

FOURTH QUARTER AND YEAR-END REPORT 2020



GROWTH IN NUMBER OF UNITS INSTALLED, INCREASING SHARE OF RECURRING REVENUES AND IMPROVED OPERATING PROFIT DESPITE THE IMPACT OF CORONAVIRUS

October – December 2020 in summary

- Net sales SEK 106.4m (123.8m)
- Installed units 9,551 (8,409)
- Recurring revenues SEK 64.6m (51.8m)
- Order intake¹ SEK 66.6m (102.5m)
- EBITDA² SEK 28.2m (adjusted 24.9m)
- EBITDA margin 26.5% (adjusted 20.1%)
- Operating profit (EBIT) SEK 20.5m (adjusted 19.3m)
- EBIT-margin 19.3% (adjusted 15.6%)
- Net profits SEK 22.7m (-28.3m)
- Earnings per share SEK 1.53 (-2.11)
- Cash-flow from operations SEK 19.7m (10.2m)

January – December 2020 in summary

- Net sales SEK 493.0m (456.9m)
- Installed units 9,551 (8,409)
- Recurring revenues SEK 258.7m (190.8m)
- Order intake SEK 310.5m (366.0m)¹
- EBITDA SEK 123.7m (adjusted 105.2m)
- EBITDA margin 25.1% (adjusted 23.0%)
- Operating profit (EBIT) SEK 95.0m (adjusted 83.7m)
- EBIT-margin 19.3% (adjusted 18.3%)
- Net profits SEK 67.0m (-7.5m)
- Earnings per share² SEK 4.51 (-0.56)
- Cash-flow from operations SEK 72.1m (62.5m)
- The Board of Directors proposes a dividend of SEK 1.30 per share (0)

Significant events during the fourth quarter

- QleanAir launches FS 90, new powerful air cleaner to target larger industries.
- QleanAir launches FS 30, new quiet air cleaner for offices and public spaces for healthy indoor air in times of corona.
- QleanAir wins its first major order from the school sector in Germany.
- QleanAir announces that Karolinska University Hospital chooses freestanding HEPA 14 air cleaners to protect staff.
- QleanAir wins first order from the healthcare sector in Germany.
- QleanAir wins third order from Karolinska University Hospital.
- QleanAir wins the largest cleanroom order to date in USA.

Significant events after the end of the period

- QleanAir wins the first significant order for FS 30 in Japan.
- QleanAir announces another major order from the school sector in Germany.

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Sales, TSEK	106 436	123 847	492 970	456 879
Installed units	9 551	8 409	9 551	8 409
Recurring revenue, TSEK	64 629	51 775	258 688	190 764
Recurring revenue from units in own balance sheet, %	61%	42%	52%	42%
Order intake ¹ , TSEK	66 592	102 466	310 496	365 979
EBITDA, TSEK	28 217	6 581	123 749	79 756
EBITDA-margin, %	26,5%	5,3%	25,1%	17,5%
Adjusted EBITDA, TSEK	28 217	24 931	123 749	105 206
Adjusted EBITDA-margin, %	26,5%	20,1%	25,1%	23,0%
EBIT, TSEK	20 542	-25 268	95 038	32 073
EBIT-margin, %	19,3%	-20,4%	19,3%	7,0%
Adjusted EBIT, TSEK	20 542	19 278	95 038	83 719
Adjusted EBIT-margin, %	19,3%	15,6%	19,3%	18,3%
Result for the period, TSEK	22 742	-28 252	67 005	-7 521
Earnings per share ² , SEK	1,53	-2,11	4,51	-0,56
Earnings per share after full dilution, SEK	1,51	-2,11	4,44	-0,56
Cash flow from operations, TSEK	19 654	10 233	72 133	62 498
Net working capital, TSEK	-46 599	-72 321	-46 599	-72 321
Equity/Asset ratio, %	27%	16%	27%	16%

¹Order intake are defined as longer rental contracts with a defined end date and sales of products. ²For definition of key ratios, see page 21.

CEO Comment

“We are continuing to increase the number of installed units during the fourth quarter and are increasing the share of recurring revenues. For the full year, recurring revenues amounted to SEK 259m (191m), corresponding to 52% of sales and an increase of 35%. This gives us a good visibility regarding future revenues going into 2021. Sales and order intake continued to be affected by the corona pandemic during the fourth quarter of 2020 compared to the fourth quarter of 2019. However, compared to the third quarter of 2020, we increased both order intake and sales. We are delivering high margins. EBIT margin for the fourth quarter came in at 19.3% (15.6%). I am very pleased that, in the fourth quarter, we received groundbreaking orders in our two newest product categories; Facility Solutions and Room Solutions, and that we have had the opportunity to help create healthy working environments where they are needed the most during the pandemic,” says CEO Christina Lindstedt.



Innovation, product launches, new markets, and customer segments

2020 was a record year for QleanAir in terms of the number of launches of new air cleaning solutions for indoor environments within the Facility Solutions product category. During the fourth quarter, we saw a continued positive development in sales within Facility Solutions compared to the same period last year. The last product launch in 2020 was the FS 30, which we developed in close cooperation with Karolinska University Hospital and recently started to deliver. The FS 30 is a specially adapted, efficient air cleaner that delivers HEPA-cleaned air with a very low sound level. In 2020, we started selling Facility Solutions to new customer segments, including healthcare, schools, and offices, and we have also introduced our FS range in Japan, one of our most important markets, where our strong position in the office segment is very well aligned with Facility Solutions. We are moving into 2021 stronger, with a broader and more competitive product range than ever before.

The pandemic – continued increased awareness of the importance of air cleaning, but the second wave of lockdowns had a negative impact on the fourth quarter

The pandemic continues to contribute to an increase in awareness of the importance of clean indoor air. We are seeing an increased demand for air cleaning for public spaces, where e.g., in Germany, a major investment in air cleaning for schools has been heavily subsidized. QleanAir won a significant order for the school segment in the fourth quarter (an order delivered in Q1 2021) and we announced an additional order of the same size after the end of the period. We have also seen increased demand for air cleaning in healthcare and office environments, where the importance of air cleaning as a tool for improving the working environment has increased significantly. In Europe, we saw a sharp increase in order intake in the fourth quarter of 2020 compared to the previous year (+28%), as well as a sharp increase in new contracts for shorter periods, an increase of 492% to 231 (39) units.

In the Japanese market, we had a harder lockdown in society during the fourth quarter than during the spring outbreak of the coronavirus. However, sales for the quarter were in line with the previous year, and for the full year 2020, we achieved a growth of 26%. This is the strongest year ever for our Japanese business, which is linked to the exceptional start of 2020, ahead of the implementation of the new Health Promotion Act from 1 April. Due to that, short term we see a lower sales and order intake in 2021 in Japan. In the medium and long term, we see continued good growth opportunities in Japan, within both Cabin Solutions and Facility Solutions. In the United States, both order intake, and sales dropped compared to the corresponding quarter of the previous year. The USA has continued to be hit hard by the coronavirus, not least in our healthcare segment, and decision-making processes have been longer than normal. However, 2020 in the US ended with the largest ever order in Room Solutions, totaling almost USD 1m, and we continue to see good growth opportunities for our business in the US.

