

First quarter

2024

## STABLE REVENUE AND OPERATING MARGIN

**MSEK 119** Net revenue, -2%

**MSEK 75** Recurring revenue, +1%

**9.7%** EBIT margin (15.9%)

"We had a stable financial performance in the first quarter, with currency-adjusted growth of almost 3%. The weakening of the Japanese yen affected our revenue negatively by 6 MSEK. Sequentially, we improved the operating margin to 9.7% compared to 7.8% in the fourth quarter 2023. We have not reached our goal yet, but we are on the right track.

We continue to see strong momentum for Air Cleaners, growing by 29% in the quarter. Cleanrooms grew by 51% and we have a stronger than ever pipeline in the US as a result of investments in additional sales resources in the region. Cabin Solutions is down 15%, a direct consequence of the weaker Japanese yen," CEO Sebastian Lindström notes.

### January – March 2024 in brief

- Net revenue MSEK 119.1 (121.0), currency-adjusted net revenue amounted to MSEK 124.4
- Recurring revenue MSEK 75.2 (74.5)
- EBITDA MSEK 19.9 (24.8)
- EBITDA margin 16.7% (20.5%)
- Operating profit (EBIT) MSEK 11.6 (16.6)
- Operating margin 9.7% (13.7%)
- Operating profit (EBIT), adjusted MSEK 11.6 (19.2)
- Operating margin, adjusted 9.7% (15.9%)
- Earnings per share SEK 0.53 (0.68)
- Cash flow from current operations MSEK 0.2 (11.0)

### Significant events during the first quarter

- QleanAir delivered 7.21 billion cubic meters of cleaned air per month at the end of the fourth quarter 2023
- Year-end report 2023

### Significant events after the end of the period

- Notice of Annual General Meeting 2024 in QleanAir AB, including proposal for dividend of SEK 0.60 (0) per share
- Publication of the QleanAir Annual Report for 2023

## A WORD FROM THE CEO

We had a stable financial performance in the first quarter, with currency-adjusted growth of almost 3%. The weakening of the Japanese yen affected our revenue negatively by 6 MSEK. Sequentially, we improved the operating margin to 9.7% compared to 7.8% in the fourth quarter 2023. We have not reached our goal yet, but we are on the right track.

We continue to see strong momentum for Air Cleaners, growing by 29% in the quarter. Cleanrooms grew by 51% and we have a stronger than ever pipeline in the US as a result of investments in additional sales resources in the region. Cabin Solutions is down 15%, a direct consequence of the weaker Japanese yen.



### CONTINUED INVESTMENTS IN EMEA

In Europe, we continue to see customer restraint due to the geopolitical situation and higher interest rates. Closing deals takes longer today. In addition, the geopolitical situation has been further aggravated by events in the Middle East. Nevertheless, we see growth in EMEA of 4% for the quarter and we expect our investments to contribute to further growth and strengthen our margins over time. Among other things, we have invested in additional sales resources in France. France is one of our focus markets and showed strong growth in the first quarter. Furthermore, we have strengthened the product and development side of our business to lay the foundation for additional application areas where we see strong demand. We continue our regional efforts to strengthen our proximity to customers.

### CONTINUED FOCUS ON GROWTH IN APAC

Japan developed as planned in the first quarter. The Japanese yen has weakened by around 11% against the Swedish krona, which negatively impacted revenue and earnings in Swedish kronor. Cabin Solutions is in line with expectations and Air Cleaners had very strong growth in the quarter. We see a strong demand for air cleaners from the industrial sector and also in HEPA-14 related air cleaning. In Japan, we have positive expectations for 2024 with a clear strategy to broaden sales to SMEs in Cabin Solutions. To reach this wider customer group, we have developed a new cabin which will be launched shortly. So far, our investment in Air Cleaners in Japan has offered a return exceeding our expectations. During the first quarter, we have increased training efforts for the sales and service organization as a further strengthening in industrial air cleaning.

### FOCUS ON GROWTH AND PROFITABILITY IN THE AMERICAS

In the US, we have initiated a number of actions that we expect to pay off in 2024 and beyond and we can see in the first quarter that the level of activity was high and that we are doing the right things. We are starting to see the effects of our cost reduction measures initiated in the fall of 2023. The numbers are starting to move in the right direction.

### BUSINESS MODEL

The QleanAir business model is built on a combination of rental and sales, including service. Revenue amounted to MSEK 119.1 (121.0) for the quarter, a decrease of 1.6%, but an increase of 2.8% currency-adjusted. Our recurring revenue increased to MSEK 75.2 (74.5), a growth of 1%.

As a company, we know where we are heading. We have great opportunities to create value. Our business model is circular, our products have a long life with our customers through our strong service model and at the end of the contract we recondition the product to give it a new lease of life with the next customer.

We clean indoor air by reducing harmful particles. The working environment for people is improved. Furthermore, the quality of customers' products and the efficiency of their processes is improved. We work systematically to achieve growth combined with profitability.

**OUTLOOK**

We need to further strengthen our profitability and continue our focus on our three priorities; Customer focus, Sales efficiency and Cost control. In parallel, we have started the more strategic work on developing our product range.

A number of measures have been initiated that we expect to yield results in 2024 and beyond, and we can see in the first quarter that the figures are starting to move in the right direction.

In conclusion, I would like to thank all our dedicated employees, our customers and partners for the good cooperation.

Solna, May 8, 2024

Sebastian Lindström, CEO QleanAir AB

## FINANCIAL DEVELOPMENT

### KEY RATIOS

	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
Sales, TSEK	119 127	121 048	503 518	455 172
Installed units, at the end of the period	12 739	12 148	12 696	11 878
Recurring revenue, TSEK	75 178	74 476	306 294	276 790
Recurring revenue from units in own balance sheet, %	63%	62%	61%	61%
Gross profit, TSEK	82 121	86 377	344 038	311 018
Gross margin, %	68,9%	71,4%	68,3%	68,3%
Gross profit, TSEK, <u>adjusted</u>	82 121	86 377	344 038	324 218
Gross margin, %, <u>adjusted</u>	68,9%	71,4%	68,3%	71,2%
EBITDA <sup>2</sup> , TSEK	19 856	24 790	97 470	59 781
EBITDA-margin, %	16,7%	20,5%	19,4%	13,1%
EBIT, TSEK	11 605	16 595	64 067	28 578
EBIT-margin, %	9,7%	13,7%	12,7%	6,3%
EBIT, TSEK, <u>adjusted</u>	11 605	19 195	66 667	49 778
EBIT-margin, %, <u>adjusted</u>	9,7%	15,9%	13,2%	10,9%
Result for the period, TSEK	7 869	10 038	43 366	13 291
Earnings per share <sup>2</sup> , SEK	0,53	0,68	2,92	0,89
Earnings per share after full dilution, SEK	0,53	0,68	2,92	0,89
Cash flow from ongoing operations, TSEK	169	11 036	62 650	29 731
Net working capital, TSEK	-16 393	-31 643	-27 824	-38 804
Equity/Asset ratio, %	33%	29%	33%	28%

