanAir wins the first orders for industrial Air Cleaners in Japan
- QleanAir launches IoT platform to measure, control and improve air quality in real time
- QleanAir strengthens its position in air cleaning solutions for schools and offices in Germany, and meets new tough requirements from the German VDI
- QleanAir announces a major renewal order from the Finnish prison sector

Significant events after the end of the period

- QleanAir signs two Letters of Intent with two major US health systems for large Cleanroom projects
- QleanAir increased the delivery of cleaned indoor air to 5.88 billion cubic meters per month at the end of the second quarter, an increase with 23% compared to Q2 2021

	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Sales, TSEK	108 273	112 286	223 676	222 780	450 576
Installed units, at the end of the period	11 625	10 746	11 625	10 746	11 396
Recurring revenue, TSEK	69 783	64 022	138 808	128 863	261 975
Recurring revenue from units in own balance sheet, %	64%	57%	62%	58%	58%
Order intake ¹ , TSEK	89 331	91 571	206 285	193 470	356 282
Gross profit, TSEK	77 729	80 417	161 364	158 233	321 811
Gross margin, %	71,8%	71,6%	72,1%	71,0%	71,4%
EBITDA, TSEK	18 892	27 952	44 046	54 808	112 437
EBITDA-margin, %	17,4%	24,9%	19,7%	24,6%	25,0%
EBIT, TSEK	11 265	20 809	28 825	40 736	83 397
EBIT-margin, %	10,4%	18,5%	12,9%	18,3%	18,5%
Result for the period, TSEK	7 634	14 917	21 335	35 726	59 258
Earnings per share ² , SEK	0,51	1,00	1,44	2,40	3,99
Earnings per share after full dilution, SEK	0,49	0,99	1,40	2,37	3,93
Cash flow from operations, TSEK	9 004	36 181	8 761	60 527	104 153
Net working capital, TSEK	-32 051	-57 515	-32 051	-57 515	-56 969
Equity/Asset ratio, %	29%	29%	29%	29%	32%

¹Definition of key figures appears from page 21. ²Explanation for EBITDA and operating profit can be found on page 9.

A word from the CEO

“Q2 was a quarter of turbulent macro conditions. This impacted QleanAir's ability to grow and contributed to a 4% decline in our sales compared with the previous year. At the same time, it was a quarter in which our business model, large customer base, product mix and good underlying profitability meant that we continued to deliver a strong gross margin of 71.8%, despite disruptions in the supply chains. The installed base is growing, and recurring revenue increased by 9%. In the quarter, we increased investments in marketing, business development and our sales organization, while prioritizing investments in product development and innovation, which increased variable operating costs. We increased the volume of clean air delivered,” CEO Christina Lindstedt notes.



A strong quarter in Japan, APAC

With a reopened society, we continued to grow in Japan. Sales increased by 11.5% to SEK 53.2m and order intake increased by 21% to SEK 37.9m in the quarter. Japan contributed very positively to QleanAir's profitability and is the largest country. I am very pleased with the development in Japan and continue to see great potential in addressing new segments and introducing new products. We see good opportunities for continued growth and are expanding our sales team in the region.

In EMEA, the uncertain world situation affected our customers' investment decisions

Europe had weak development in the quarter with both a decline in sales of 8% to SEK 50m and in order intake of 6% to SEK 46.7 million. While the uncertain global macro situation meant delayed customer investment decisions in certain projects, we also took a number of significant orders for delivery in the second half of the year. Germany and Sweden continue to account for most of our sales of air cleaners in Europe, but we also see an opportunity in the future to increase sales in other countries in Europe where we already have a presence.

The Americas, which is our smallest market in terms of turnover, had a weak quarter, both in terms of order intake and sales. Towards the end of the quarter we started to see the results of our efforts in the US. Q3 has started off great, with continued order intake and in addition, we have communicated two signed letters of intent for future larger cleanroom projects for a total value of 1.8 MUSD. Our team in the US has a high activity level. The focus in the US is on broadening our customer base and expanding our network of collaborations to generate more business. We look positively at our opportunities to lift our business in the Americas to growth and profitability.

Continued good profitability in the underlying business, investments in business development, innovation, and sales resources

The war in Ukraine and its impact on the global economy has resulted in continued high material prices and disruptions in global supply chains. Generally, the market situation involves greater uncertainty. A large percentage of our revenue comes from the existing installed base and is not affected by material price increases to the same extent as new installations. We continued to implement price increases within certain parts of our offering, which contributed to a strong gross margin of 71.8%. Investments in business development, marketing, innovation, and sales resources increased the second quarter's variable operating costs. The sales volume in combination with increased variable costs in the quarter lead to an EBIT level of 10.4%.

During Q2, we launched QleanAir Connect, an IoT platform to measure, control and improve air quality in real time. With QleanAir Connect, we strengthen the content of our service offering further. During the quarter, we also communicated that we now have air cleaning solutions that live up to new, tough requirements from the German VDI for schools and offices, which further strengthens our offering towards these customer segments in Germany, but also outside Germany. Both QleanAir Connect and our VDI-certified products will be important tools for driving growth going forward.

Growth of 8% in the installed base increased the volume of cleaned air

We continue to grow the installed base, which increased by 8 percent in the quarter. The amount of clean air delivered increased by 23% compared to last year. The majority of growth in the installed base was in Air Cleaners, where we have a lower average price than in Cabin Solutions, which explains that the growth in sales does not match the growth in the installed base. Sustainability has always been a central part of QleanAir's offering and business model. We are proud to contribute to a healthier, safer, and more productive workplace for more and more customers every quarter. In total, we have approximately 3,000 customers globally.

Outlook

QleanAir has a strong focus on profitable growth. We are currently affected by uncertainties in the global economy, which to some extent leads to longer and sometimes postponed investment decisions by our customers. This affects our ability to grow in the short term. The air cleaning problems we solve are global problems, and our solutions are global. In the medium term, we continue to see good opportunities for growth in all our geographies and product areas.

I would like to take this opportunity to thank the entire team at QleanAir for their good work, and our customers and partners for a good cooperation. Together, we are contributing to a healthier and safer society.