Increasing margins, better cash flow, and an increase in the number of units installed

Net sales for the quarter amounted to SEK 106.4m (SEK 123.8m). The EBITDA margin for the quarter was 26.5% (20.1%). Cash flow increased to SEK 19.7m (SEK 10.2m). Order intake* dropped by 35% to SEK 66.6m (102.5m).

*Order intake are defined as longer rental contracts with a defined end date, as well as sales of products – i.e., short-term rental contracts are not included.

The number of installed units continues to grow, reaching 9,551 units at the end of 2020, an increase of 14% on the previous year. We increased the amount of air we cleaned by 21% in 2020.

Our business model with a high and increasing share of recurring revenues benefits QleanAir during the coronavirus pandemic

Recurring revenues increased to 61% (42) of total sales in the fourth quarter. In absolute terms, recurring revenues increased to SEK 64.6m (51.8m). For the full year, recurring revenues increased by 35% to SEK 258.7m, corresponding to 52% of total sales. Such a high percentage of recurring revenues gives us a good outlook going into 2021. An increase in the number of units on our balance sheet indicates an increase in the share of recurring revenues. This also means an increased share of revenue in the form of current monthly rental income, and a reduced share of the revenue from sales of contracts to finance companies and direct sales to customers, i.e., payment upfront. This explains part of the drop in sales compared to the same period last year. We continue to deliver very good margins in our underlying business, and the focus on controlling costs and cash flow in the early stages of the pandemic has had a positive impact on profits. Our model of working with strategic partners for production and service also gives us good resilience in times of more difficult market conditions.

Prospects

We expect the increased awareness of the importance of indoor air quality to continue to contribute to increased demand for air cleaning, although in the short term we continue to see a high degree of uncertainty in our markets. Our medium and long-term growth strategy remains in place, including its focus on developing and growing our new product categories Facility Solutions and Room Solutions, and maintaining our strong position within Cabin Solutions. We are proud to be involved in improving the working environment in settings that have been hit particularly hard by the coronavirus, such as intensive care units in hospitals and student environments in schools. We are also grateful to have developed valuable new strategic partnerships, such as with Karolinska University Hospital, where we continue to develop our expertise in advanced air cleaning solutions together with our customers. We will continue to launch new innovations, and we will continue to strengthen our offering geographically.

Finally, we are now leaving an extraordinary 2020 behind. I am very pleased that, in a year like 2020, for the full year, we are delivering organic growth of 9% (currency-adjusted) and an EBIT-margin of 19.3%, fully in line with our financial targets. We bring with us experience and new opportunities that we did not expect to have a year ago. I would like to thank our dedicated and committed employees, and our customers and partners for much appreciated collaboration.

Solna, 15 February 2021

Christina Lindstedt, CEO QleanAir



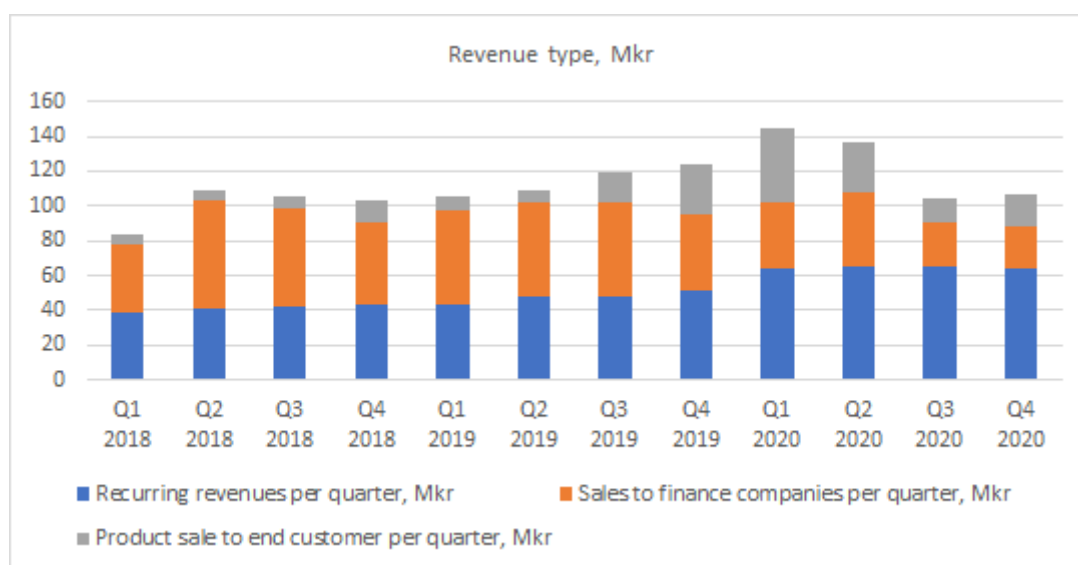
Karolinska University Hospital chooses freestanding air cleaners with HEPA 14 filters to protect employees. Picture: FS 30 HEPA

FINANCIAL DEVELOPMENT

QleanAir's geographical home markets are "EMEA" (Germany, Austria, Switzerland, the Netherlands, Belgium, France, Poland, and the Nordic countries), "APAC" (Japan), and the "Americas" (USA). QleanAir has three product categories; the original product category, "Cabin Solutions", which protects people from exposure to harmful tobacco smoke, the "Facility Solutions" category with air cleaners for industrial, office, and healthcare environments, and the "Room Solutions" category for cleanrooms used in healthcare environments. The Group's revenue is made up of rental contracts, service revenue, consumables, sales of rental contracts to finance companies, and direct sales to customers.