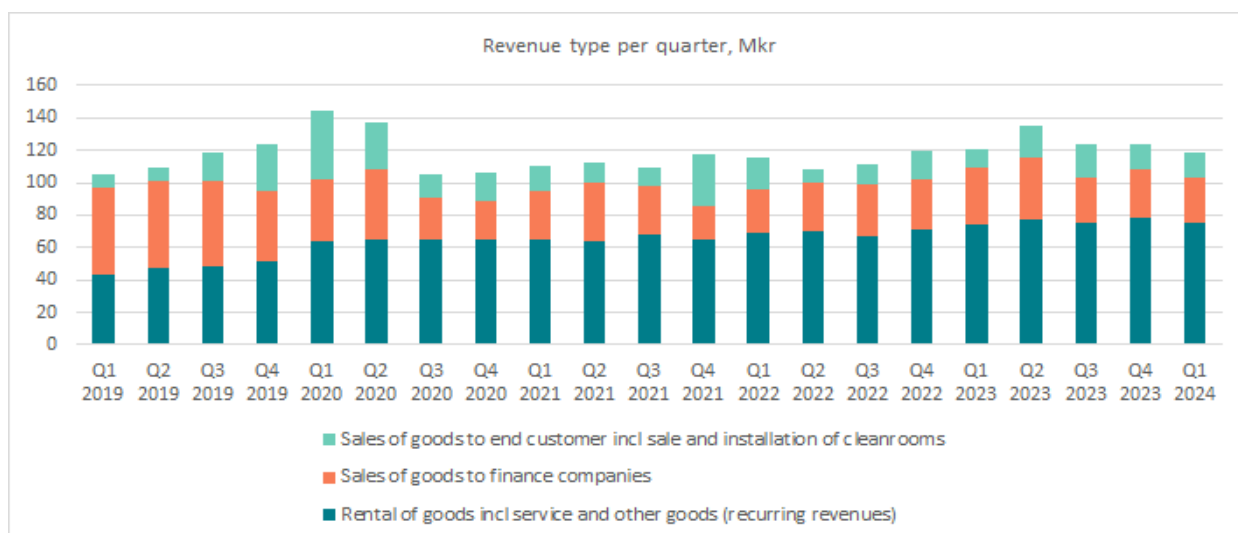
<sup>1</sup>Definition of key figures appears from page 21.<sup>2</sup> Explanation for EBITDA and operating income can be found on page 9.

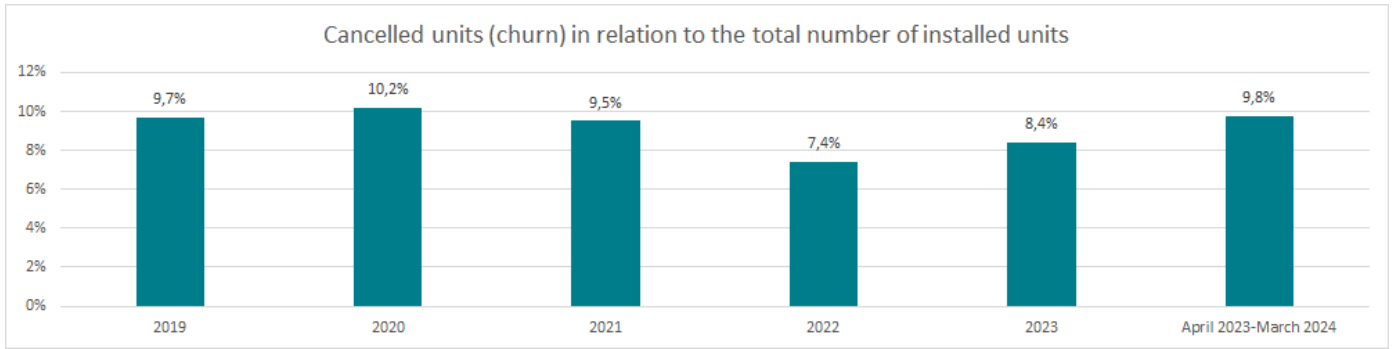
### RECURRING REVENUE AND TYPES OF REVENUE

The group's revenue consists of three revenue streams; Rental of goods including service and other (recurring revenue), Sale of goods to finance companies and Sale of goods including sale and installation of cleanrooms. For direct sales to customers, QleanAir signs separate three-year service contracts.

Recurring revenue increased by 1% during the first quarter and amounted to MSEK 75.2 (74.5). The recurring revenue comes from rental of units owned by QleanAir, service, other and amounted to 63% (62) of total revenue in the first quarter 2024.

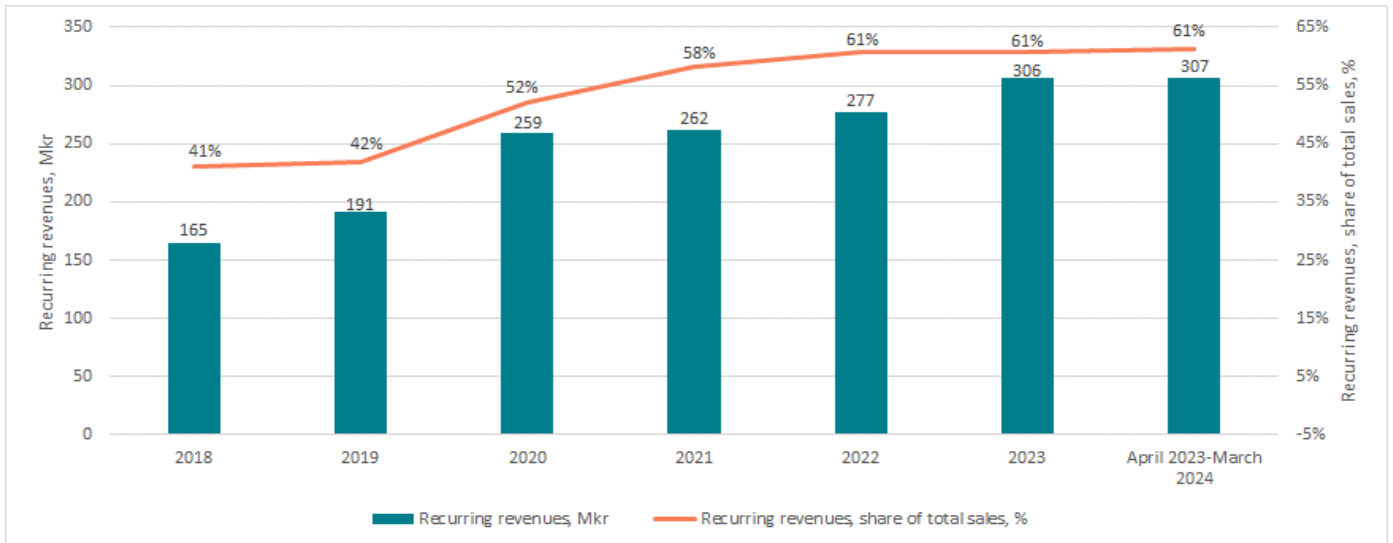
The number of terminations of installed units, often referred to as churn, relative to the total number of installed units, amounted to 9.8% (6.4%) for the period April 2023-March 2024. The increase is due to the cancellation of a few large orders from schools in Germany which is a result of the termination of subsidies for air cleaning in schools.