Christina Lindstedt, CEO, QleanAir
Solna August 10, 2022



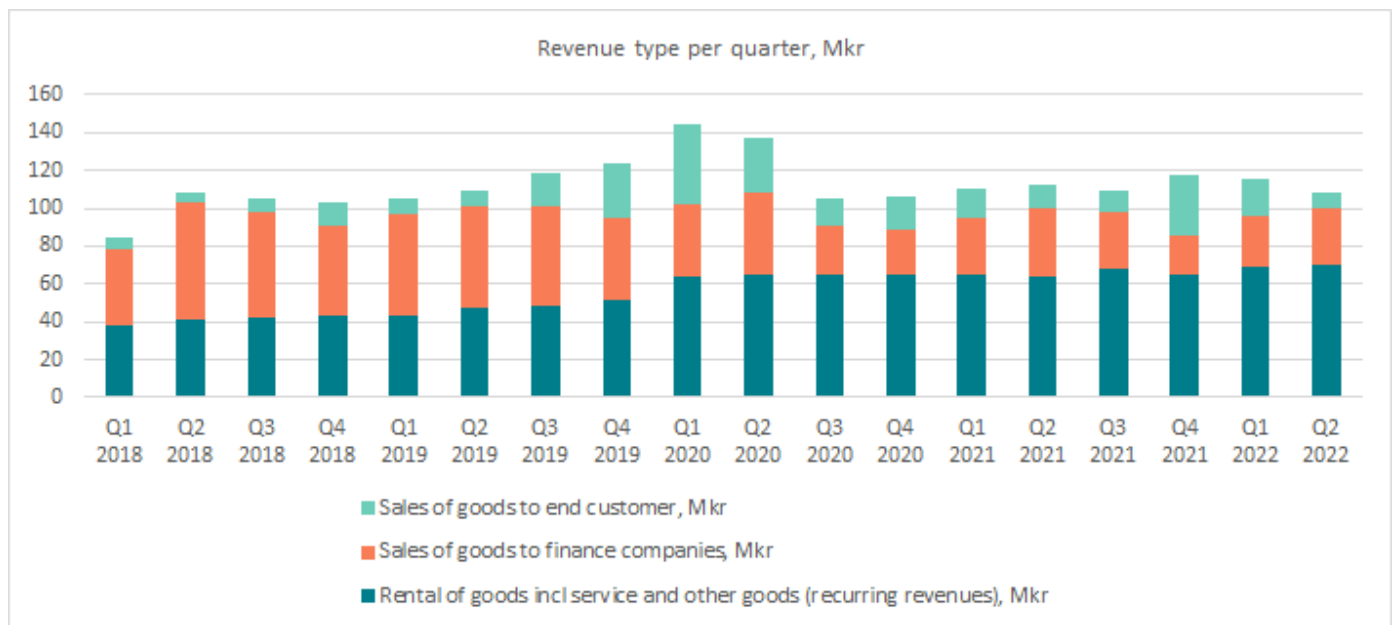
FINANCIAL DEVELOPMENT

QleanAir's geographic home markets are EMEA (Germany, Austria, Switzerland, Holland, Belgium, France, Poland, and the Nordic countries), APAC (Japan) and Americas (USA).

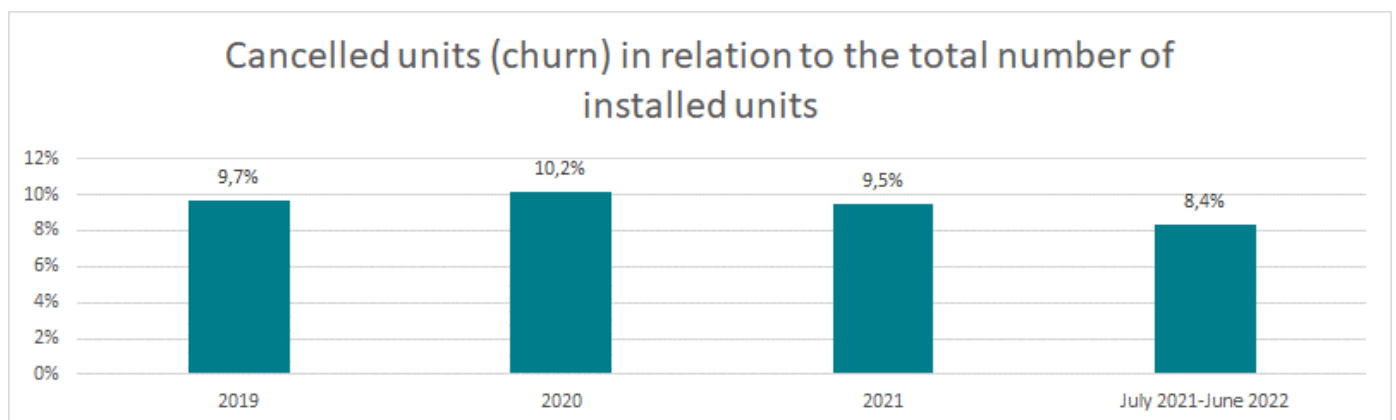
RECURRING REVENUE AND TYPES OF REVENUE

The group's revenue consists of rental revenue (recurring revenue), sales of goods to finance companies and to end customers, service revenue and other. When selling directly to customers, QleanAir always signs separate service agreements that run for three years.

Recurring revenues increased by 9% during the second quarter and amounted to SEK 69.8m (64.0). The recurring revenue comes from the rental of units on own balance sheet, service and other and amounted to 64% (57) of the total revenue in the second quarter of 2022. January–June, recurring revenues increased by 8% and amounted to SEK 138.8m (128.9).

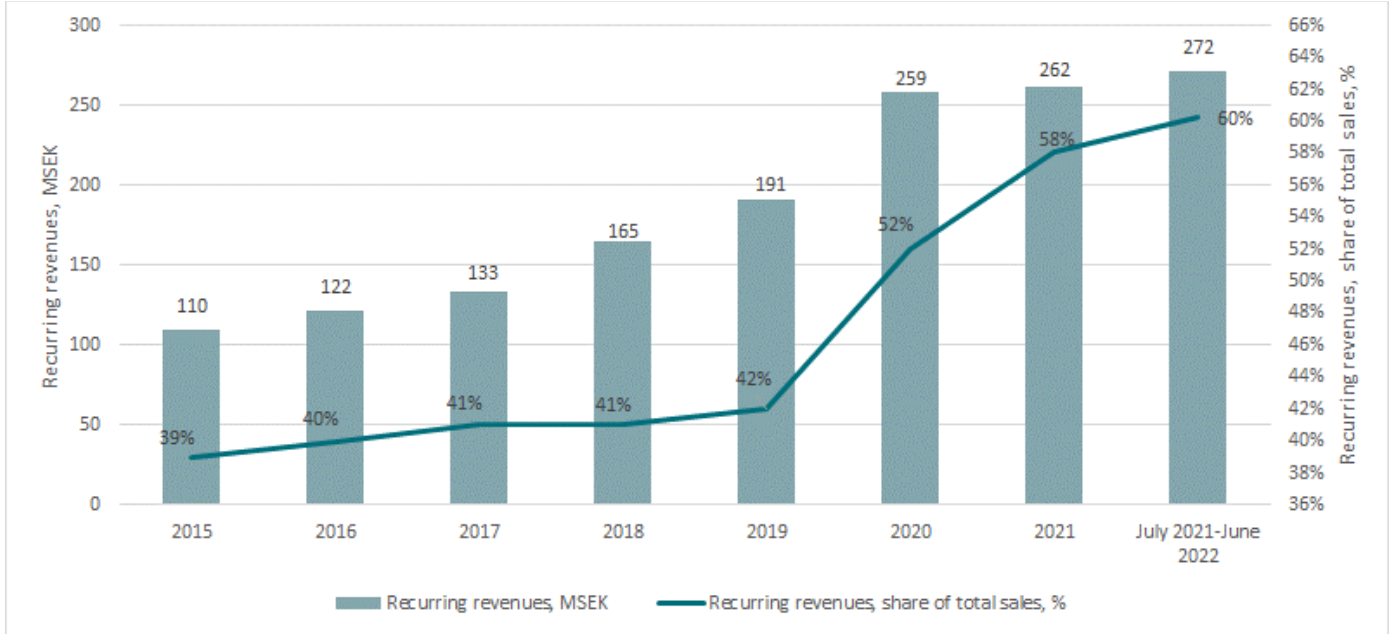


Number of terminations of installed units, often referred to as churn, relative to the total number of installed units amounted to approximately 8% for the period July 2021–June 2022.



TSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Rental of goods incl service and other goods (recurring revenues)	69 783	64 022	138 808	128 863	261 975
Sales of goods to finance companies	30 138	36 256	57 438	66 056	116 172
Sales of goods to end customer incl sale and installation of cleanrooms	8 353	12 008	27 430	27 860	72 429
Total	108 273	112 286	223 676	222 780	450 576

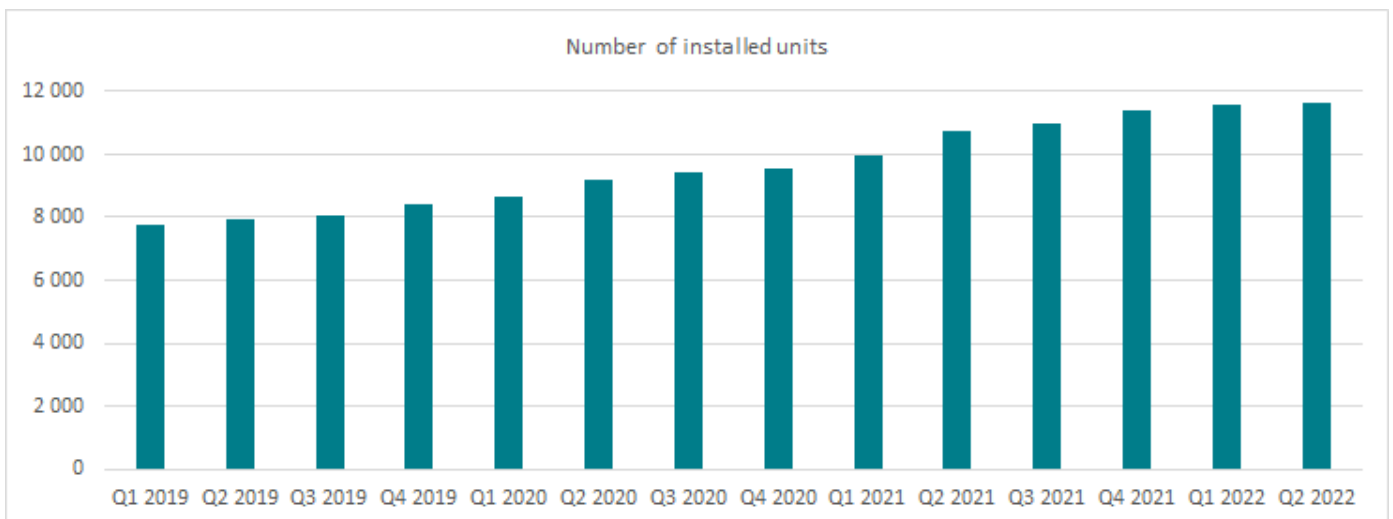
Recurring revenue per year



INSTALLED UNITS

The number of installed units increased by 8 percent as of June 30, 2022, compared to June 30, 2021, with Cabin Solutions increasing in Japan and Air Cleaners showing strong growth in Germany and Sweden. At the end of the period, the total number of installed units amounted to 11,625 (10,746), of which 4,586 (4,392) units were on their own balance sheet.

The average revenue for a Cabin Solution is significantly higher than for an average Air Cleaner. This contributes to the number of installed units growing more than revenue.



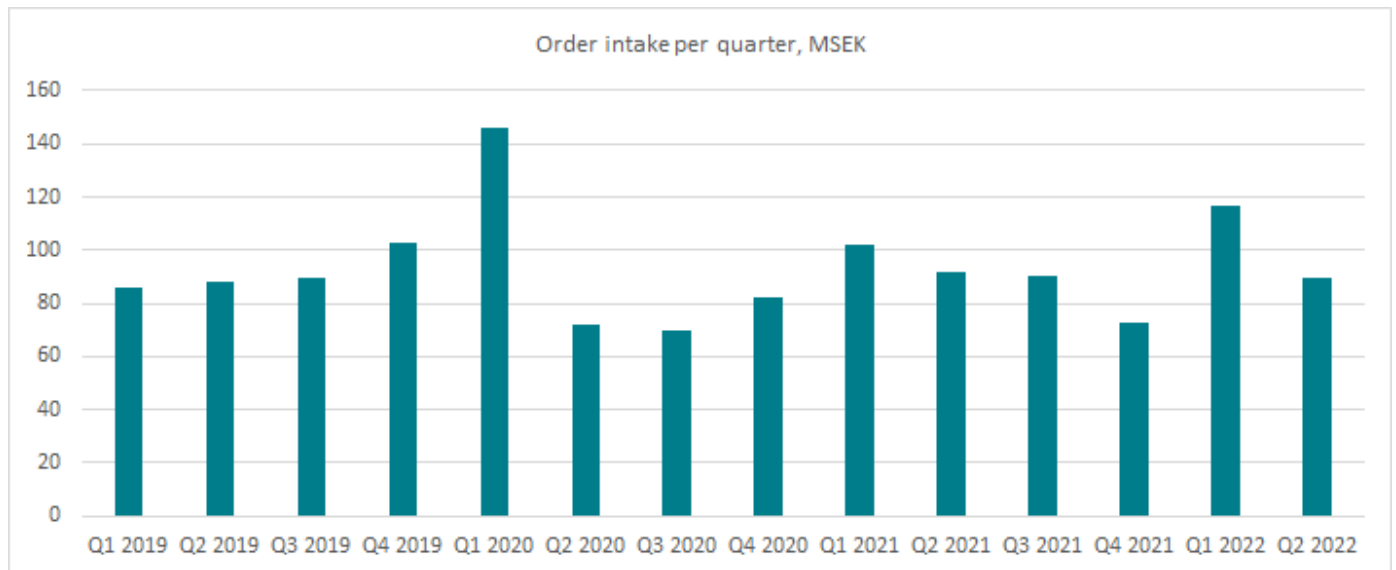
	June 2022	June 2021
Accounted value installed units, TSEK (accounted for in tangible fixed assets)	49 982	46 629
Installed units in balance sheet, number	4 586	4 392
Installed units sold to finance companies, number	2 301	2 498
Sold units with service agreement, number	4 738	3 856
Total installed units, number	11 625	10 746

ORDER INTAKE

The order intake second quarter 2022 amounted to SEK 89.3m (91.6), a decrease of 2%. EMEA accounted for 52% (54) of order intake in the second quarter, APAC for 42% (34) and the Americas for 5% (11).

During January–June 2022, order intake amounted to SEK 206.3m (193.5), an increase of 7%. EMEA accounted for 56% (56) of order intake during the period, APAC for 38% (37) and the Americas for 6% (7).

Order intake per quarter



Order intake per geography, TSEK

TSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
EMEA	46 672	49 709	115 526	107 538	209 934
APAC	37 941	31 366	79 248	71 897	122 887
Americas	4 718	10 496	11 511	14 035	23 460
Total	89 331	91 571	206 285	193 470	356 282

REVENUE

April-June 2022

Revenue for the second quarter amounted to SEK 108.3m (112.3), a decrease of 4% compared to the previous year. Adjusted for currency, a decline of 5%. By geography, revenue for the second quarter amounted to SEK 49.9m (54.2) for EMEA, SEK 53.2m (47.7) for APAC and SEK 5.2m (10.4) for the Americas. Revenue per product category amounted to SEK 84.0m (75.3) for Cabin Solutions, SEK 19.1m (23.5) for Air Cleaners and SEK 5.2m (13.4) for Cleanrooms. In the quarter, the two product categories Air Cleaners and Cleanrooms combined represented 22% (33%) of QleanAir's total sales.