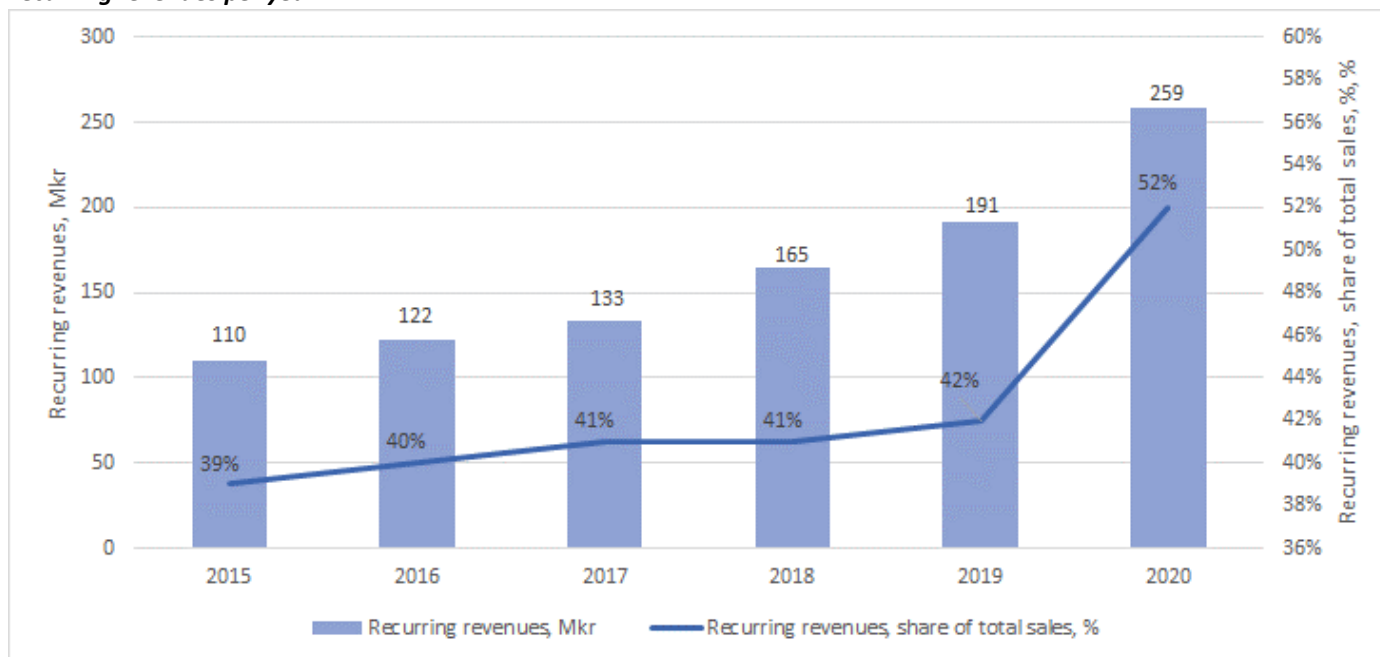
RECURRING REVENUES AND REVENUE TYPES

Recurring revenues from the rental of units on our balance sheet, service, and consumables increased in the fourth quarter and for the full year 2020. Recurring revenues amounted to 52% (41%) of total sales in 2020. The sales mix for rental contracts in Europe changed in 2020 after the acquisition of SFS Finance. The number of units on our balance sheet increased, and recurring revenues grew. For recurring revenues and the revenue stream from sales of rental contracts to finance companies, a high proportion – more than 75 percent of the rental contracts – are renewed or extended. In the case of direct sales to customers, QleanAir always signs separate service agreements that run for three years.



TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Recurring revenues, units in balance sheet, service, consumables	64 629	51 775	258 688	190 764
Sales to finance companies	23 932	43 218	130 476	204 528
Product sale to end customer	17 876	28 854	103 807	61 587
Total	106 436	123 847	492 970	456 879

Recurring revenues per year

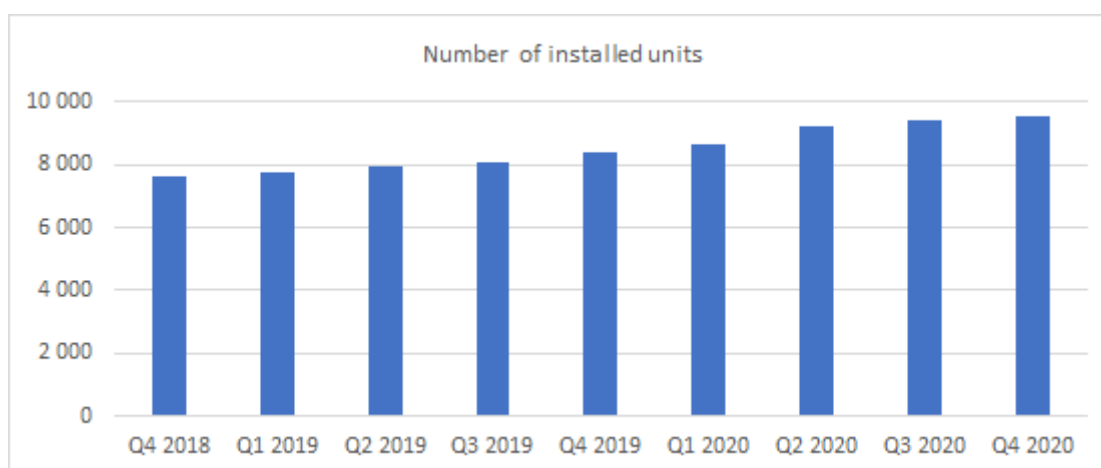


Recurring revenues refers to revenue from units on our balance sheet, service agreements and consumables.

Recurring revenues grew by 25% in the fourth quarter and amounted to SEK 64.6m (51.8m). This was mainly due to a larger proportion of units on our balance sheet.

INSTALLED UNITS

The number of installed units increased by 14% during the year, with growth within Cabin Solutions in Japan and Facility Solutions showing good growth. The total number of units installed at the end of the period was 9,551 (8,409), of which 3,749 (3,270) units were on our balance sheet. The increase in the number of installed units on our balance sheet is partly a consequence of the acquisition of SFS Finance AB, which took place in December 2019. This constitutes part of the basis for the increase in recurring revenues.



	December 2020	December 2019
Accounted value installed units, TSEK	46 470	39 813
Installed units in balance sheet, number	3 749	3 270
Installed units sold to finance companies, number	2 383	2 606
Sold units with service agreement, number	3 419	2 533
Total installed units, number	9 551	8 409

* where of 620 units (620) served with consumables only

QleanAir calculates the installed base within cleanrooms as one unit per SEK 100,000 in order value

Order intake

Order intake for the fourth quarter continued to be affected by the pandemic and amounted to SEK 66.6m (102.5m), a decrease of 35%. The order intake in the fourth quarter of 2019 was extremely high prior to the implementation of the Health Promotion Act on April 1, 2020, in Japan. Japan has also been affected by Corona in the fourth quarter of 2020. However, order intake increased by 22% in the fourth quarter of 2020, compared to the third quarter of 2020. EMEA accounted for 50% (26%) of order intake in the fourth quarter, APAC for 37% (62%), and the Americas for 13% (12%). Order intake for short-term rental contracts (which are not included in the order intake) increased by 492% in the quarter, to 231 (39) units.

