

YEAR-END REPORT 2019 FOURTH QUARTER



Oct – Dec 2019 in summary

- Order intake SEKm 102.5 (74.7)
- Sales SEKm 123.8 (103.1)
- Operating profit SEKm -25.3 (8.1)
- Adjusted EBIT¹ SEKm 19.3 (15.6)
- Adjusted EBIT-margin¹ 15.6 % (15.1)
- Net profit SEKm -28.3 (-2.1)
- Earnings per share SEK -2.11 (-0.16)
- Cash-flow from operations SEKm 10.2 (32.3)

Jan – Dec 2019 in summary

- Order intake SEKm 366.0 (313.4)
- Sales SEKm 456.9 (400.8)
- EBIT SEKm 32.1 (61.8)
- Adjusted EBIT¹ SEKm 83.7 (73.1)
- Adjusted EBIT-margin¹ 18.3 % (18.2)
- Net profit SEKm -7.5 (21.0)
- Earnings per share SEK -0.56 (1.58)
- Cash-flow from operations SEKm 62.5 (69.3)
- The Board of Directors is proposing a dividend of 0.25 SEK per share (0.00)

IMPORTANT EVENTS

- QleanAir's share was listed on Nasdaq First North Premier Growth Market on December 12, 2019
- New financing in association with the listing and the acquisition of SFS Finance

"The fourth quarter can be summarized with a strong order intake +37% and strong sales growth +20%. The product categories developed well. Facility Solutions growth +10% mainly in Europe and Room Solutions increased +16% in the US market. Cabin Solutions had a strong quarter +23% with stable development in Europe and robust development in Japan", comments Andreas Göth, CEO, QleanAir.

	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
Order intake, TSEK	102 466	74 706	365 979	313 379
Sales, TSEK	123 847	103 210	456 993	401 072
Recurring revenue from units in own balance sheet, %	42%	42%	42%	41%
EBITDA, TSEK	6 581	11 753	79 756	72 899
EBITDA-margin, %	5,3%	11,4%	17,5%	18,2%
Adjusted EBITDA, TSEK	24 931	19 252	105 206	84 198
Adjusted EBITDA-margin, %	20,1%	18,7%	23,0%	21,0%
EBIT, TSEK	-25 268	8 127	32 073	61 793
EBIT-margin, %	-20,4%	7,9%	7,0%	15,4%
Adjusted EBIT, TSEK	19 278	15 626	83 719	73 092
Adjusted EBIT-margin, %	15,6%	15,1%	18,3%	18,2%
Result for the period, TSEK	-28 252	-2 125	-7 521	21 003
Earnings per share, SEK	-2,11	-0,16	-0,56	1,58
Cash flow from operations, TSEK	10 233	32 307	62 498	69 273
Net working capital, TSEK	-72 321	-47 625	-72 321	-47 625
Equity/Asset ratio, %	16%	11%	16%	11%

¹ For definition of alternative key ratios see page 19. TSEK means SEK in thousands. SEKm means SEK in millions. EBITDA 2019 is affected by IFRS 16 that is applied from January 1, 2019.

CEO comment

Strong fourth quarter 2019 QleanAir now in position for continued profitable growth

Order intake remained strong in the fourth quarter and increased to SEK 102.5 (74.7) million, an increase of 37 percent. Our investments in new product categories within clean indoor air have developed according to plan. As a result, both sales and underlying adjusted EBIT increased. Sales increased by 20 percent in the fourth quarter to SEK 123.8 (103.1) million and, adjusted for exchange rate differences, organic growth amounted to 14.3 (4.3) percent. By way of comparison, our medium-term financial goal is growth of around 10 percent per year. EBIT excluding items affecting comparability for the fourth quarter increased by 24 percent to SEK 19.3 (15.6) million, corresponding to an adjusted EBIT margin of 15.6 (15.1) percent. By way of comparison, our financial target is to achieve an adjusted EBIT margin of 15 to 20 percent in the medium term. Sales for the full year increased by 13.9 percent to SEK 456.9 (401.1) million. Adjusted for exchange rate differences, organic growth amounted 8.0 (14.0) percent. EBIT excluding items affecting comparability increased by 13 percent to SEK 83.7 (73.1) million, corresponding to an adjusted EBIT margin of 18.3 (18.2) percent. In December QleanAir successfully listed on Nasdaq First North Premier Growth Market. In connection with the listing a new financing solution was presented that creates a stable financial position for the company's continued growth.