Revenue decreased by 8% in EMEA during the second quarter. Air Cleaners in total decreased by 19% in the quarter, where during the comparison period we delivered a growth of over 100%, which meant that this quarter was a challenging one to use for comparison. Cleanrooms had only one minor sale in the quarter. Sales in Japan increased by 12% in the second quarter of 2022. Japan continues to grow with a focus on the premium segment within offices in Tokyo. Furthermore, Japan has continued to have a high percentage of renewed contracts. QleanAir has thus maintained a strong position in protection against passive smoking in Japan. In the Americas, Cleanrooms had a weak quarter where

new sales were significantly lower than our expectations. Towards the end of the period and after the end of the period, we begin to see the results of our investments in the USA, with a high level of activity, strong order intake and signed letters of intent for two future larger cleanroom projects.

The April–June 2022 revenue was positively affected by currency effects of SEK 1.3m (-11.1) and the currency-adjusted organic revenue growth amounted to -4.7% (-9.9).

January–June 2022

Revenue January–June amounted to SEK 223.7m (222.8), an increase of 0.4% compared to the previous year. Adjusted for currency, a decrease of 2%.

Revenue by geography amounted to SEK 113.0m (108.7) for EMEA, SEK 100.8m (96.1) for APAC and SEK 9.9m (18.0) for the Americas. Revenue per product category amounted to SEK 162.5m (156.1) for Cabin Solutions, SEK 42.9m (42.9) for Air Cleaners and SEK 18.3m (23.8) for Cleanrooms. Combined, the two product categories Air Cleaners and Cleanrooms represented 27% (30%) of QleanAir's total sales.

Revenue January–June 2022 was positively affected by currency effects of SEK 4.2m (-22.1) and currency-adjusted organic revenue growth amounted to 1.5% (-13.1).

Turnover by geography, TSEK

TSEK	April–June 2022	April–June 2021	Jan–June 2022	Jan–June 2021	Full year 2021
EMEA	49 871	54 203	112 964	108 693	226 866
APAC	53 206	47 696	100 807	96 104	190 298
Americas	5 196	10 387	9 905	17 983	33 412
Total	108 273	112 286	223 676	222 780	450 576

Turnover by product category, TSEK

TSEK	April–June 2022	April–June 2021	Jan–June 2022	Jan–June 2021	Full year 2021
Cabin Solutions	83 989	75 395	162 519	156 116	302 178
Air Cleaners	19 060	23 455	42 873	42 899	92 528
Cleanrooms	5 224	13 436	18 284	23 765	55 870
Total	108 273	112 286	223 676	222 780	450 576

SEASONAL VARIATIONS

Historical revenues and costs have not significantly been affected by seasonal variations for QleanAir. This is due to the company's revenue model, which largely consists of recurring revenues from rental contracts. Historically, QleanAir has not experienced significant fluctuations in revenue and operating profit between quarters.

GROSS PROFIT AND OPERATING PROFIT

During the second quarter, gross profit amounted to SEK 77.7m (80.4), corresponding to a gross margin of 71.8% (71.6). An important part of QleanAir's business model is that customers renew longer leases. We continue to see a relatively high proportion of renewed contracts in our more mature product category, Cabin Solutions. This contributes to our gross margins.

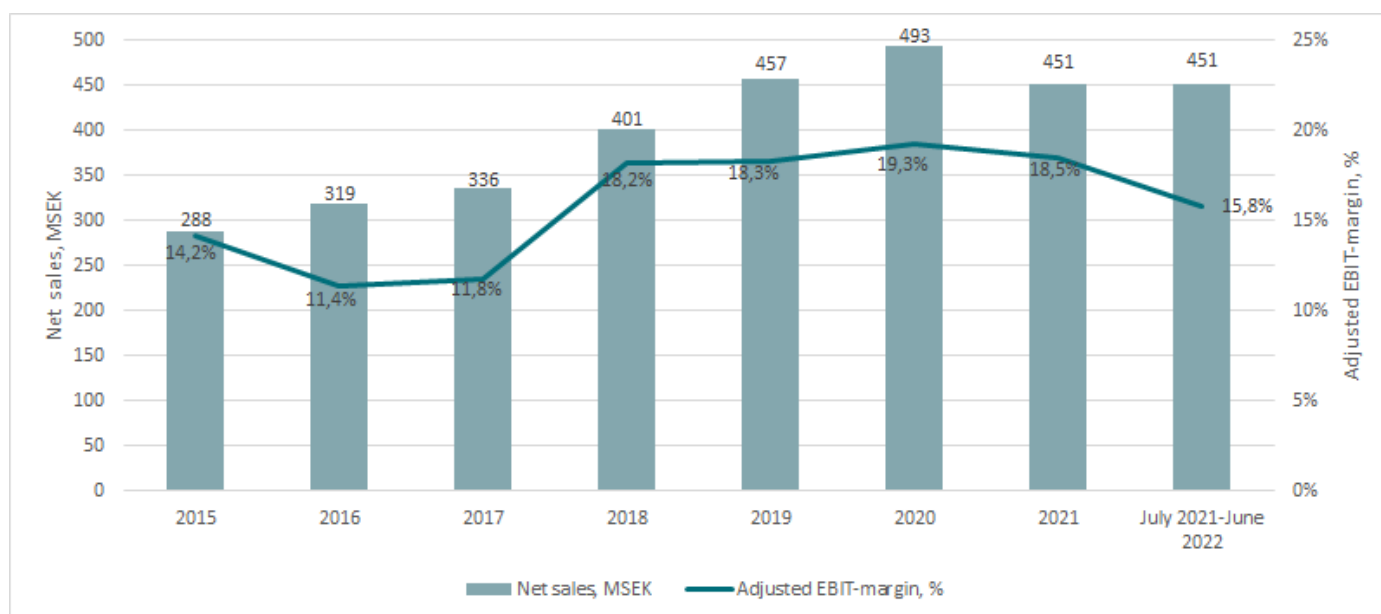
During the second quarter of 2022, operating profit amounted to SEK 11.3m (20.8) and the operating margin amounted to 10.4% (18.5). The deterioration of EBIT is due to investments made to achieve long-term growth, such as investments in sales activities and sales resources, marketing, innovation, and business development.

During January–June, gross profit amounted to SEK 161.4m (158.2), corresponding to a gross margin of 72.1% (71.0).

During January–June, operating profit amounted to SEK 28.8m (40.7) and the operating margin amounted to 12.9% (18.3).

TSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Operating income (EBIT)	11 265	20 809	28 825	40 736	83 397
Depreciations fixed assets	7 627	7 143	15 221	14 072	29 039
EBITDA	18 892	27 952	44 046	54 808	112 437

Net sales in SEK and adjusted EBIT margin, outcome 12 months



July 2021–June 2022 refers to rolling 12 months.

OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, sales commission to market partners/sales agents, rents, travel expenses and consulting costs. During the second quarter of 2022, other external costs amounted to SEK 25.8m (22.3). The increase was mainly due to investments in marketing, investments in sales promotion activities, and business development. During January–June 2022, other external costs amounted to SEK 54.5m (43.3).

PERSONNEL COSTS AND EMPLOYEES

During the second quarter of 2022, personnel costs amounted to SEK 33.0m (30.1). During January–June, the corresponding costs were SEK 62.8m (60.2).

The average number of employees in the group was 113 (108). The distribution between men and women in the group was 76 (71) men and 37 (37) women. The number of employees at the end of the period was 116 (107).

NET FINANCIAL ITEMS

The net financial items for the second quarter of 2022 amounted to SEK -0.6m (-2.2). The improvement in net financial items was due to positive exchange rate differences. January–June, net financial items amounted to SEK -0.1m (-2.7).