Order intake by geography, SEK thousands

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
TSEK				
EMEA	33 650	26 314	105 788	139 686
APAC	24 368	64 024	182 025	170 462
Americas	8 573	12 128	22 683	55 831
Total	66 592	102 466	310 496	365 979

SALES

October-December 2020

Sales for the fourth quarter amounted to SEK 106.4m (123.8m), a decrease of 14%. Recurring revenues amounted to SEK 64.6m (51.8m), corresponding to 61% (42%) of net sales. Recurring revenues increased by 25% in the quarter. Sales for the fourth quarter by geography amounted to SEK 50.2m (58.9m) for EMEA, SEK 46.2m (46.6m) for APAC, and SEK 10.0m (18.4m) for the Americas. Sales by product category amounted to SEK 80.8m (89.4m) for Cabin Solutions, SEK 13.1m (11.8m) for Facility Solutions, and SEK 12.5m (22.6m) for Room Solutions. In APAC, sales were on the same level as Q4 2019. Sales of Cabin Solutions in Japan have declined in Q4 compared to the first half of the year, where the implementation of the new Health Promotion Act contributed to an exceptionally strong start to 2020. In EMEA, sales of Facility Solutions increased, with new product launches contributing positively. In the Americas, Room Solutions had a weak quarter, as the pandemic had a negative impact on new sales. Sales of rental contracts to finance companies decreased, while recurring revenues increased to 61% (42%) of total sales. An increase in the number of installed units on our balance sheet means an increase in recurring revenues. This then means an increased share of revenue in the form of current monthly rentals, and fewer contracts being sold to financial companies, which partly explains the decrease in sales compared to the same period last year. Sales for the fourth quarter were impacted by currency effects of SEK 6.6m (+5.9m) and negative currency-adjusted organic sales growth amounted to -8.7% (14.3%). During the fourth quarter, approximately SEK 2.8m was received in coronavirus-related subsidies for our operations in the USA and is booked as other income. Beyond this, we have not received any coronavirus-related contributions.

Sales by geography, SEK thousands

TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
EMEA	50 239	58 872	210 180	222 439
APAC	46 182	46 612	240 574	191 217
Americas	10 015	18 363	42 216	43 224
Total	106 436	123 847	492 970	456 879

Sales by product category, SEK thousands

TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Cabin Solutions	80 816	89 358	393 457	359 502
Facility Solutions	13 148	11 843	45 908	41 647
Room Solutions	12 472	22 646	53 605	55 730
Total	106 436	123 847	492 970	456 879

January-December 2020

Sales for January-December 2020 amounted to SEK 493.0m (456.9m), an increase of 7.9%. Recurring revenues amounted to SEK 258.7m (190.8m), corresponding to 52% (42%) of net sales during the period. Recurring revenues increased by 35%. Sales by geography for January-December 2020 amounted to SEK 210.2m (222.4m) for EMEA, SEK 240.6m (191.2m) for APAC, and SEK 42.2m (43.2m) for the Americas. Sales for January-December 2020 by product category amounted to SEK 393.5m (359.5m) for Cabin Solutions, SEK 45.9m (41.6m) for Facility Solutions, and SEK 53.6m (55.7m) for Room Solutions. During the second, third, and fourth quarters, all markets were affected by the pandemic. A positive development for the full year of 2020 is the strong sales growth in Japan and the breakthrough in Facility Solutions, driven in part by product launches. Sales in January-December 2020 were affected by negative currency effects of SEK 4.9m (24.0m) and currency-adjusted organic sales growth was 9.0% (8.0%). For the full year, approximately SEK 2.8m was received in coronavirus-related subsidies for our operations in the USA. Beyond this, we have not received any coronavirus-related contributions.

SEASONALITY

QleanAir's revenue and expenses have historically not been significantly affected by seasonality. Thanks to the Company's revenue model, which largely consists of recurring revenues from rental contracts, QleanAir has historically seen undramatic changes in both sales and operating profit between quarters.



Cleanroom at APL

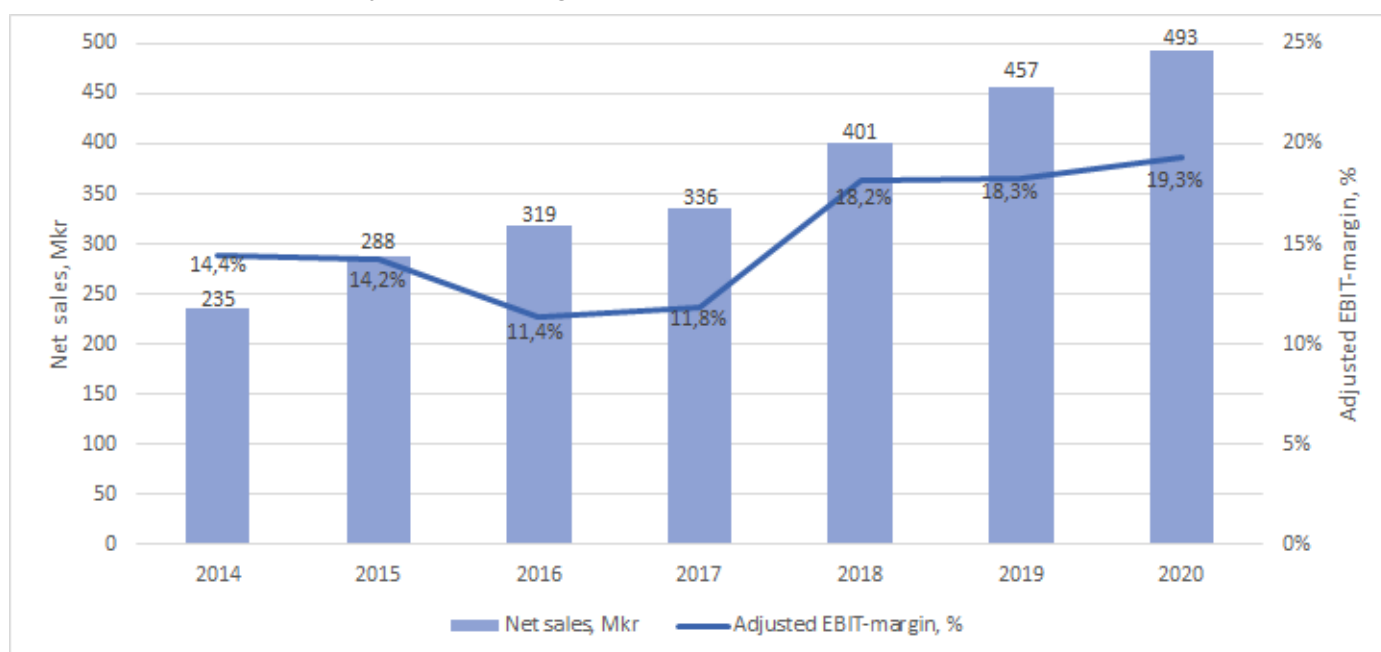
OPERATING PROFIT

In the fourth quarter of 2020, operating profit amounted to SEK 20.5m (-25.3m), and the EBIT-margin was 19.3% (-20,4%). In the fourth quarter of 2019, one-time expenses amounted to SEK 44.5m, split across one-off costs of SEK 18.4m for the listing on Nasdaq First North Premier and SEK 26.2m attributable to write-down of internal profits in 2019, because of the acquisition of SFS Finance AB. In January-December 2020, operating profit amounted to SEK 95.0m (32.1m) and the EBIT-margin was 19.3% (7.0%).

TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
EBIT	20 543	-25 268	95 038	32 073
Adjustments	0	44 545	0	51 645
Adjusted EBIT	20 543	19 277	95 038	83 719
Depreciations fixed assets incl IFRS 16 (from 1 Jan 2019)	7 675	5 653	28 711	21 487
Adjusted EBITDA	28 218	24 930	123 749	105 206

See the Annual Report 2019 for more information on adjustment items 2019.

Net sales in SEK millions and adjusted EBIT-margin



OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, sales commission to marketing partners/sales agents, rental of premises, travel expenses, and consultancy costs. In the fourth quarter, other external expenses amounted to SEK 22.5m (40.7m). The fourth quarter of 2019 includes one-off costs of SEK 18.4m for the listing on Nasdaq First North Premier. During January-December 2020, other external expenses amounted to SEK 95.9m (111.4m).

STAFF COSTS AND EMPLOYEES

During the fourth quarter, staff costs amounted to SEK 26.0m (26.6m). During January-December 2020, staff costs amounted to SEK 119.6m (104.9m). The average number of employees in the group was 106 (96). The distribution between men and women in the Group was 71 (65) men and 36 (31) women. The number of employees at the end of the period was 108 (105).

NET FINANCIAL INCOME

Net financial income for the fourth quarter amounted to SEK -1.8m (-3.7). Net financial income for the quarter includes SEK -0.1m (-0.2m) in expenses towards interest on leasing debt in accordance with IFRS 16. In January-December, net financial income amounted to SEK -9.4m (-23.2m). The change from the previous year is mainly attributable to the refinancing in connection with the listing of QleanAir.

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

Profit before tax for the fourth quarter amounted to SEK 18.7m (-29.0m). The reported tax for the period was SEK +4.0m (0.7m). Net profit for the fourth quarter was SEK 22.7m (-28.3m). Earnings per share were SEK 1.53 (-2.11) and, fully diluted, SEK 1.51 (-2.11).

Profit before tax in January-December amounted to SEK 85.6m (8.8m). The reported tax for the period was SEK -18.6m (-16.4m). The tax expense is lower for January-December 2020 compared to the same period in 2019, mainly because 2019 included interest on non-deductible shareholder loans. A new global transfer pricing policy is implemented in 2020 to achieve a more efficient tax structure. Net profit January-December was SEK 67.0m (-7.5m). Earnings per share amounted to SEK 4.51 (-0.56) and, fully diluted, SEK 4.44 (-0.56).

CASH FLOW

Cash flow from operating activities (operating cash flow) for the fourth quarter amounted to SEK 19.7m (10.2m). The increase is attributable to improved EBITDA. Cash flow from investment activities during the fourth quarter amounted to SEK -5.1m (-12.2m). In the fourth quarter, the investments mainly relate to modular units that are on rental contracts to customers.

Cash flow from operating activities, operating cash flow, for January-December amounted to SEK 72.1m (62.5m). Cash flow from investment activities in January-December amounted to SEK -26.4m (-25.8m). The investments mainly relate to modular units that are on rental contracts to customers.

CASH AND FINANCIAL POSITION

Cash at the end of the period, excluding available overdraft facilities, amounted to SEK 52.6m (57.0m). Net interest-bearing debt amounted to SEK 198.7m (236.7m) excluding rental liabilities, which are now reported as interest-bearing liabilities. The Group's total assets amounted to SEK 581.7m (603.0m). Fixed assets amounted to SEK 417.8m (423.5m) and can be primarily attributed to goodwill SEK 343.7m (343.7m). Book value for equipment and installed units amounted to SEK 46.5m (39.8m). Carrying amounts of assets and liabilities are generally consistent with fair value.

GOODWILL

Goodwill is entirely attributable to QleanAir Holding AB's acquisition of the operating subsidiary QleanAir Scandinavia AB, and stems from the change of ownership that took place in 2012. The goodwill item is impairment tested annually by comparing value in use, based on the discounted value of future cash flows, with the book value. This year, the possible effects of the pandemic have been considered separately. The impairment test done shows no need for impairment of the goodwill item.

INVESTMENTS

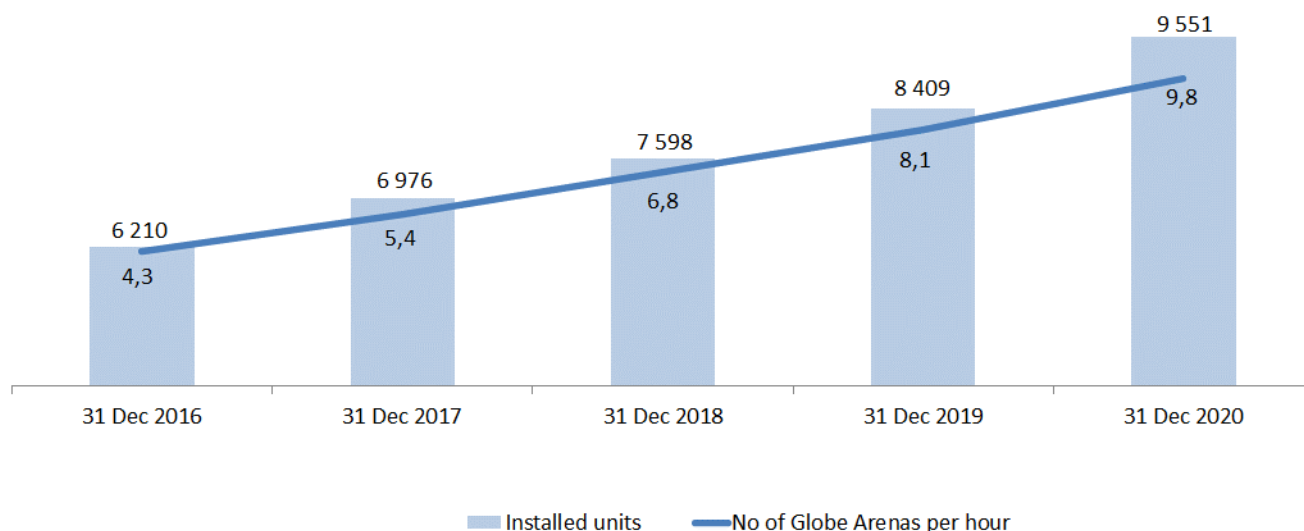
Investments in the fourth quarter amounted to SEK 5.1m (12.2m). In the January to December period, investments amounted to SEK 26.4m (25.8m). The investments mainly relate to modular units that are rental contracts to customers.

SUSTAINABILITY

The QleanAir Group has a long tradition of caring for the important things in life. Environmental problems, health, and safety have been priorities for QleanAir for decades. For more than 20 years, QleanAir has been working to develop solutions that protect people from indoor air pollution. QleanAir's operating subsidiary, QleanAir Scandinavia AB, is ISO certified for quality, (ISO 9001) and environment (ISO-14001). QleanAir's circular business model is based on leasing

modular units with a performance guarantee. The units are 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, quality and environmental policy, marketing policy, and health and safety policy. The Group has been measuring the amount of air cleaned per hour ever since 2015. The Sustainability Report for 2020 will be available on April 19, 2021, at www.qleanair.com.