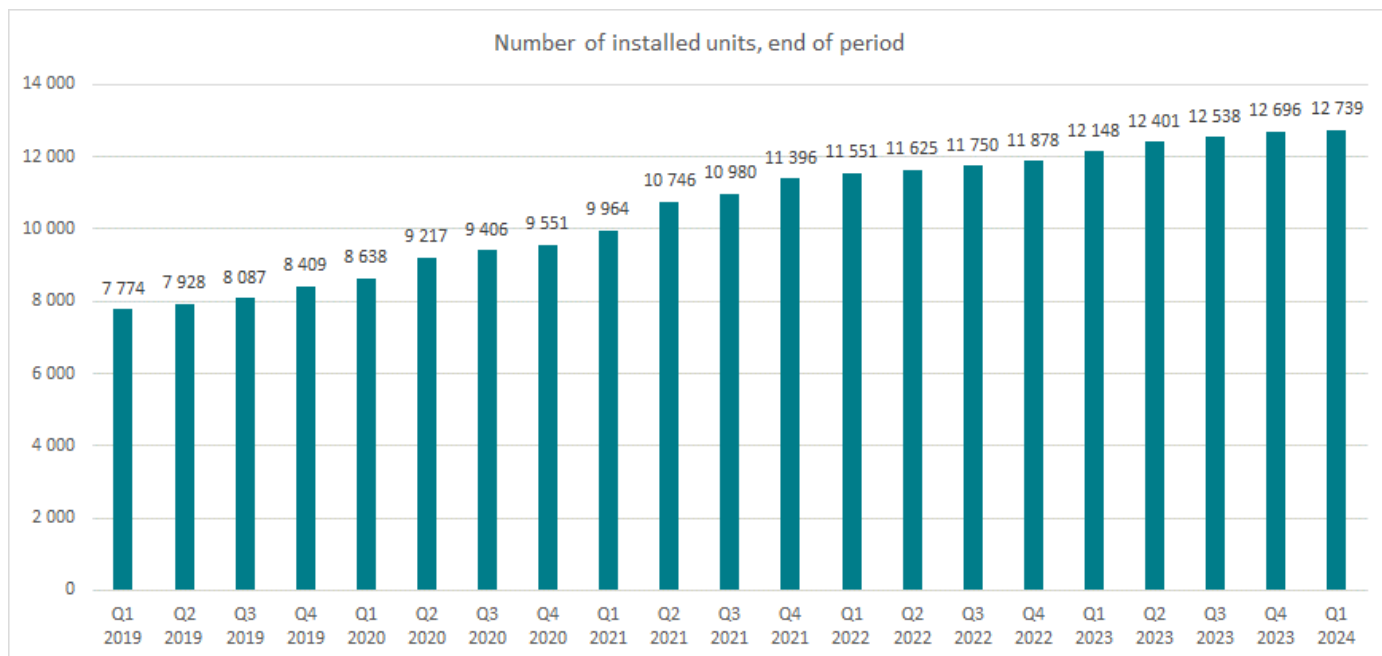
TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
Rental of goods incl service and other goods (recurring revenues)	75 178	74 476	306 294	276 790
Sales of goods to finance companies	27 748	34 710	130 251	120 459
Sales of goods to end customer incl sale and installation of cleanrooms	16 201	11 862	66 973	57 924
<b>Total</b>	<b>119 127</b>	<b>121 048</b>	<b>503 518</b>	<b>455 172</b>

Recurring revenue per year



### INSTALLED UNITS

The number of installed units increased by 5% from March 2023 to March 2024, with Air Cleaners in particular showing growth in Japan and Europe. The total number of installed units at the end of the period amounted to 12,739 (12,148), of which 5,235 (5,283) units are owned and rented out by QleanAir.



	March 2024	March 2023
Accounted value installed units, TSEK (accounted for in tangible fixed assets)	48 831	54 801
Installed units in balance sheet rented out, number	5 235	5 283
Installed units sold to finance companies, number	1 943	1 877
Sold units with service agreement, number	5 561	4 988
<b>Total installed units, number</b>	<b>12 739</b>	<b>12 148</b>

### REVENUE

#### January-March 2024

Revenue for the first quarter amounted to MSEK 119.1 (121.0), a decrease of 1.6% compared to last year. Currency-adjusted, this is an increase of 2.8%. By geography, revenue for the first quarter amounted to MSEK 56.2 (53.9) for EMEA, MSEK 50.1 (58.5) for APAC and MSEK 12.8 (8.7) for the Americas. Revenue by product category amounted to MSEK 76.5 (89.6) for Cabin Solutions, MSEK 28.8 (22.3) for Air Cleaners and MSEK 13.8 (9.1) for Cleanrooms.

Revenue in EMEA increased by 4% in the first quarter. In APAC, revenue decreased by 14%, strongly affected by the weak Japanese yen. The Japanese yen has lost about 11% against the Swedish krona, which results in a currency loss of approx. MSEK 6. Another reason is that the number of contracts that expired in the quarter was relatively low. As a result, fewer contracts could be renewed in the quarter. In the Americas, revenue increased by 47%. Cabin Solutions decreased by 15% in the quarter. Air Cleaners increased by 29% and Cleanrooms by 51%.

In EMEA, we have a strong position in Cabin Solutions through our long-standing presence in eleven countries in Europe. In APAC, we continue to focus on the premium segment in Tokyo offices, but with an increasingly clear strategy to broaden the offering and reach more customers, including in the segment of small and medium-sized companies.