EARNINGS BEFORE TAX, NET PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

For the second quarter, earnings before tax amounted to SEK 10.7m (18.6). Reported tax for the period was SEK -3.0m (-3.7). Earnings before tax January–June amounted to SEK 28.7m (38.1). Reported tax for the period was SEK -7.4m (-2.4). The group's tax expense as a percentage amounted to 25.7% (6.2)

in January–June 2022. A global transfer pricing policy was implemented at the end of 2020 which made the tax positive for the first quarter of 2021, resulting in a relatively low tax rate January–June 2021.

The second quarter's net profit was SEK 7.6m (14.9). Earnings per share were SEK 0.51 (1.00) and after full dilution SEK 0.49 (0.99). Net profit January–June was SEK 21.3m (35.7). Earnings per share were SEK 1.44 (2.40) and after full dilution SEK 1.40 (2.40).

OPERATING CASH FLOW AND INVESTMENTS

Cash flow from ongoing operations, operating cash flow, for the second quarter amounted to SEK 9.0m (36.2). The decline in operative cash flow is partly because of tied up capital in trade receivables and inventories due to a larger ongoing cleanroom project. Further, the decline is because of a lower operating profit. The assumption is that the cash flow for the remaining 2022 will improve.

During January–June, operating cash flow amounted to SEK 8.8m (60.5). The deterioration is attributable to a lower operating profit and increased working capital.

The cash flow from investment activities during the second quarter amounted to SEK -7.0m (-8.4). The investments mostly refer to units (Cabin Solutions, Air Cleaners and Cleanrooms) leased to customers, where QleanAir thus owns the units. During January–June, this amounted to SEK -12.5m (-14.8).

CASH AND FINANCIAL POSITION

Cash at the end of the period excluding available overdrafts amounted to SEK 56.9m (63.1). Net interest-bearing debt, i.e., liabilities to credit institutions less cash and cash equivalents, amounted to SEK 185.0m (172.8). QleanAir continues to amortize quarterly according to plan. During the second quarter 2022 QleanAir paid a dividend of approximately SEK 22m (19). The group's total assets amounted to SEK 641.9m (586.8). Fixed assets amounted to SEK 420.4m (417.4) and are mainly attributable to goodwill SEK 343.7m (343.7). Book value for inventory and installed units amounted to SEK 50.0m (46.6). Inventory has increased from SEK 27.5m to SEK 56.5 million. The increase is partly attributable to components for larger cleanroom projects. Reported values for financial assets and liabilities correspond in all material respects to fair value.

QleanAir has covenants to be achieved according to the financing agreement with Swedbank. The covenants are interest coverage ratio and net debt/EBITDA. The covenants were met for Q2 2022.

FOLLOW-UP ON FINANCIAL OBJECTIVES

During the second quarter of 2022, QleanAir achieved currency-adjusted growth of -4.7%. The group's strategic goal is an average annual growth of approx. 10% over time. QleanAir aims to achieve a 15–20% EBIT margin. The outcome was 10.4%. The dividend in 2022 of SEK 1.50 per share corresponds to approximately 38% of 2021's net profit. The dividend policy is 30–50% of net profits.

GOODWILL

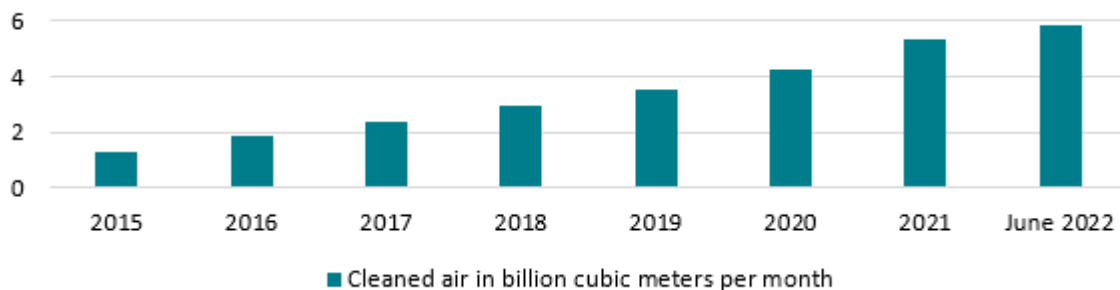
Goodwill is attributable in its entirety to QleanAir AB's acquisition of the operating subsidiary QleanAir Scandinavia AB and can be derived from the change of ownership that took place in 2012. Goodwill is assessed for impairment annually by comparing its value in use, based on the discounted value of future cash flows, with its carrying value. The impairment test established at the financial statements 2021 showed no need for impairment and that no events occurring during the first half of 2022 indicate a need for impairment.



SUSTAINABILITY

QleanAir has been developing solutions that protect people from indoor air pollution for 30 years. Environmental issues, corporate social responsibility and working environment issues have been focus areas for QleanAir since its inception. Our air cleaning solutions create a healthy and safe working environment, ensure product quality and durability and contribute to more efficient processes and increased productivity by, for example, extending the life of machines. QleanAir's operating subsidiary, QleanAir Scandinavia AB, has been ISO-certified to quality standard ISO 9001 and environmental standard ISO 14001. QleanAir's circular business model is based on renting out modular units with a performance guarantee. The equipment can be recycled and reused. Large parts of the business are based on subcontractors who undertake to comply with QleanAir's Code of Conduct. The Code of Conduct is linked to the sustainability policy, the quality and environmental policy, the marketing policy, and the work environment policy. Since 2015, the Group has quantified the amount of cleaned air per hour on an ongoing basis. The amount of delivered, cleaned air continues to rise every quarter. Sustainability reports are prepared annually and are available at www.qleanair.com.

At the end of June, 5.88 (4.78) billion cubic meters of cleaned indoor air were delivered per month, an increase of 23% compared to Q2 2021.



RISKS

The Ukraine war and its impact on the global economy will most likely continue to affect the market conditions and the supply chains for QleanAir. In addition, the Corona pandemic continues to affect the market conditions for QleanAir. QleanAir is exposed to market risks and especially currency risks, interest risk and other price risks as part of its ongoing operations and investment activities. One market risk is regulation concerning tobacco smoke. This market risk applies to EMEA and APAC. QleanAir is exposed to different financial risks on financial instruments, mainly market risk, credit risk and liquidity risk. Risk management is focused on the management of financial risks via a centralized finance department. For more information about company risks, see QleanAir's 2021 annual report, available at www.qleanair.com.

PARENT COMPANY

Revenue for the Parent Company for the second quarter of 2022 amounted to SEK 2.6m (2.6). Second quarter profit was SEK -6.2m (-5.7). January–June, revenue was SEK 5.1m (5.1) and profits were SEK -11.8m (-11.0). QleanAir AB delivers management services to QleanAir Scandinavia AB. QleanAir AB, with company registration number 556879-4548, is a Swedish limited liability company with its registered office in Solna, Sweden.

DISPUTES

The Group had no pending disputes.

TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties took place during the second quarter of 2022.

SHARE CAPITAL, THE SHARES AND OWNERS

The total number of shares as of June 30, 2022, amounted to 14,859,200 and the share capital amounted to SEK 7.4m. After full dilution, the number of shares amounts to 15,276 040 shares. The

dilution consists of a maximum of 416,840 warrants issued to employees in senior positions. The maximum dilution effect of the issued warrants in relation to the number of shares amounts to 2.8%.

The decision to issue 222,888 warrants was made on June 26, 2020, and 222,888 warrants have been subscribed. Subscription of new shares under the warrants shall be possible during the period from July 1, 2023 to January 31, 2024. The subscription price is SEK 41.83/share.

The decision to issue 166,784 warrants was made on May 12, 2021, and 88 604 warrants have been subscribed. Subscription of new shares supported by the warrants may take place during the period from June 1, 2024, to December 31, 2024. The subscription price is SEK 81.99/share.