Total units and indoor air cleaned per month, measured in billions of cubic meters of cleaned indoor air, and translated into units matching the Ericsson Globe arena in Stockholm per hour



RISKS

QleanAir is exposed to market risk and to currency risk, interest rate risk, and certain other price risks, because of both operating and investment activities. One market risk in EMEA and APAC is from legislation on tobacco smoking. QleanAir is exposed to various financial risks in terms of financial instruments, in particular market risk, credit risk, and liquidity risk. Risk management focuses on managing financial risks through a centralized finance function.

The Board continues to believe that the outbreak of Covid-19 primarily affects new sales and thus financial development. Management and the Board of Directors are actively monitoring developments, taking ongoing measures to limit negative effects on the business.

For more information about the Company's risks, see QleanAir's Annual Report for 2019, available at www.qleanair.com.

Parent company

Sales for the parent company for the fourth quarter of 2020 amounted to SEK 2.6m (2.6m). For January – December 2020, net sales amounted to SEK 10.2m (10.2m). Profit for the fourth quarter was SEK 32.0m (-5.3m). For January – December 2020, profits amounted to SEK 13.4m (-26.5m). QleanAir Holding AB, CRN 556879-4548, is a Swedish limited liability company with its registered office in Solna, Sweden.

DISPUTES

The Group had no pending disputes.

RELATED PARTY TRANSACTIONS

The Group had no transactions with related parties.

SHARE CAPITAL, SHARE, AND OWNERSHIP

The total number of shares as of 31 December 2021 was 14,859,200, and the share capital was SEK 7.4m. After full dilution, the number of shares amounts to 15,082,088. The dilution consists of a maximum of 222,888 options issued to employees in management positions. The decision to issue the options was taken on June 26, 2020. The options may be used to acquire new shares during the period from 1 July 2023 to 31 January 2024. The maximum dilution effect of the 222,888 options issued in relation to the number of shares is 1.5%. The average number of shares in January-December 2020 was 14,859,200 before dilution and 14,989,218 after full dilution. All shares are ordinary shares with equal voting rights. The shares have a par value of SEK 0.5 per share. QleanAir Holding AB is listed on the Nasdaq First North Premier Growth Market. FNCA is the certified advisor, tel. +46 8 528 00 399.

2020-12-31	
Shareholder	%, capital and votes
Qevirp 41 Ltd	40,7%
JP Morgan Bank Lux.	9,3%
Livförsäkringsbolaget Skandia	4,8%
Avanza Pension	3,2%
Nordnet Pension	2,9%
LGT Bank Ltd	2,7%
Taaleri Nordic Value Equity Fund	2,7%
Enter Småbolagsfond	2,1%
Sensor Sverige Select	2,0%
JP Morgan Chase Bank London	1,7%
Summa tio största aktieägare	72,1%
Övriga aktieägare	27,9%
Summa	100,0%

CALENDAR

- 19 April 2021: Publication of Annual Report 2020
- 12 May 2021: First quarter 2021
- Annual General Meeting 2021: 12 May 2021
- 12 August 2021: Second quarter and the first half of 2021
- 11 November 2021: Third quarter 2021
- 11 February 2022: Fourth quarter and full-year 2021

OTHER INFORMATION

The interim report provides a true and fair account of the Group's operations, financial position, and results. If there are discrepancies between the English and Swedish versions, the Swedish version will prevail.

QleanAir Holding AB is required to make this information public pursuant to the EU Market Abuse Regulation. The information was submitted through the agency of the contact person below, for publication on 15 February 2021, at 08:00 CET.

AUDITOR'S REVIEW

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

PRESENTATION

QleanAir will be holding a conference call/audio cast on 15 February 2021 at 10:00 am. The Company's CEO, Christina Lindstedt, and CFO, Henrik Resmark, will present the Company's quarterly report in English.

Here is the link to follow the presentation on the web: <https://tv.streamfabriken.com/qleanair-holding-q4-2020>

Phone number to dial in and listen to the presentation:

SE +46850558358 UK +443333009032 US: +18335268395

For more information, please contact:

Christina Lindstedt, CEO, tel. +46 (0)70-677 28 77 or Henrik Resmark, CFO, tel. +46 (0)70 260 09 17.

Solna, 15 February 2021

Board of Directors of QleanAir Holding AB

Bengt Engström, Chairman

Johan Westman

Mats Hjerpe

Maria Perez Hultström

Christina Lindstedt, CEO

CONSOLIDATED INCOME STATEMENT, SUMMARY

TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales	106 436	123 847	492 970	456 879
Other income	2 831	0	2 831	114
Sales	109 267	123 847	495 801	456 993
Cost of goods sold	-32 567	-49 965	-156 567	-160 959
Gross profit	76 700	73 882	339 234	296 034
Other external costs	-22 500	-40 716	-95 872	-111 395
Personnel costs	-25 982	-26 585	-119 614	-104 883
Depreciation of tangible and intangible assets	-7 675	-31 848	-28 711	-47 682
Operating income	20 542	-25 267	95 038	32 073
Financial income	0	487	55	503
Financial expenses	-1 842	-4 206	-9 475	-23 739
Income before tax	18 700	-28 986	85 618	8 837
Deferred tax	-1 003	5 345	-6 798	5 374
Tax on result for the period	5 045	-4 610	-11 815	-21 732
Net result for the period	22 742	-28 251	67 005	-7 521
Profit/Loss attributable to:				
Shareholders parent company	22 742	-28 252	67 005	-7 521
Non-controlling interest	0	0	0	0
Net result for the period	22 742	-28 252	67 005	-7 521
Earnings per share basic, SEK	1,53		4,51	-0,56
Earnings per share basic, after dilution, SEK	1,51		4,44	-0,56
Net result for the period	22 742	-28 252	67 005	-7 521
Currency translation differences foreign subsidiaries	-6 688	-4 954	-8 104	1 605
Total result for the period	16 054	-33 206	58 901	-5 916
Profit/loss attributable to:				
Shareholders parent company	16 054	-33 206	58 901	-5 916
Non-controlling interest	0	0	0	0
Total net result for the period	16 054	-33 206	58 901	-5 916

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

TSEK	2020-12-31	2019-12-31
ASSETS		
Capitalized development cost	8 046	5 934
Goodwill	343 704	343 704
Intangible fixed assets	351 750	349 637
Leasing (IFRS 16)	15 662	22 632
Tangible fixed assets	46 470	39 813
Tangible fixed assets	62 132	62 445
Deferred tax	4 624	11 427
Fixed assets	418 506	423 509
Inventories	27 069	32 147
Account receivables	34 237	35 936
Tax receivables	8 092	0
Other receivables	9 999	11 296
Prepaid costs and accrued income	34 659	43 068
Cash and bank	52 600	56 994
Current assets	166 655	179 441
TOTAL ASSETS	585 161	602 950
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	7 430	7 430
Additional paid in capital	121 401	121 140
Translation differences	-2 835	5 269
Balanced result	-36 093	-28 572
Result for the period	67 005	-7 521
Shareholders' Equity	156 907	97 746
Long term interest bearing liabilities	230 388	249 684
Other liabilities (IFRS 16)	6 643	14 053
Long term liabilities	237 031	263 737
Short term interest bearing liabilities	20 863	18 671
Overdraft facility	0	18 677
Accounts payable	25 194	41 496
Tax liabilities	0	1 626
Other short term liabilities	11 599	9 803
Other liabilities (IFRS 16)	9 705	9 351
Accrued expenses and deferred income	123 862	141 843
Current liabilities	191 223	241 467
Liabilities	428 253	505 204
TOTAL EQUITY AND LIABILITIES	585 161	602 950

Short-term and long-term liabilities to credit institutions have been recognized net after deduction of the set-up fee for the banking facilities, in accordance with IFRS.