Our investments in new product categories provide a clear direction

Our European sales organization focus on activities designed to grow Facility Solutions within prioritized segments such as logistics, food production and lighter manufacturing. A number of new contracts were signed during the fourth quarter in Sweden and Germany. Sales of Facility Solutions in the fourth quarter increased by 10 percent to SEK 11.8 (10.7) million. In the USA, QleanAir has continued to sign contracts for clean rooms and sales of Room Solutions increased by 15.9 percent to SEK to 22.6 (19.5) million. We are in an exciting phase right now. The organization is working intensively right now in relation to the ongoing installations of clean rooms in the USA. The investment in the new product categories Facility Solutions and Room Solutions is beginning to show through in sales and earnings. The new product categories accounted for 27.8 (29.2) percent of sales in the fourth quarter. In 2019, sales from the new product categories amounted to 21.3 (21.8) percent. The strong sales growth for Cabin Solutions, especially in Japan, meant that the relative proportion of sales for the new product categories fell somewhat despite good growth in the new product areas. The underlying markets are strong. In the USA, new rules and regulations on the handling of certain drugs are driving demand for our new clean rooms at hospital pharmacies. In Europe, the need for improved work environments and demand for cleaner industrial processes is driving demand for solutions in logistics, production and food processing. Air quality is an increasingly prioritized issue for European companies.

Clean air as a service creates customer value

In 2019, the number of installed units increased by 10.5 percent to around 8.400 (7.600) at the end of the year, while the customer base consists of over 2.500 customers. In the case of Cabin Solutions, the office segment in Tokyo continued to grow strongly while at the same time Europe contributed to profits. During the fourth quarter, we received a number of larger orders for Cabin Solutions in Japan, including from a large company within the transport sector. In Japan, the market is driven by new legislation, "the Health Promotion Act" that among other health related matters, includes tougher requirements on health and safety concerning tobacco smoking. This legislation comes into force on 1 April 2020. For us, customer value concerns the total solution, clean air as a service. QleanAir resolves customer indoor air problems by signing rental agreements with service and performance guarantees. Our customers renewed/extended and strengthened their relationship with QleanAir in 2019. The fact that the proportion of our long-term rental contracts that were renewed/extended in both the fourth quarter and for 2019 as a whole exceeded 75 percent, demonstrates the strength of our business model. The proportion of recurring revenues from units in our own balance sheet remained unchanged at 42 percent in the fourth quarter.

Profitable growth in focus

Overall, I can look back on 2019 with great satisfaction. Not only have we implemented a large number of activities for our new product categories, Facility Solution, Room Solutions, the listing on Nasdaq First North Premier Growth Market and built up our sales organization, but we have also been able to focus on profitable growth at the same time within our original product category, Cabin Solutions. QleanAir has a production partner in China that serves the Japanese market in particular but also deliver components to Europe. We are keeping a close eye on the development of the corona virus. It is too early to say how this will affect us.

In association with the listing, we renegotiated the company's existing loan structure, which will reduce our financial costs over time and assure financial flexibility. The QleanAir share is traded since December 12, 2019, on Nasdaq First North Premier Growth Market with the ticker symbol QAIR.

QleanAir is based on creating healthy indoor environments that help improve the productivity of employees, along with products and processes. This is our mission and the basis of our company culture and the path to achieving our long-term goals. In December 2019, the Company was purifying 3.5 (2.9) m3 billion m3 of air per month, an increase of 20 percent compared to December 2018. In 2019, QleanAir as an organization has proven its capacity to live up to the values and challenges we are facing, something that makes me both proud and optimistic about the future.