Air Cleaners grew in EMEA in the first quarter. Growth is mainly coming from Germany, Sweden and France, but more and more countries in EMEA are starting to contribute to revenue. In Japan, air cleaners grew strongly in the quarter. Our systematic selection of customer segments continues to prove successful in Japan.

During the first quarter, the focus of Cleanrooms in EMEA continued to be on completing delayed Nordic customer projects. Two projects have yet to be completed. This had a negative impact on new sales as the delayed projects required more time to complete. In the Americas, several cleanroom projects are ongoing and revenue has increased by 47%.

Revenue for January-March 2024 was negatively affected by currency effects of MSEK -5.3 (2.8) and currency-adjusted organic revenue growth amounted to 2.8% (2.4).

#### Revenue by geography, TSEK

TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
EMEA	56 196	53 861	231 822	216 003
APAC	50 091	58 459	223 806	206 844
Americas	12 841	8 727	47 890	32 326
<b>Total</b>	<b>119 127</b>	<b>121 048</b>	<b>503 518</b>	<b>455 172</b>

#### Revenue by product category, TSEK

TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
Cabin Solutions	76 536	89 650	345 179	327 527
Air Cleaners	28 774	22 261	103 901	82 663
Cleanrooms	13 818	9 137	54 438	44 982
<b>Total</b>	<b>119 127</b>	<b>121 048</b>	<b>503 518</b>	<b>455 172</b>

#### SEASONAL VARIATIONS

Historical revenues and costs have not significantly been affected by seasonal variations for QleanAir. Thanks to the company's revenue model, of which a relatively large proportion is recurring revenue from rental of goods including service and others, QleanAir has historically shown relatively undramatic changes in both revenue and operating income between quarters.

#### GROSS PROFIT AND OPERATING INCOME

During the first quarter, gross profit amounted to MSEK 82.1 (86.4), corresponding to a gross margin of 68.9% (71.4). The lower gross margin is mainly attributable to the Americas where we have a lower gross margin so far. Furthermore, the decline in gross margin was due to fewer contracts coming up for renewal in Japan than in the first quarter of 2023.

The average gross margin is lower in Cleanrooms and Air Cleaners compared to Cabin Solutions. The share of revenue from Cleanrooms and Air Cleaners increased in the quarter, which meant a reduction in gross margin for the Group.

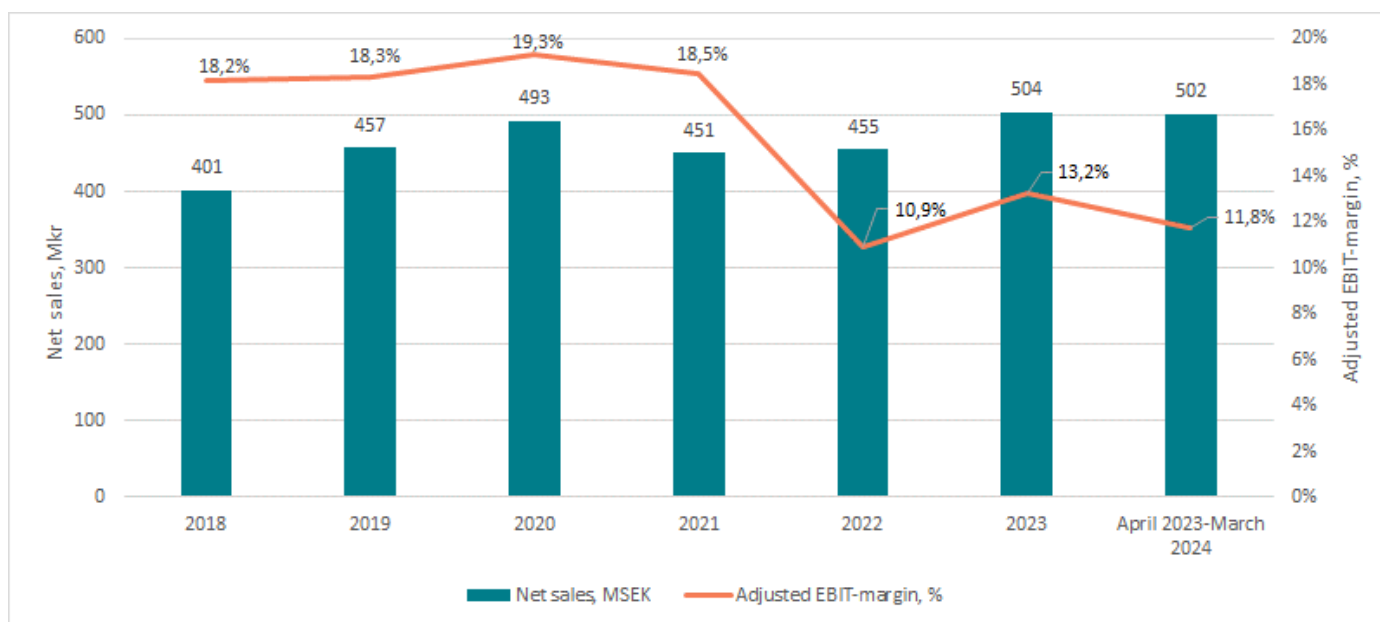
An important part of QleanAir's business model is that customers renew their rental contracts. We continue to see a high proportion of renewed contracts within our more mature product category Cabin Solutions. This contributes to our gross margins. In Air Cleaners, we are also renewing more and more leases as we have been established on the market for a longer time and as the population grows. In Cleanrooms, each contract is customer-specific. We have improvements to make in quoting, planning and implementing customer-specific projects. Focused and prioritized operational work is ongoing.

In the first quarter of 2024, operating profit amounted to MSEK 11.6 (19.2 adjusted). The operating margin amounted to 9.7% (15.9% adjusted). The deterioration in performance is due to a combination of causes. The gross margin is lower and entails a loss of operating profit of approximately MSEK 3. Furthermore, the relatively weak Japanese yen had an unfavorable exchange rate effect in the first quarter, which negatively impacted operating profit by approximately MSEK 2. Other external costs are higher mainly due to higher service costs in some EMEA markets. Furthermore, we have planned increases for external costs in Europe where regions will decide on local promotional activities. These are funded by a reduction in the number of staff at the corporate office.



TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
<b>Operating income (EBIT)</b>	11 605	16 595	64 067	28 578
Adjustments for one off items	0	2 600	2 600	21 200
<b>Operating income (EBIT), adjusted</b>	11 605	19 195	66 667	49 778
Depreciations fixed assets	8 251	8 195	33 403	31 202
<b>EBITDA, adjusted</b>	19 856	27 390	100 070	80 981

**Net revenue in MSEK and adjusted EBIT margin, outcome 12 months**



**OTHER EXTERNAL COSTS**

Other external costs are mainly attributable to marketing, external service costs, regional promotion costs, rental of premises, research and development, travel costs and consultancy costs. In the first quarter of 2024, other external costs amounted to MSEK 30.4 (25.1). As mentioned earlier, these are mainly increases in external service costs and higher local sales promotion costs in EMEA. Furthermore, consulting costs in the US have been higher in the first quarter.

**PERSONNEL COSTS AND EMPLOYEES**

In the first quarter of 2024, personnel costs amounted to MSEK 31.9 (36.5). Costs are lower as a result of organizational changes implemented in 2023.

The average number of employees in the Group was 112 (113). The breakdown between men and women in the Group was 74 (74) men and 38 (39) women. The number of employees at the end of the period was 111 (111).

**NET FINANCIAL ITEMS**

Net financial items for the first quarter of 2024 amounted to MSEK -1.4 (-2.6). This improvement is due to positive exchange rate differences.

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

Earnings before tax for the first quarter amounted to MSEK 10.2 (14.0). Reported tax for the period was MSEK -2.4 (-4.0). The Group's tax expense as a percentage for January – March 2024 was 23.2% (28.5).

Net profit for the first quarter was MSEK 7.9 (10.0). The deterioration is attributable to lower revenue and higher costs as described earlier. Earnings per share for the quarter amounted to SEK 0.53 (0.68) and SEK 0.53 (0.68) on a fully diluted basis.

### CASH FLOW FROM CURRENT OPERATIONS AND INVESTMENTS

Cash flow from operating activities (operating cash flow) for the first quarter amounted to MSEK 0.2 (11.0). The deterioration in operating cash flow is mainly attributable to a reduced operating profit and working capital as a result of reduced trade payables.

Cash flow from investing activities during the first quarter amounted to MSEK -4.1 (-7.7). The investments mainly relate to units that are owned by QleanAir and leased to customers.

### CASH AND FINANCIAL POSITION

Cash at the end of the period, excluding available overdraft facilities, amounted to MSEK 52.6 (59.3). Interest-bearing net debt, i.e. liabilities to credit institutions less cash and cash equivalents, amounted to MSEK 166.2 (184.0). QleanAir continues to amortize quarterly according to plan. QleanAir's current credit facility matures in less than a year, which is why interest-bearing liabilities are re-classified as current liabilities March 31, 2024. QleanAir's assessment and intention is that the credit facility will be prolonged on similar or improved terms. The facility will then be classified as long-term liability again. QleanAir has covenants to be achieved in accordance with the Swedbank financing agreement. These covenants are interest coverage ratio (>3.0), and net debt/EBITDA (<2.5). The covenants were reached for the period April 2023-March 2024.

The Group's total assets amounted to MSEK 661.1 (665.3). Fixed assets amounted to MSEK 434.2 (419.7) and are mainly attributable to goodwill MSEK 343.7 (343.7). The book value of equipment and installed units amounted to MSEK 48.8 (54.8). Inventories amounted to MSEK 64.4 (64.8). In all material respects, stated values for financial assets and liabilities correspond to fair value.

### PROPOSED DIVIDEND

The Board of Directors proposes a dividend of SEK 0.60 per share (0) for the financial year 2023, which corresponds to approximately 20% of the net profit for the financial year 2023. The Board's ambition is to return to a dividend of 30-50% of net profit, in line with the dividend policy.

### FOLLOW-UP ON FINANCIAL OBJECTIVES

Change management is underway as planned to increase growth and profitability in the medium term. Revenue was stable during the quarter, and in currency-adjusted terms QleanAir grew 3 percent with an operating margin of 9.7%. The ambition of the Board of Directors and management is to grow revenue organically by an average of 10% in the medium term and to achieve an operating margin of 15-20%.

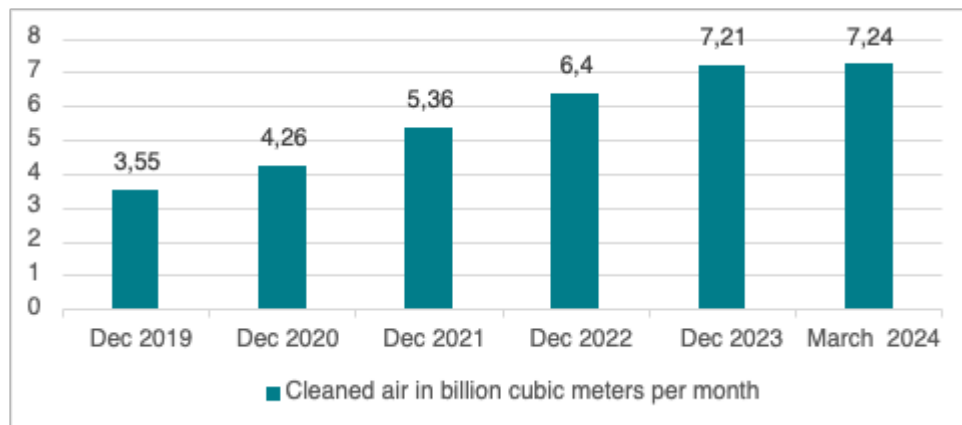
### GOODWILL

Goodwill is attributable in its entirety to QleanAir AB's acquisition of operating subsidiary QleanAir Scandinavia AB, and can be derived from the change of ownership that took place in 2012. Goodwill is tested for impairment at least annually by comparing its value in use, based on the discounted value of future cash flows, with its book value. The impairment test, drafted as of December 2023, showed no need for impairment, despite the changed global situation. Thus, there is no indication of an impairment need as of March 31, 2024.

### 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 mechanical equipment. 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. The group has been measuring the amount of air cleaned per month continuously since 2015. The amount of delivered, cleaned air continues to rise every quarter. For more information, see [www.qleanair.com](http://www.qleanair.com).

At the end of March 2024, 7.24 (6.63) billion cubic meters of cleaned indoor air were delivered per month, an increase of 9% compared to March 2023.



## RISKS

There is a risk that the war in Ukraine and its impact on the global economy will continue to affect market conditions. In addition, the situation in the Middle East has increased geopolitical uncertainty.

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 2023 annual report, available at [www.qleanair.com](http://www.qleanair.com).