The decision to issue 145,384 warrants was made on May 12, 2022, and 105 348 warrants have been subscribed. Subscription of new shares supported by the warrants may take place during the period from June 1, 2025, to December 31, 2025. The subscription price is SEK 43.24/share.

The average number of shares January–June 2022 amounted to 14,859,200 shares before dilution and to 15,188,250 after full dilution. All shares are ordinary shares with equal voting rights. The shares have a quota value of SEK 0.5 per share. QleanAir AB is a listed company on Nasdaq First North Premier Growth Market.

FNCA is a certified advisor, telephone +46 8 528 00 399.

2022-06-30 Shareholder	% , capital and votes
Qevirp 41 Ltd	23,6%
BankInvest	11,6%
Calandrella Ltd	6,6%
Avanza Pension	6,0%
Nordnet Bank	5,7%
Livförsäkringsbolaget Skandia	4,6%
Aktia Nordic	4,2%
Enter Småbolagsfond	4,0%
CB LDN Citibank	3,1%
LGT Bank Ltd	2,7%
Ten largest shareholders	72,2%
Others	27,8%
Total	100,0%

CALENDAR

- November 10, 2022: THIRD QUARTER 2022
- February 10, 2023: Fourth quarter and full year 2022

OTHER INFORMATION

This interim report provides a true and fair view of the Group's business, financial position, and performance. In the event of any discrepancies between the English and Swedish versions of the report, the Swedish version shall apply.

This information is information that QleanAir AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided through the contact person below, for publication on August 10, 2022, at 08:00 a.m. CET.

GENERAL REVIEW

This report has not been reviewed by the company's auditors.

PRESENTATION

QleanAir invites you to a conference call/audiocast on August 10, 2022, at 9:00 AM. The company's CEO, Christina Lindstedt, and CFO, Henrik Resmark, will present the company's quarterly report in English.

Link to watch the presentation online:

<https://tv.streamfabriken.com/qleanair-holding-q2-2022>

Telephone numbers for dial-in:

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UK: +44 33 33 00 90 32

US: +1 63 19 13 1422 PIN: 84392376#

For more information, please contact:

Christina Lindstedt, CEO, +46 706 772 877 or Henrik Resmark, CFO, +46 702 600 917.

Board of Directors of QleanAir AB
Solna on August 10, 2022

Bengt Engström, Chair
Johan Westman
Mats Hjerpe
Towe Ressman
Johan Ryrberg
Sebastian Lindström
Christina Lindstedt, CEO



THE GROUP'S CONSOLIDATED INCOME STATEMENT IN IN SUMMARY

TSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Net sales	108 273	112 286	223 676	222 780	450 576
Other income	0	0	0	0	3 768
Sales	108 273	112 286	223 676	222 780	454 345
Cost of goods sold	-30 544	-31 869	-62 312	-64 547	-132 533
Gross profit	77 729	80 417	161 364	158 233	321 811
Other external costs	-25 816	-22 321	-54 518	-43 267	-92 814
Personnel costs	-33 021	-30 143	-62 800	-60 158	-116 560
Depreciation of tangible and intangible assets	-7 627	-7 143	-15 221	-14 072	-29 039
Operating income	11 265	20 809	28 825	40 736	83 397
Financial income	1 817	506	4 442	2 524	1 617
Financial expenses	-2 402	-2 715	-4 560	-5 183	-9 472
Income before tax	10 680	18 601	28 707	38 077	75 543
Deferred tax	-691	-2 261	-1 001	-561	-4 129
Tax on result for the period	-2 355	-1 423	-6 371	-1 791	-12 156
Net result for the period	7 634	14 917	21 335	35 725	59 258
Profit/Loss attributable to:					
Shareholders parent company	7 634	14 917	21 335	35 725	59 258
Non-controlling interest	0	0	0	0	0
Net result for the period	7 634	14 917	21 335	35 725	59 258
Earnings per share basic, SEK	0,51	1,00	1,44	2,40	3,99
Earnings per share basic, after dilution, SEK	0,49	0,99	1,40	2,37	3,93
Net result for the period	7 634	14 917	21 335	35 725	59 258
Currency translation differences foreign subsidiaries	-2 356	-1 808	-5 990	-3 769	-2 469
Total result for the period	5 278	13 109	15 345	31 956	56 788
Profit/loss attributable to:					
Shareholders parent company	5 278	13 109	15 345	31 956	56 788
Non-controlling interest	0	0	0	0	0
Total net result for the period	5 278	13 109	15 345	31 956	56 788

SUMMARY OF THE GROUP'S FINANCIAL POSITION

TSEK	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Capitalized development cost	11 382	11 627	11 553
Goodwill	343 704	343 704	343 704
Intangible fixed assets	355 085	355 330	355 257
Leasing	12 436	11 428	11 671
Tangible fixed assets	49 982	46 629	48 982
Tangible fixed assets	62 419	58 057	60 653
Deferred tax	2 915	4 062	495
Fixed assets	420 418	417 450	416 405
Inventories	56 476	27 538	43 964
Account receivables	33 713	25 409	26 674
Tax receivables	0	3 251	0
Other receivables	8 198	5 867	7 560
Prepaid costs and accrued income	66 121	44 118	46 547
Cash and bank	56 946	63 149	69 662
Current assets	221 454	169 332	194 408
TOTAL ASSETS	641 872	586 782	610 813
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	7 430	7 430	7 430
Additional paid in capital	121 116	121 186	121 116
Translation differences	-11 295	-6 604	-5 304
Balanced result	48 564	11 594	11 595
Result for the period	21 335	35 725	59 258
Shareholders' Equity	187 150	169 331	194 094
Long term interest bearing liabilities	183 632	217 303	196 717
Deferred tax liability	3 420	0	0
Other liabilities	3 320	2 234	5 328
Long term liabilities	190 372	219 537	202 045
Short term interest bearing liabilities	58 328	18 671	26 171
Accounts payable	31 857	5 780	34 770
Tax liabilities	7 036	17 544	5 749
Other short term liabilities	24 899	11 802	18 461
Other liabilities	9 464	9 765	6 788
Accrued expenses and deferred income	132 766	134 351	122 734
Current liabilities	264 350	197 914	214 674
Liabilities	454 722	417 451	416 719
TOTAL EQUITY AND LIABILITIES	641 872	586 782	610 813

THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY

2022, TSEK	Other paid in				Total equity
	Share capital	capital	Reserves	Balanced result	
Opening balance 2022-01-01	7 430	121 116	-5 304	70 853	194 095
Dividend				-22 289	-22 289
Net result for the period				21 335	21 335
Other result			-5 991		-5 991
Closing balance 2022-06-30	7 430	121 116	-11 295	69 899	187 150

2021, TSEK	Other paid in				Total equity
	Share capital	capital	Reserves	Balanced result	
Opening balance 2021-01-01	7 430	121 401	-2 835	30 912	156 908
Warrants, repurchase		-215			-215
Dividend				-19 317	-19 317
Net result for the period				35 725	35 725
Other result			-3 769		-3 769
Closing balance 2021-06-30	7 430	121 186	-6 604	47 320	169 332

THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY

TSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Operating activities					
Operating income	11 265	20 809	28 825	40 736	83 397
Adjustment for non-cash items	4 108	6 435	12 423	10 673	22 598
Net finance effect	-1 735	-2 344	-3 466	-4 454	-8 059
Tax paid	-1 435	4 752	-5 008	2 660	1 588
Total	12 203	29 653	32 775	49 614	99 525
Decrease (+)/Increase (-) inventories	-2 614	126	-12 723	-1 149	-16 686
Decrease (+)/Increase (-) account receivables	3 478	6 650	-5 111	9 251	8 932
Decrease (+)/Increase (-) current assets	-6 310	-6 070	-20 649	-5 918	-9 068
Decrease (-)/Increase (+) account payables	-3 363	-3 884	-4 769	-7 931	8 550
Decrease (-)/Increase (+) current liabilities	5 610	9 705	19 238	16 659	12 900
Cash-flow from operations	9 004	36 181	8 761	60 527	104 153
Investing activities					
Investments in intangible assets	-1 283	-312	-1 688	-771	-2 705
Investments in tangible assets	-5 680	-8 047	-10 847	-14 018	-25 592
Cash flow from investing activities	-6 963	-8 359	-12 535	-14 789	-28 297
Financing activities					
Increase in loan	32 155	3 589	32 155	3 589	0
Paid dividend	-22 289	-19 317	-22 289	-19 317	-19 317
Amortization of loan	-9 508	-7 089	-18 998	-18 561	-39 599
Payment of warrants, net	0	-214	0	-214	-285
Cash flow from financing activities	359	-23 032	-9 131	-34 503	-59 200
Cash flow for the period	2 400	4 791	-12 905	11 235	16 656
Opening cash balance	53 779	59 318	69 662	52 600	52 600
Exchange rate differences on financial items	768	-959	190	-685	406
Closing cash balance	56 946	63 149	56 946	63 149	69 662

THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

TSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Net sales	2 550	2 550	5 100	5 100	10 200
Other external costs	-2 459	-1 504	-4 579	-2 950	-7 639
Personnel costs	-2 131	-2 519	-4 163	-4 539	-7 558
Depreciation on intangible assets	-2 063	-2 063	-4 127	-4 127	-8 254
Operating profit	-4 104	-3 537	-7 768	-6 515	-13 251
Interest costs and similar profit/loss items	-2 078	-2 229	-4 061	-4 456	-13 418
Result after financial items	-6 182	-5 766	-11 829	-10 971	-26 670
Group contribution	0	0	0	0	52 000
Tax on result for the period	0	0	0	0	-7 517
Net result for the period	-6 182	-5 766	-11 829	-10 971	17 814

THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY

TSEK	2022-06-30	2021-06-30	2021-12-31
<i>Intangible assets</i>			
Goodwill	37 829	46 082	41 955
<i>Financial assets</i>			
Shares in Group companies	429 000	429 000	429 000
Total fixed assets	466 829	475 082	470 955
Current tax receivables	585	559	680
Prepaid expenses and accrued income	3 458	4 801	4 171
Cash and bank	147	1 820	975
Total current assets	4 189	7 179	5 825
Total assets	471 018	482 262	476 781
Shareholders' equity	7 430	7 430	7 430
Premium reserve	76 733	81 279	81 208
Profit/loss for the period	-11 829	-10 971	17 814
Total equity	72 333	77 738	106 452
Long term interest bearing liabilities	185 625	220 625	200 704
Total long term liabilities	185 625	220 625	200 704
Short term interest bearing liabilities	27 500	20 000	26 171
Accounts payable	576	2	531
Liabilities to Group companies	175 018	152 960	125 679
Tax liabilities	6 789	5 679	12 911
Other current liabilities	150	267	307
Accrued expenses and prepaid income	3 027	4 990	4 026
Total current liabilities	213 060	183 899	169 625
Total equity and liabilities	471 018	482 262	476 781

ACCOUNTING PRINCIPLES

QleanAir applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and RFR2 Accounting for legal entities, issued by the Swedish Financial Reporting Board.

The accounting policies applied correspond to those of the previous financial year, as described in the 2021 Annual Report.

New or revised IFRS and interpretative statements from IFRIC with effect from January 1, 2022, have not had a material impact on the Group's financial statements.

Segment

QleanAir has a segment that reflects the Group's operations, financial governance, and management structure.

Financial instruments and currency exposure

Most of the Group's transactions are denominated in euros and Japanese yen. Exposure to changes in foreign exchange rates is related to group sales and purchases from other countries.

Basis of valuations applied in preparing financial statements

Assets and liabilities are recognized at historical cost except for currency derivatives, which are measured at fair value.

Assessments and estimates in financial statements

Preparation of the financial statements in compliance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the stated amounts of assets, liabilities, revenue, and expenses. Actual outcomes may deviate from such estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognized in the period when the change is made if the change affects only that period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

Impairment testing of goodwill and shares in subsidiaries

To assess the need for impairment, management calculates the recoverable amount of each cash-generating unit, based on expected future cash flows, and uses an appropriate interest rate to discount the cash flows. Uncertainties lie in the assumptions about future operating profit and the determination of an appropriate discount rate.

Adjustments, rounded

Some of the financial information provided in this report has been rounded, which may affect totals in tables.



NOTES

Distribution of net sales

QleanAir's geographic markets are EMEA, which includes Germany, Austria, Switzerland, Holland, Belgium, France, Poland, and the Nordic countries, together with the Middle East, APAC with Japan and the Americas with sales in the United States. QleanAir's solutions can be divided into three product categories: cabin solutions, stand-alone air cleaners and cleanrooms. Net revenue by geography and product category, as well as revenue types, appears on pages 5 and 8.

Sales of goods including the sale and installation of cleanrooms as well as the sale of goods to financial companies are reported once. Regarding the sale of goods to finance companies, revenue is recognized in accordance with the rules in IFRS 16 for manufacturer lessors, which means that the profit or loss is recognized at the start date of the leasing agreement. The revenue recognition is therefore done according to the same principle as when selling goods directly to customers, for which IFRS 15 applies. Rental of goods including service and other (recurring revenue) is reported over time.

Currency effect and organic growth

	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Net sales, TSEK	108 273	112 286	223 676	222 780	450 576
Growth Net sales, %	-3,6%	-18,0%	0,4%	-20,9%	-8,6%
Currency exchange variances, TSEK	1 283	-11 107	4 188	-22 106	-27 073
Currency exchange variances, %	1,1%	-8,1%	1,9%	-7,8%	-5,5%
Organic growth Net sales, TSEK	-5 296	-13 609	-3 292	-36 798	-15 321
Organic growth Net sales, %	-4,7%	-9,9%	-1,5%	-13,1%	-3,1%

Alternative key ratios

The company complies with ESMA (European Securities and Markets Authority) guidelines on alternative key ratios. Alternative key ratios refer to financial measures that cannot be directly read or derived from financial statements. These financial measures are intended to help management and investors analyze the Group's performance. Investors should consider these alternative key ratios as a complement to financial reporting prepared in accordance with IFRS. As not all companies calculate financial ratios in the same way, these are not always comparable with ratios used by other companies.

Key ratios	Definition and purpose
Order intake	The definition of Order intake has been revised from 2021-01-01. All customer contracts are included in the order intake. Previously, short-term leases and extensions were not included in the order intake. These contracts are now also included in the order intake. Comparative figures for 2020 have been recalculated for comparability.
Revenue	Revenue, including other operating revenue. The ratio shows the company's total revenue.
Gross profit	Revenue less cost of sold goods.
Gross margin	Gross profit as percentage of revenue.
EBITDA	Earnings before depreciation and write-downs. The ratio is used to show the company's profitability before depreciations and write-downs.
Adjusted EBITDA	Earnings before depreciations and write-downs adjusted for non-operational non-recurring costs such as transaction costs. The ratio is used to show the earning potential of the business before depreciation and write-downs, excluding non-recurring items.
EBITDA margin	Operating profit before depreciation and write-downs as a percentage of revenue. This ratio is used to measure operating profitability before depreciation and write-downs.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue. The ratio is used to measure operating profitability, independent of depreciation and write-downs, excluding non-recurring items.
Operating profit (EBIT)	Profit before financial items and tax. The measure shows the operational profitability of the company.
Adjusted EBIT	Operating profit before financial items and tax, adjusted for non-recurring non-operating items, such as transaction costs. The ratio is used to show the earning potential of the business before financial items and tax, excluding non-recurring items.
EBIT margin	Operating profit as a percentage of revenue. The measure is used to measure operating profitability after depreciation and write-downs.