A big thank you to everyone in the QleanAir team.

Andreas Göth, CEO QleanAir Holding AB

Solna on February 20, 2020



FINANCIAL PERFORMANCE

QleanAir's geographical home markets are "EMEA" (Germany, Austria, Switzerland, The Netherlands, Belgium, France, Poland and the Nordic region), "APAC" (Japan) and "Americas" (USA). QleanAir has three product categories; our original product category Cabin Solutions which minimize exposure to harmful tobacco smoke, general air cleaning solutions for industrial facilities, Facility Solutions, and clean rooms, i.e. for hospital indoor environment "Room Solutions". The Group's sales consist of revenues from the sale of rental contracts to finance companies, rental contracts, service revenues, consumables and product sales.

ORDER INTAKE

Order intake for the fourth quarter amounted to SEKm 102.5 (74.7), a 37 percent increase. For the period January-December 2019, order intake amounted to SEKm 366.0 (313.3), an increase of 17 percent. Geographically, EMEA generated 26 (52) percent of the order intake during the fourth quarter, APAC represented 62 (40) percent and Americas 12 (8) Percent. For the full year 2019 EMEA represented 38 (51) percent of the order intake, APAC 47 (34) percent and Americas 15 (15) percent.

Order intake per geography, TSEK

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
EMEA	26 310	39 061	139 685	160 073
APAC	64 024	29 782	170 462	107 483
Americas	12 128	5 868	55 831	45 691
Total	102 463	74 711	365 979	313 247

SALES

October–December 2019

Sales in the fourth quarter amounted to SEKm 123.8 (103.1), a 20 percent increase. Of fourth quarter sales per geography, SEKm 58.9 (57.5) million came from EMEA, SEKm 46.6 (29.6) from APAC, SEKm 18.4 (16.1) from Americas. Sales per product category amounted to SEKm 89.4 (72.9) for Cabin Solutions, SEKm 11.8 (10.7) for Facility Solutions and SEKm 22.6 (19.5) for Room Solutions. In APAC, Japan contributed with strong new sales, renewals and extensions of rental contracts for Cabin Solutions. In the Americas, sales of Room Solutions developed well with an increased order intake. In EMEA, sales from Facility Solutions developed according to plan and several new contracts were signed in Sweden and Germany. Currency conversion differences positively affected sales for the quarter of SEKm 5.9 (6.2). Adjusted for currency effects, organic sales growth for the quarter was 14.3 (4.3) percent.

Sales per geography, TSEK

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
EMEA	58 872	57 461	222 438	223 602
APAC	46 612	29 625	191 217	142 395
Americas	18 363	16 063	43 224	34 816
Total	123 846	103 149	456 878	400 813

Sales per product category, TSEK

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
Cabin Solutions	89 357	72 941	359 502	313 181
Facility Solutions	11 843	10 732	41 647	41 396
Room Solutions	22 646	19 475	55 730	46 236
Total	123 845	103 148	456 878	400 813