## PARENT COMPANY

Revenue for the parent company in the first quarter of 2024 amounted to MSEK 2.6 (2.6). Profits for the first quarter amounted to MSEK -6.9 million (-7.6). QleanAir AB provides management services to QleanAir Scandinavia AB. Amounts owed to group companies relate to the subsidiary QleanAir Scandinavia AB, which pays for QleanAir AB's current expenses including interest and amortization. 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 as of March 31, 2024.

## TRANSACTIONS WITH RELATED PARTIES

Other than remuneration to the CEO, no significant transactions have taken place with related parties during Q1 2024.

## CAPITAL STOCK, SHARES AND OWNERS

The total number of shares as of March 31, 2024 was 14,859,200 and the share capital was MSEK 7.4. After full dilution, the number of shares amounts to 15,736,428 shares. The dilution consists of a maximum of 877,228 warrants issued to employees in senior positions. The maximum dilution effect of the issued warrants relative to the number of shares amounts to 5.9%.

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 decision to issue 445,776 warrants was taken on March 9, 2023 and 445,776 warrants have been subscribed. Subscription of new shares under the warrants will be possible during the period from April 1, 2026 up to and including October 31, 2026. The subscription price is SEK 40.00/share.

The decision to issue 237,500 warrants was made on May 10, 2023. Subscription of new shares supported by the warrants may take place during the period from June 1, 2026, to December 31, 2026. The subscription price is SEK 40.00/share.

The average number of shares in January–March 2024 was 14,859,200 shares before dilution and 15,736,428 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 listed on the Nasdaq First North Premier Growth Market.

FNCA (First North Certified Advisor) is the certified advisor. For contact, email: [info@fnca.se](mailto:info@fnca.se).

2024-03-31	
Shareholders	%, capital and votes
Staffan Persson (Swedia Capital)	26,5%
Avanza Pension	8,9%
Fredrik Palmstierna	7,9%
Calandrella Ltd	6,6%
Nordnet Pension	5,9%
Swedbank Försäkring	4,7%
Livförsäkringsbolaget Skandia	4,6%
Jan-Olof Backman (bolag)	3,7%
Citibank LDN	2,0%
Frontier Liquidity Oy	2,0%
<b>Ten largest shareholders</b>	<b>73,0%</b>
Other shareholders	27,0%
<b>Total</b>	<b>100,0%</b>

#### CALENDAR

- August 9, 2024: Second quarter 2024
- November 8, 2024: Third quarter 2024
- February 7, 2025: Fourth quarter and Year-end report 2024

#### OTHER INFORMATION

The quarterly report January–March 2024 provides a true and fair account of the group's operations, financial position and performance. If there are discrepancies between the Swedish and English versions of the report, the Swedish version shall prevail.

The undersigned declares that this interim report provides a true and fair account of the parent company's and the group's operations, position and results and describes the significant risks and uncertainties faced by the parent company and the companies included in the group.

*This information is information that QleanAir AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on May 8, 2024.*

#### GENERAL REVIEW

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

**PRESENTATION**

QleanAir invites you to a webcast/teleconference on May 8, 2024 at 10.00. The company's CEO, Sebastian Lindström and CFO, Henrik Resmark, will present the company's quarterly report in English.

Link to watch the presentation online:

<https://ir.financialhearings.com/qleanair-q1-report-2024>

Telephone number to dial-in and follow the presentation and ask questions:

<https://conference.financialhearings.com/teleconference/?id=50048853>

**For more information, please contact**

Sebastian Lindström, CEO, on 070-308 94 51 or Henrik Resmark CFO, on 070-260 09 17.

Board of Directors of QleanAir AB

Solna, May 8, 2024

Bengt Engström, Chair

Fredrik Persson

Jan-Olof Backman

Dan Pitulia

Towe Resson

Sebastian Lindström, CEO

**THE GROUP'S CONSOLIDATED BALANCE SHEET IN SUMMARY**

TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
<b>Net sales</b>	<b>119 127</b>	<b>121 048</b>	<b>503 518</b>	<b>455 172</b>
Other income	0	0	0	0
<b>Sales</b>	<b>119 127</b>	<b>121 048</b>	<b>503 518</b>	<b>455 172</b>
Cost of goods sold	-37 006	-34 671	-159 480	-144 154
<b>Gross profit</b>	<b>82 121</b>	<b>86 377</b>	<b>344 038</b>	<b>311 018</b>
Other external costs	-30 390	-25 129	-112 473	-119 188
Personnel costs	-31 875	-36 458	-134 095	-132 049
Depreciation of tangible and intangible assets	-8 251	-8 195	-33 403	-31 202
<b>Operating income</b>	<b>11 605</b>	<b>16 595</b>	<b>64 067</b>	<b>28 578</b>
Financial income	4 112	1 390	9 512	3 606
Financial expenses	-5 475	-3 940	-17 879	-11 403
<b>Income before tax</b>	<b>10 242</b>	<b>14 046</b>	<b>55 700</b>	<b>20 781</b>
Deferred tax	1 461	-182	194	-3 864
Tax on result for the period	-3 833	-3 826	-12 528	-3 626
<b>Net result for the period</b>	<b>7 869</b>	<b>10 038</b>	<b>43 366</b>	<b>13 291</b>
Profit/Loss attributable to:				
Shareholders parent company	7 869	10 038	43 366	13 291
Non-controlling interest	0	0	0	0
<b>Net result for the period</b>	<b>7 869</b>	<b>10 038</b>	<b>43 366</b>	<b>13 291</b>
Earnings per share basic, SEK	0,53	0,68	2,92	0,89
Earnings per share basic, after dilution, SEK	0,53	0,68	2,92	0,89
<b>Net result for the period</b>	<b>7 869</b>	<b>10 038</b>	<b>43 366</b>	<b>13 291</b>
Currency translation differences foreign subsidiaries	-2 508	-1 804	-12 338	-607
<b>Total result for the period</b>	<b>5 361</b>	<b>8 234</b>	<b>31 028</b>	<b>12 684</b>
Profit/loss attributable to:				
Shareholders parent company	5 361	8 234	31 028	12 684
<b>Total net result for the period</b>	<b>5 361</b>	<b>8 234</b>	<b>31 028</b>	<b>12 684</b>