CONSOLIDATED SUMMARY OF CHANGES IN EQUITY, SUMMARY

2020, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance equity 2020-01-01	7 430	121 140	5 269	-36 093	97 746
Net result for the period				67 005	67 005
Payment of warrants		261			261
Other result			-8 105		-8 105
Closing balance 2020-12-31	7 430	121 401	-2 836	30 912	156 907

2019, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance equity 2019-01-01	6 642	58 929	3 664	-5 261	63 974
Adjustments to IFRS 16				-480	-480
Changed accounting internal sales				1 284	1 284
Adjusted opening balance equity 2019-01-01	6 642	58 929	3 664	-4 457	64 778
Net result for the period				-7 521	-7 521
New issue 2019 through set off	788	62 212			63 000
Acquisition SFS Finance				-24 116	-24 116
Other result			1 605		1 605
Closing balance 2019-12-31	7 430	121 141	5 269	-36 094	97 746

CONSOLIDATED CASH FLOW ANALYSIS, SUMMARY

TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Operating activities				
Operating income	20 542	-25 268	95 038	32 073
Adjustment for non-cash items	4 286	31 092	18 188	46 706
Net finance effect	-2 976	-8 837	-11 633	-12 215
Tax paid	7 428	-3 486	-22 251	-21 675
Total	29 280	-6 499	79 342	44 889
Decrease (+)/Increase (-) inventories	1 836	-2 577	-4 032	-8 390
Decrease (+)/Increase (-) account receivables	-9 574	-2 784	-1 319	5 032
Decrease (+)/Increase (-) current assets	4 995	21 235	6 699	2 778
Decrease (-)/Increase (+) account payables	1 913	-1 496	-14 411	12 430
Decrease (-)/Increase (+) current liabilities	-8 795	2 353	5 855	5 758
Cash-flow from operations	19 654	10 232	72 133	62 498
Investing activities				
Investments in intangible assets	-1 043	-475	-4 875	-1 774
Investments in tangible assets	-4 060	-5 165	-21 483	-17 447
Acquisition	0	-6 603	0	-6 603
Cash flow from investing activities	-5 102	-12 243	-26 357	-25 824
Financing activities				
New loans	0	277 254	0	277 254
Amortization of loan	-33 802	-295 897	-47 446	-334 615
Payment of warrants	0	0	260	0
Cash flow from financing activities	-33 802	-18 643	-47 185	-57 361
Cash flow for the period	-19 250	-20 654	-1 409	-20 688
Opening cash balance	74 379	80 804	56 994	74 935
Exchange rate differences on financial items	-2 528	-3 156	-2 985	2 747
Closing cash balance	52 600	56 994	52 600	56 994

PARENT COMPANY INCOME STATEMENT, SUMMARY

TSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales	2 550	2 550	10 200	10 200
Other external costs	-2 974	-19 030	-9 737	-20 116
Personnel costs	-2 260	-2 663	-7 993	-7 897
Depreciation on intangible assets	-2 063	-2 064	-8 254	-8 254
Operating profit	-4 748	-21 207	-15 784	-26 067
Interest costs and similar profit/loss items	-2 349	-5 055	-9 866	-21 370
Result after financial items	-7 097	-26 262	-25 650	-47 437
Group contribution	45 000	21 000	45 000	21 000
Tax on result for the period	-5 919	-14	-5 919	-14
Net result for the period	31 985	-5 276	13 431	-26 451

PARENT COMPANY BALANCE SHEET, SUMMARY

TSEK	2020-12-31	2019-12-31
<i>Intangible assets</i>		
Goodwill	50 209	58 462
<i>Financial assets</i>		
Shares in Group companies	429 000	429 000
Total fixed assets	479 209	487 462
Current tax receivables	654	457
Other receivables	43	2 290
Prepaid expenses and accrued income	5 138	6 357
Cash and bank	2 203	728
Total current assets	8 039	9 832
Total assets	487 248	497 295
Shareholders' equity	7 430	7 430
Premium reserve	87 379	113 569
Profit/loss for the period	13 431	-26 451
Total equity	108 240	94 548
Long term interest bearing liabilities	234 375	255 000
Total long term liabilities	234 375	255 000
Short term interest bearing liabilities	20 000	20 000
Accounts payable	1 530	9 151
Liabilities to Group companies	111 340	109 990
Other current liabilities	6 293	0
Accrued expenses and prepaid income	5 470	8 606
Total current liabilities	144 633	147 747
Total equity and liabilities	487 248	497 295

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 Annual Accounts Act and RFR 2 Financial Statements for Legal Entities, published by the Swedish Financial Reporting Board.

The accounting principles applied are in line with previous financial years, as described in the Annual Report for 2019.

Reporting of government aid/grants as a result of the COVID-19 pandemic

As a result of the COVID-19 pandemic, the company has received government aid related to staff costs in one market. The company reports this aid as other operating income, in accordance with IAS 20 — Accounting for Government Grants and Disclosure of Government Assistance. The aid will be stated on the income statement and balance sheet when it can be said with reasonable certainty that the aid will be obtained and any conditions for the aid are met.

New or revised IFRS and interpretations from IFRIC effective from 1 January 2020 have not had a material impact on the Group's financial statements.

Segment

QleanAir has one segment which reflects the Group's operations, financial management, and management structure.

Financial instruments and currency exposure

Most of the Group's transactions are made in euro and Japanese yen. Exposure to exchange rate changes stems from the Group's sales to, and purchases from, other countries.

Valuation criteria applied in the preparation of the financial statements

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

Assessments and estimates in the financial statements

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates and make assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these assessments and estimates, and the assumptions are reviewed regularly. Changes in estimates are recognized in the period when the change is made if the change only affects that period, or in the period when the change is made and future periods if the change affects both current and future periods.

Impairment testing of goodwill and shares in subsidiaries

To assess the need for impairment, group 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 flow. Uncertainties lie in the assumptions regarding future operating results and the setting of an appropriate discount rate.