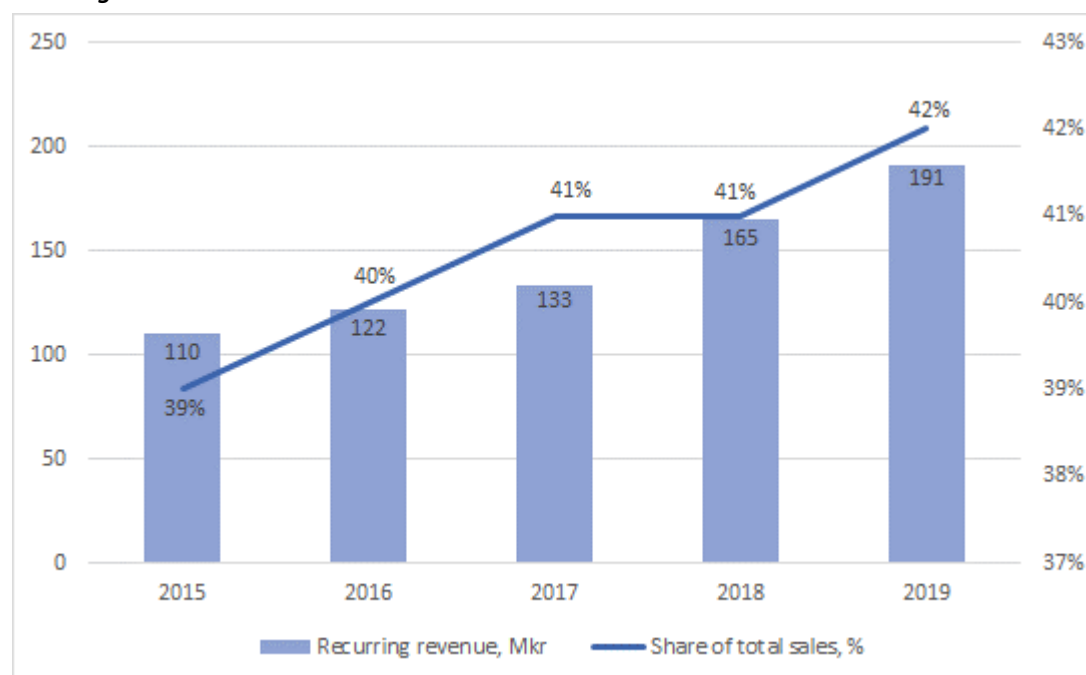
January–December 2019

Sales for the full year 2019 amounted to SEKm 456.9 (400.8). The recurring revenues amounted to SEKm 190.8 (164.9) or 42 (41) percent of total sales for the period. Sales by geographic area for the period amounted to SEKm 222.4 (223.6) for EMEA, SEKm 191.2 (142.4) for APAC and SEKm 43.2 (34.8) for Americas. Sales per product category amounted SEKm 359.5 (313.2) for Cabin Solutions, SEKm 41.61 (41.4) for Facility Solutions and SEKm 55.7 (46.2) for Room Solutions. Americas has continued to develop well and in APAC, Japan contributed with strong new sales, renewals and extensions of rental contracts for Cabin Solutions. In EMEA, sales from Facility Solutions were slightly weaker than expected during the first nine months. In the fourth quarter sales for Facility Solutions in Europe developed as planned and several new contracts were signed in Sweden and Germany. Room Solutions developed well with a sales growth of 20 percent for the full year. Several rental contracts for Cabin Solutions were renewed/extended during the year. The office segment in Tokyo continued to grow, driven by the new regulation. Currency conversion differences positively affected the sales for the quarter by SEKm 24.0 (17.9). Adjusted for currency effects, organic sales growth for the period was 8 percent (14).

Sales per type of revenue, TSEK

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
Sales to finance companies	43 218	47 552	204 528	205 813
Recurring revenues, units in balance sheet, service, consumables	51 775	42 965	190 764	164 882
Product sale to end customer	28 854	12 630	61 587	30 117
Total	123 847	103 148	456 879	400 812

Recurring revenues



SEKm in recurring revenues from rental contracts for modular units on our own balance sheet, service agreements and consumables and as a proportion of total sales.

SEASONAL VARIATIONS

Historical revenues and costs have not been significantly affected by season variations for QleanAir, thanks to the company's revenue model, which largely consists of recurring revenues from rental contracts. The company has historically not experienced significantly fluctuating revenues and operating profits between quarters.