**THE GROUP'S FINANCIAL POSITION IN SUMMARY**

TSEK	2024-03-31	2023-03-31
<b>ASSETS</b>		
Capitalized development cost	12 818	13 470
Goodwill	343 704	343 704
<b>Intangible fixed assets</b>	<b>356 522</b>	<b>357 173</b>
Leasing	27 270	7 638
Tangible fixed assets	48 831	54 801
<b>Tangible fixed assets</b>	<b>76 101</b>	<b>62 439</b>
Deferred tax	1 530	77
<b>Fixed assets</b>	<b>434 152</b>	<b>419 689</b>
Inventories	64 434	64 843
Account receivables	37 392	39 145
Skattefordringar	154	3 643
Other receivables	9 705	5 800
Prepaid costs and accrued income	62 623	72 969
Cash and bank	52 612	59 259
<b>Current assets</b>	<b>226 920</b>	<b>245 659</b>
<b>TOTAL ASSETS</b>	<b>661 072</b>	<b>665 348</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	7 430	7 430
Additional paid in capital	120 894	120 973
Translation differences	-20 757	-7 714
Balanced result	105 221	61 855
Result for the period	7 869	10 038
<b>Shareholders' Equity</b>	<b>220 656</b>	<b>192 581</b>
Long term interest bearing liabilities	0	164 003
Deferred tax liability	3 245	3 628
Other liabilities	17 959	2 587
<b>Long term liabilities</b>	<b>21 204</b>	<b>170 218</b>
Short term interest bearing liabilities	218 813	79 263
Accounts payable	31 921	40 480
Tax liabilities	7 515	0
Other short term liabilities	17 047	23 321
Other liabilities	9 698	5 242
Accrued expenses and deferred income	134 218	154 242
<b>Current liabilities</b>	<b>419 211</b>	<b>302 549</b>
<b>Liabilities</b>	<b>440 416</b>	<b>472 767</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>661 072</b>	<b>665 348</b>

**THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY**

2024, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
<b>Opening balance 2024-01-01</b>	<b>7 430</b>	<b>120 894</b>	<b>-18 249</b>	<b>105 221</b>	<b>215 295</b>
Warrants, net					0
Net result for the period				7 869	7 869
Other result			-2 508		-2 508
<b>Closing balance 2024-03-31</b>	<b>7 430</b>	<b>120 894</b>	<b>-20 757</b>	<b>113 090</b>	<b>220 656</b>

2023, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
<b>Opening balance 2023-01-01</b>	<b>7 430</b>	<b>120 603</b>	<b>-5 911</b>	<b>61 855</b>	<b>183 976</b>
Warrants, net		370			370
Dividend					0
Net result for the period				10 038	10 038
Other result			-1 803		-1 803
<b>Closing balance 2023-03-31</b>	<b>7 430</b>	<b>120 973</b>	<b>-7 714</b>	<b>71 893</b>	<b>192 581</b>

**THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY**

TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
<b>Operating activities</b>				
Operating income	11 605	16 595	64 067	28 578
Adjustment for non-cash items	8 548	9 462	40 625	26 908
Net finance effect	-4 923	-3 531	-15 532	-9 207
Tax paid	-5 580	-8 672	-4 343	-8 094
<b>Total</b>	<b>9 650</b>	<b>13 854</b>	<b>84 818</b>	<b>38 184</b>
Decrease (+)/Increase (-) inventories	-3 430	-5 334	-4 190	-14 619
Decrease (+)/Increase (-) account receivables	5 047	-11 966	-14 578	3 291
Decrease (+)/Increase (-) current assets	390	-5 979	9 319	-16 885
Decrease (-)/Increase (+) account payables	-7 694	4 764	3 921	-1 047
Decrease (-)/Increase (+) current liabilities	-3 795	15 696	-16 641	20 807
<b>Cash-flow from ongoing operations</b>	<b>169</b>	<b>11 036</b>	<b>62 650</b>	<b>29 731</b>
<b>Investing activities</b>				
Investments in intangible assets	-837	-1 019	-4 285	-5 670
Investments in tangible assets	-3 226	-6 697	-19 505	-22 623
<b>Cash flow from investing activities</b>	<b>-4 063</b>	<b>-7 716</b>	<b>-23 790</b>	<b>-28 294</b>
<b>Financing activities</b>				
Increase in loan	8 368	0	0	54 473
Paid dividend	0	0	0	-22 289
Amortization of loan	-9 414	-11 002	-46 527	-38 233
Payment of warrants, net	0	370	283	-513
<b>Cash flow from financing activities</b>	<b>-1 047</b>	<b>-10 632</b>	<b>-46 244</b>	<b>-6 563</b>
<b>Cash flow for the period</b>	<b>-4 941</b>	<b>-7 313</b>	<b>-7 385</b>	<b>-5 126</b>
Opening cash balance	56 885	66 956	66 956	69 662
Exchange rate differences on financial items	668	-384	-2 686	2 420
<b>Closing cash balance</b>	<b>52 612</b>	<b>59 259</b>	<b>56 885</b>	<b>66 956</b>





**THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY**

TSEK	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
Net sales	2 550	2 550	10 200	10 200
Other external costs	-2 290	-2 374	-7 575	-8 701
Personnel costs	-3 163	-2 802	-11 583	-11 481
Depreciation on intangible assets	-2 063	-2 063	-8 254	-8 254
<b>Operating profit</b>	<b>-4 967</b>	<b>-4 689</b>	<b>-17 211</b>	<b>-18 236</b>
Interest costs and similar profit/loss items	-3 234	-2 918	-30 224	-15 368
<b>Result after financial items</b>	<b>-8 201</b>	<b>-7 607</b>	<b>-47 435</b>	<b>-33 604</b>
Group contribution	0	0	75 000	13 400
Tax on result for the period	1 264	0	-9 745	-1 220
<b>Net result for the period</b>	<b>-6 936</b>	<b>-7 607</b>	<b>17 820</b>	<b>-21 424</b>

**THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY**

TSEK	2024-03-31	2023-03-31
<i>Intangible assets</i>		
Goodwill	23 385	31 639
<i>Financial assets</i>		
Shares in Group companies	429 000	429 000
<b>Total fixed assets</b>	<b>452 385</b>	<b>460 639</b>
Current tax receivables	5	220
Other receivables	0	79
Prepaid expenses and accrued income	1 324	2 495
Cash and bank	1 572	526
<b>Total current assets</b>	<b>2 901</b>	<b>3 320</b>
<b>Total assets</b>	<b>455 286</b>	<b>463 958</b>
Shareholders' equity	7 430	7 430
Premium reserve	72 899	55 166
Profit/loss for the period	-6 936	-7 607
<b>Total equity</b>	<b>73 392</b>	<b>54 988</b>
Long term interest bearing liabilities	0	164 003
<b>Total long term liabilities</b>	<b>0</b>	<b>164 003</b>
Short term interest bearing liabilities	165 000	28 497
Accounts payable	261	202
Liabilities to Group companies	205 335	208 010
Tax liabilities	6 250	0
Other current liabilities	54	107
Accrued expenses and prepaid income	4 993	8 150
<b>Total current liabilities</b>	<b>381 893</b>	<b>244 967</b>
<b>Total equity and liabilities</b>	<b>455 286</b>	<b>463 958</b>

## 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 2023 Annual Report.

New or revised IFRS and interpretative statements from IFRIC with effect from January 1, 2024, 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**

The majority of the Group's transactions are denominated in euro, Japanese yen and US dollars. 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 with the exception of 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 carrying amounts of assets, liabilities, income 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 income 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 revenue

QleanAir's geographic markets are EMEA, which includes Germany, Austria, Switzerland, the Netherlands, Belgium, France, Poland and the Nordic countries, along with the Middle East, APAC with Japan and the Americas with the US. 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 by revenue type, appears on pages 8-9.