Adjusted EBIT margin	Adjusted EBIT as a percentage of revenue. The measure is used to show the profitability of the business before financial items and tax, excluding non-recurring items.
Operational cash flow	Adjusted EBITDA minus net investment in tangible and intangible fixed assets and adjustment for cash flow from changes in working capital. Operational cash-flow is stated to track the cash flow generated by operating activities.
Working capital	Current assets excluding cash and cash equivalents minus current liabilities (non-interest-bearing).
Average capital employed	Average equity and interest-bearing liabilities for the period. This ratio is used to analyze how much capital is employed in the business during the period.
Net interest-bearing debt	Interest-bearing short- and long-term liabilities minus cash and cash equivalents. Does not include IFRS 16 items. The ratio shows the financial position of the company.
Equity/asset ratio	Equity as a percentage of the company's total assets. The ratio is used to assess the financial stability of the company.
Net debt/equity ratio	Interest-bearing liabilities minus cash and cash equivalents divided by equity. Does not include IFRS 16 items. Net debt/equity ratio is stated because the Company believes that the ratio contributes to investors' understanding of the company's financial position.
Adjusted return on average capital employed	Adjusted EBIT rolling twelve months as a percentage of average capital employed. This ratio has been included to help investors understand the company's profitability relative to the capital employed in the business during the year. Adjusted EBIT is stated as the Company believes it excludes the impact of non-recurring items, which allows for a comparison of underlying operating profitability.
Recurring revenue	Recurring revenue is defined as revenue from the rental of goods including service and other goods.
Earnings per share	Earnings per share have been adjusted for the 2019 stock split for comparability.
Renaming of product categories	Facility Solutions has changed its name to Air Cleaners. Room Solutions has changed its name to Cleanrooms. Cabin Solutions is still called Cabin Solutions.

Quarterly information

	April-June 2022	Jan-March 2022	Oct-Dec 2021	July-Sept 2021	April-June 2021	Jan-March 2021	Oct-Dec 2020	July-Sept 2020	April-June 2020	Jan-March 2020	Oct-Dec 2019	July-Sept 2019	April-June 2019	Jan-March 2019	Oct-Dec 2018
Sales, TSEK	108 273	112 296	116 055	109 741	112 296	110 494	106 436	104 951	137 002	144 691	123 847	119 018	108 997	105 151	103 209
Installed units	11 625	10 746	11 396	10 980	10 746	9 964	9 551	9 406	9 217	8 638	8 409	8 087	7 928	7 774	7 598
Recurring revenues, TSEK	69 783	64 022	65 210	67 901	64 022	64 841	64 629	64 872	64 833	64 354	51 775	48 260	47 488	43 865	42 965
Order intake, TSEK	89 331	91 571	72 890	89 921	91 571	101 911	82 103	69 752	71 636	146 190	102 466	89 540	87 753	86 223	74 712
Gross profit, TSEK	77 729	83 634	81 225	82 353	80 417	77 816	76 700	70 669	93 582	98 283	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	71,8%	72,5%	68,8%	75,0%	71,6%	70,4%	72,1%	67,4%	68,3%	67,9%	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	16 892	27 952	25 434	32 194	27 952	26 856	26 217	24 858	32 400	38 272	24 931	26 384	27 677	28 835	29 252
Adjusted EBITDA-margin, %	17,4%	24,9%	21,5%	29,3%	24,9%	24,3%	26,5%	23,7%	23,8%	26,5%	20,1%	22,2%	25,4%	27,4%	28,3%
Adjusted EBIT, TSEK	11 265	20 809	17 887	24 775	20 809	19 927	20 542	17 837	25 308	31 351	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	10,4%	18,5%	15,2%	22,6%	18,5%	18,0%	19,3%	17,0%	18,5%	21,7%	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	9 004	36 181	22 076	21 550	36 181	24 346	19 654	22 408	34 880	-4 810	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-32 051	-36 623	-56 969	-53 928	-57 515	-46 581	-46 599	-57 835	-59 032	-56 804	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	424 807	418 744	416 716	413 767	414 678	413 214	415 331	421 941	423 625	395 989	394 811	421 063	416 087	413 132	410 749
Net debt, excl. IFRS16, TSEK	185 013	162 567	153 227	166 555	172 824	183 199	196 651	207 273	223 156	242 223	236 684	250 660	259 029	265 833	260 560
Equity/Asset ratio, %	29,2%	32,5%	31,6%	30,8%	26,9%	29,6%	26,8%	22,7%	20,9%	16,5%	16,2%	14,1%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	1,0	0,8	0,8	0,9	1,0	1,0	1,3	1,5	1,7	2,0	2,4	2,7	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	17,6%	20,1%	20,0%	20,8%	19,1%	20,2%	22,9%	22,2%	22,9%	23,1%	21,2%	19,0%	19,5%	20,5%	17,8%
Key figures per share															
Shareholders' equity per share, SEK	12,59	13,74	13,06	12,59	11,40	11,83	10,56	9,48	8,93	8,13	6,58	6,19	5,79	5,12	4,31
Operating cash-flow per share, SEK	0,61	-0,02	1,49	1,45	2,43	1,64	1,32	1,51	2,35	-0,32	0,69	0,94	1,36	1,21	2,17
Earnings per share, SEK	0,51	1,00	0,49	1,10	1,00	1,40	1,53	0,61	1,17	1,20	-2,11	0,16	0,60	0,79	-0,16
Earnings per share after full dilution, SEK	0,49	0,99	0,49	1,06	0,99	1,38	1,51	0,60	1,15	1,20	-2,11	0,16	0,60	0,79	-0,16
QleanAir-share, last day in each quarter	33,3	39,6	65,8	64,6	66,0	65,0	53,0	40,3	32,6	28,0	40,0	-	-	-	-

ABOUT QLEANAIR

QleanAir is a premium supplier in the market for air cleaning in professional and public indoor environments. The company's business model is based on rental contracts for modular solutions with a full-service offer. QleanAir's solutions are developed from filter technology that captures, clean up and recirculates indoor air. QleanAir's corporate office is in Solna, Sweden.

BUSINESS IDEA

QleanAir offers modular solutions for indoor air cleaning to protect people, products, and processes.

VISION

QleanAir aims to be a world-class supplier of standalone solutions for air cleaning in indoor environments within the product categories the company chooses to operate in.

MISSION

QleanAir seeks to create healthy indoor environments that help protect and enhance the productivity of people, products, and processes.

VALUES

For health and safety with quality and trust.

FINANCIAL GOALS**Growth**

QleanAir's objective is to achieve an average annual organic revenue growth of approximately 10 percent in the medium term.

Profitability

QleanAir's objective is to achieve an EBIT margin of 15–20% in the medium term.

Dividend policy

QleanAir's objective is to distribute between 30–50% of profits for the year. The dividend proposal shall consider QleanAir's long-term development potential.

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