ADJUSTED EBIT AND ADJUSTED EBIT-MARGIN

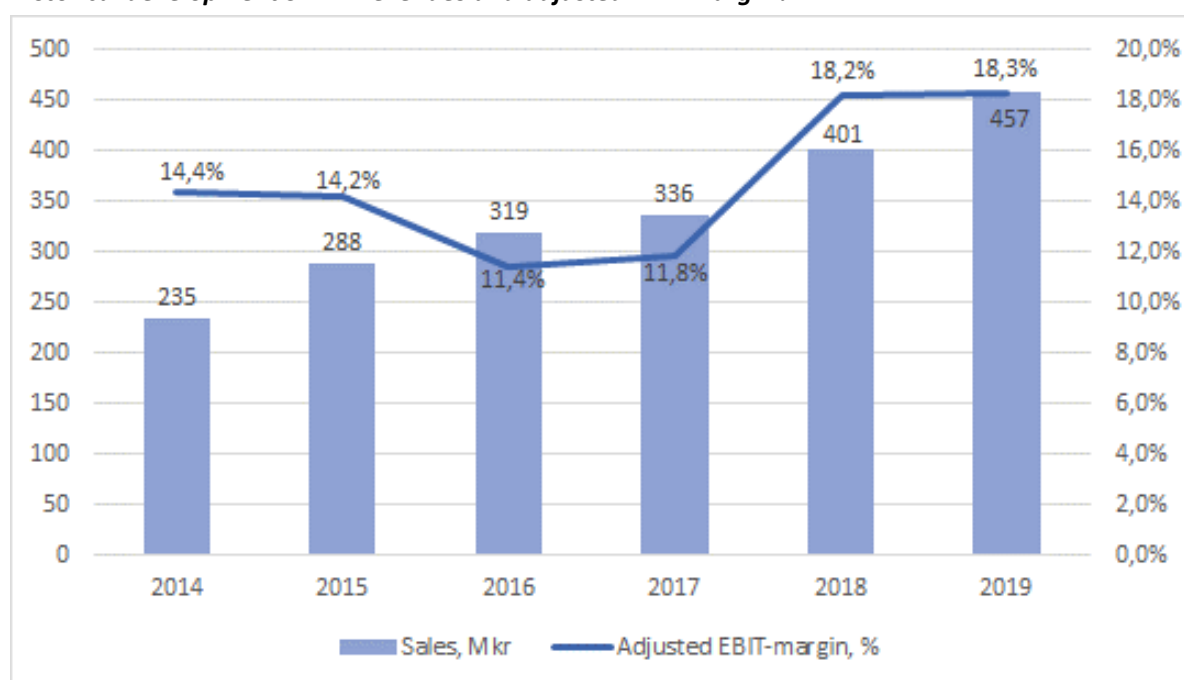
Adjusted EBIT for the fourth quarter amounted to SEKm 19.3 (15.6) and adjusted EBIT-margin amounted to 15.6 (15.1) percent for the quarter. The fourth quarter 2019 result has been adjusted for non-recurring items of SEKm 18.4 for the listing and SEKm 26.2 for depreciations related to internal profit from the acquisition of SFS Finance AB. Adjusted EBIT for the full year 2019 amounted to SEKm 83.7 (73.1). The result for 2019 has been adjusted for non-recurring items in the fourth quarter and non-recurring items accounted for in the third quarter 2019 of SEKm 3.6 to upgrade the installed base in Japan prior to the new regulations coming into force 2020 and a non-recurring cost of SEKm 3.5 to terminate an agreement with a partner on the German market. The third quarter of 2019 has been adjusted for a non-recurring cost of SEKm 3.6 to upgrade the installed base in Japan prior to new regulations coming into force in 2020 and a non-recurring cost of SEKm 3.5 to terminate an agreement with a partner on the German market. The increased adjusted EBIT-result and margin is related to the increase in sales. Adjusted EBIT for 2018 has been adjusted for non-recurring costs such as for restructuring in The Netherlands and Sweden. Adjusted EBIT-margin for the period amounted to 18.3 (18.2) percent. Adjusted EBITDA, earnings capacity before depreciation and non-recurring costs are shown in the table below.