Sales of goods and sales of goods to finance companies are recognized at a specific point in time. 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. Revenue is therefore recognized in accordance with the same principle as for sales of goods directly to customers to which IFRS 15 applies and is therefore recognized at a specific point in time. Rental of goods including services and other (recurring revenue) as well as sales and installation of cleanrooms are recognized on an ongoing basis.

### Currency effect and organic growth

	Jan-March 2024	Jan-March 2023	Full year 2023	Full year 2022
Net sales, TSEK	119 127	121 048	503 518	455 172
Growth Net sales, %	-1,6%	4,9%	10,6%	1,0%
Currency exchange variances, TSEK	-5 290	2 818	10 471	11 100
Currency exchange variances, %	-4,4%	2,4%	2,3%	2,5%
<b>Organic growth Net sales, TSEK</b>	<b>3 369</b>	<b>2 827</b>	<b>37 874</b>	<b>-6 503</b>
<b>Organic growth Net sales, %</b>	<b>2,8%</b>	<b>2,4%</b>	<b>8,3%</b>	<b>-1,4%</b>

### 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.

As of the first quarter of 2024, QleanAir does not present order intake as an alternative performance measure. Order intake was previously defined as an alternative performance measure that showed order intake excluding extra services. It also excluded revenue from short-term leases that were automatically extended beyond the initial contract period. This key figure no longer fulfills the purpose of making it easier for investors to understand the company's revenue development, as the product mix has evolved. The product groups differ in terms of order to delivery, for example, there is often direct delivery of Cabin Solutions and Air Cleaners. Cleanroom delivery times vary from customer to customer.

Key ratios	Definition and purpose
Revenue	Revenue, including other operating revenue. The ratio shows the company's total revenue.
Gross profit	Revenue less cost of sold goods. Goods for resale include cost of goods sold, consumables and direct sales expenses.
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.
EBITDA margin	Operating income before depreciation and write-downs as a percentage of revenue. This ratio is used to measure operating profitability before depreciation and write-downs.
Operating result (EBIT)	Profit before financial items and tax. The measure shows the operational profitability of the company.
EBIT margin	Operating income as a percentage of revenue. The measure is used to measure operating profitability after depreciation and write-downs.
Operating cash flow	EBITDA and adjustment for cash flow from changes in working capital. Operating 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.
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.
Recurring revenue	Recurring revenue is defined as revenue from rental of goods incl. services and other.
Earnings per share	Earnings per share have been adjusted for the 2019 stock split for comparability.

## Quarterly information

	Jan-March 2024	Oct-Dec 2023	July-Sept 2023	April-June 2023	Jan-March 2023	Oct-Dec 2022	July-Sept 2022	April-June 2022
Sales, TSEK	119 127	123 751	123 855	134 864	121 048	120 075	111 422	108 273
Installed units	12 739	12 696	12 538	12 401	12 148	11 878	11 750	11 625
Recurring revenues, TSEK	75 178	78 545	75 770	77 503	74 476	70 809	67 172	69 783
Gross profit, TSEK	82 121	82 391	82 959	92 310	86 377	68 202	81 452	77 729
Gross-margin, %	68,9%	66,6%	67,0%	68,4%	71,4%	56,8%	73,1%	71,8%
EBITDA, TSEK	19 856	17 808	25 153	29 720	24 790	-9 642	25 376	18 892
EBITDA-margin, %	16,7%	14,4%	20,3%	22,0%	20,5%	-8,0%	22,8%	17,4%
EBIT, TSEK	11 605	9 627	16 765	21 080	16 595	-17 713	17 466	11 265
EBIT-margin, %	9,7%	7,8%	13,5%	15,6%	13,7%	-14,8%	15,7%	10,4%
Operating cash-flow, TSEK	169	14 426	18 288	18 900	11 036	9 581	11 389	9 004
Working capital, TSEK	-16 393	-27 824	-31 880	-31 044	-31 643	-38 804	-24 790	-32 051
Average Capital Employed, TSEK	435 876	432 911	440 762	441 916	435 507	438 719	435 690	424 807
Net debt, excl. IFRS16, TSEK	166 200	160 103	163 747	175 380	184 008	184 234	184 185	185 013
Equity/Asset ratio, %	33,4%	32,5%	31,4%	28,9%	28,9%	28,4%	30,1%	29,2%
Net debt/Equity ratio, %	0,8	0,7	0,8	0,9	1,0	1,0	0,9	1,0
Adjusted return on Capital employed (ROCE), %	13,6%	14,8%	8,3%	8,5%	6,3%	6,5%	14,7%	17,6%

### Key figures per share

Shareholders' equity per share, SEK	14,85	14,49	14,33	13,84	12,96	12,38	13,43	12,59
Operating cash-flow per share, SEK	0,01	0,97	1,23	1,27	0,74	0,64	0,77	0,61
Earnings per share, SEK	0,53	0,36	0,70	1,18	0,68	-1,26	0,71	0,51
Earnings per share after full dilution, SEK	0,53	0,36	0,70	1,18	0,68	-1,26	0,71	0,49
QleanAir-share, last day in each quarter	33,6	32,8	34,5	24,1	19,8	22,3	22,9	33,3

### Adjusted key figures

Gross profit, TSEK, <u>adjusted</u>	81 402
Gross margin, %, <u>adjusted</u>	67,8%
EBIT, TSEK, <u>adjusted</u>	19 195
EBIT-margin, %, <u>adjusted</u>	15,9%



## 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 indoor air cleaning solutions to protect people, products and processes.

### **VISION**

QleanAir aims to be a world-leading 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 goal is to achieve an average annual organic revenue growth of approximately 10 (7-13%) 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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