Adjustments, rounding

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

NOTES

Distribution of revenue

QleanAir's geographical markets are "EMEA", including Germany, Austria, Switzerland, the Netherlands, Belgium, France, Poland, and the Nordic countries, along 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, Facility Solutions and cleanrooms and lounges (Room Solutions). Net sales by geography and product category, as well as revenue types, are shown on pages 5 and 6.

Currency effects and organic growth

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales, TSEK	106 436	123 847	492 970	456 879
Growth Net sales, %	-14,1%	20,0%	7,9%	13,9%
Currency exchange variances, TSEK	-6 632	5 859	-4 939	23 980
Currency exchange variances, %	-5,4%	5,7%	-1,1%	6,0%
Organic growth Net sales, TSEK	-10 778	14 779	41 031	31 941
Organic growth Net sales, %	-8,7%	14,3%	9,0%	8,0%

Alternative performance measures

The Company adheres to the guidelines from ESMA (the European Securities and Markets Authority) on alternative performance measures. Alternative performance measures refer to financial measures that cannot be directly deduced or derived from financial statements. These financial measures are intended to make it easier for management and investors to analyze the Group's development. Investors should regard these alternative ratios as a supplement to the financial reporting prepared in accordance with IFRS. As not all companies calculate financial measures, in the same way, these are not always comparable with measures used by other companies.

Performance measures	Definition and purpose
Order intake	Order intake are defined as longer rental contracts with a defined end date and sales of products.
Sales	Net sales including other operating revenue. The measure shows the Company's total sales.
Gross profit	Sales minus cost of goods.
Gross margin	Gross profit as a percentage of sales.
EBITDA	Operating profit (earnings) before depreciation and amortization. The measure is used to show the profitability of the business before depreciation and amortization.
Adjusted EBITDA	Operating profit before depreciation and amortization, adjusted for costs for non-operating one-off items, such as transaction costs. The measure is used to show the earning capacity of the business before depreciation and amortization, without considering one-off items.
EBITDA margin	Operating profit before depreciation and amortization as a percentage of turnover. The measure is used to measure operating profitability before depreciation and amortization.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of sales. The measure is used to measure operating profitability, regardless of depreciation and amortization, excluding one-off items.
Operating profit (EBIT)	Profit before financial items and tax. The measure shows the Company's operational profitability.
Adjusted EBIT	Operating profit before financial items and tax, adjusted for non-operational one-off items, such as transaction costs. The measure is used to show the earning capacity of the business before financial items and tax, without regard to one-off items.
EBIT-margin	Operating profit as a percentage of sales. The measure is used to measure operating profitability after depreciation and amortization.
Adjusted EBIT-margin	Adjusted EBIT as a proportion of sales. The measure is used to show the profitability of the business before financial items and tax without regard to one-off items.
Operating cash flow	Net investment in material and immaterial fixed assets deducted from adjusted EBITDA and adjustment for changes in working capital. Operational cash-flow shows to track the cash-flow generated from the company's ongoing operations.
Working capital	Current assets excluding cash and cash equivalents less short-term liabilities (non-interest bearing).
Average capital employed	Average equity and interest-bearing liabilities during the period. The measure is used to analyze how much capital is employed in the Company during the period.
Net interest-bearing debt	Interest-bearing short- and long-term liabilities less cash and cash equivalents. Does not include IFRS 16 items. The measure shows the Company's financial position.
Solvency ratio	Equity as a share of the Company's total assets. The measure is used to assess the Company's financial stability.

Net debt/equity ratio	Interest-bearing liabilities less cash and cash equivalents, divided by equity. Does not include IFRS 16 items. The net debt/equity ratio is stated as the Company finds that the measure 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. The measure has been included to make it easier for investors to get an idea of the Company's profitability in relation to the capital employed in the business during the year. Adjusted EBIT is stated as the Company finds that it excludes the effect of one-off items, which allows a comparison of the underlying operating profitability.
Recurring revenues	Recurring revenues is defined as revenue from rental contracts on our balance sheet, service agreements and consumables.
Earnings per share	Earnings per share have been adjusted for the 2019 share split for comparability.

Quarterly information

	Oct-Dec 2020	July-Sept 2020	April-June 2020	Jan-March 2020	Oct-Dec 2019	Jul-Sept 2019	April-June 2019	Jan-March 2019	Oct-Dec 2018
Sales, TSEK	106 436	104 851	137 002	144 681	123 847	119 018	108 997	105 151	103 209
Installed units	9 551	9 406	9 217	8 638	8 409	8 087	7 928	7 774	7 598
Recurring revenues, TSEK	64 629	64 872	64 833	64 354	51 775	48 260	47 488	43 665	42 965
Order intake, TSEK	66 592	54 442	62 424	124 134	102 466	89 540	87 753	86 223	74 712
Gross profit, TSEK	76 700	70 669	93 582	98 283	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	72,1%	67,4%	68,3%	67,9%	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	28 217	24 858	32 400	38 272	24 931	26 384	27 677	28 835	29 252
Adjusted EBITDA-margin, %	26,5%	23,7%	23,6%	26,5%	20,1%	22,2%	25,4%	27,4%	28,3%
Adjusted EBIT, TSEK	20 542	17 837	25 308	31 351	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	19,3%	17,0%	18,5%	21,7%	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	19 654	22 408	34 880	-4 810	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-46 599	-57 835	-59 032	-56 804	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	415 331	421 941	423 625	395 989	394 811	421 063	416 087	413 132	410 749
Net debt, excl. IFRS16, TSEK	198 651	207 273	223 156	242 223	236 684	250 660	259 029	265 833	260 560
Equity/Asset ratio, %	26,8%	22,7%	20,9%	18,5%	16,2%	14,1%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	1,3	1,5	1,7	2,0	2,4	2,7	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	22,9%	22,2%	22,9%	23,1%	21,2%	19,0%	19,5%	20,5%	17,8%

ABOUT QLEANAIR

QleanAir is a niche supplier of premium solutions in the market for air cleaning of indoor environments. The Company's business model is based on the leasing of modular solutions with a full-service offer. QleanAir's solutions are based on filter technology which captures, filters, and recycles indoor air. QleanAir is headquartered in Solna, Sweden.

BUSINESS CONCEPT

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

VISION

QleanAir aims to be a world-leading supplier of independent solutions for air cleaning of indoor environments in the product areas in which the Company chooses to work.

MISSION

QleanAir works to create healthy indoor environments that help to improve the productivity of people, products, and processes.

VALUES

For working environment and health with quality and confidence.

FINANCIAL TARGETS

Growth

QleanAir's goal is to achieve average annual organic growth in sales of approximately 10 percent in the medium term.

Profitability

QleanAir's goal is to achieve an EBIT-margin of 15-20 percent in the medium term.

Dividend policy

QleanAir's goal is that between 30-50 percent of the profit for the year should be paid out as dividends. The proposed dividends shall consider QleanAir's long-term development potential.



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