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
EBIT	-25 268	8 127	32 073	61 793
Adjustments	44 545	7 499	51 645	11 299
Adjusted EBIT	19 278	15 626	83 719	73 092
Depreciations fixed assets incl IFRS 16 (from 1 Jan 2019)	5 653	3 626	21 487	11 106
Adjusted EBITDA	24 931	19 252	105 206	84 198

OPERATING PROFIT

Operating profit for the fourth quarter amounted to SEKm -25.3 (8.1) and operating margin amounted to -20.4 (7.9) percent. For the full year 2019, operating profit amounted to SEKm 32.1 (61.2) and operating margin amounted to 7.0 (15.4) percent. The change in operating profit for the quarter and for the period was mainly attributable to costs for upgrading the installed base in Japan, adjustments in line with new regulations coming into force in 2020 and costs related to termination of a market partner on the German market. There were also costs related to the listing and depreciations as a result of the acquisition of SFS Finance AB.

Historical development SEKm Revenues and adjusted EBIT-margin %



OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, commission on sales, office lease costs, travel costs and consultant fees. Other external costs for the fourth quarter amounted to SEKm 40.6 (24.7). For the full year 2019 other external costs amounted to SEKm 111.3 (91.6).

PERSONNEL COSTS AND EMPLOYEES

Employee costs for the fourth quarter amounted to SEKm 26.6 (28.4). For the full year 2019, employee costs amounted to 104.9 (98.7). The average number of employees in the Group during the year was 96 (87). The gender ratio was 65 (63) men and 31 (24) women. The number of employees at the end of the year was 105 (86).

NET FINANCIAL ITEMS

Net financial items for the third quarter amounted to SEKm -3.7 (-7.2). For the full year, net financial items amounted to SEKm -23.2 (-21.7). In the fourth quarter interest costs on lease liabilities according to IFRS 16 amounted to SEKm 0.2 and for the full year 2019 SEKm 0.8.

NEW LOAN STRUCTURE IN ASSOCIATION WITH THE LISTING

In association with the listing, QleanAir repaid the shareholder loan. This was done via an issue of new shares and set-off and a new loan facility from Swedbank. The shareholder loan had 8 percent interest rate. The new loan facility run with approximately 3.5 percent interest rate. QleanAir acquired SFS Finance and repaid the total outstanding debt on behalf of SFS Finance.

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

Fourth quarter earnings before tax amounted to SEKm -29.0 (1.0). For the full year 2019 profit before tax amounted to SEKm 8.8 (40.1). Tax reported for the period amounted to SEKm 0.7 (-3.1). Net profit for the fourth quarter amounted to SEKm -28.3 (-2.1). For the full year 2019 net profit amounted to SEKm -7.5 (21.0). Earnings per share for the fourth quarter, before and after dilution, amounted SEK -2.11 (-0.16). For the full year 2019, earnings per share amounted to SEK -0.56 (1.58).

CASH-FLOW

Fourth quarter cash-flow from operating activities amounted to SEKm 10.2 (32.3). Adjusted for non-recurring items the operating cash-flow in the fourth quarter amounted to SEKm 28.6 (39.8). For the full year 2019, cash-flow from operating activities increased to SEKm 62.5 (69.3), adjusted for non-recurring items the operating cash-flow amounted to SEKm 87.9 (80.6). Cash-flow from investment activities in the fourth quarter amounted to SEKm -12.2 (-2.2) and for the full year 2019 to SEKm -25.8 (-16.0). Investments in the fourth quarter primarily relate to the acquisition of SFS Finance and module-based units rented to customers. Cash-flow from financing activities in the quarter amounted to SEKm -18.6 (-5.0) and for the full year 2019 SEKm -57.4 (-33.4). The change was related to the issue of new shares and set-off of parts of the shareholder loan, the new credit facility and the amortization of the shareholder loan. Cash-flow for the fourth quarter amounted to SEKm -20.7 (-25.1), for the full year to SEKm -20.7 (-19.8).

CASH AND CASH EQUIVALENTS AND FINANCIAL POSITION

Cash and cash equivalents at the end of the fourth quarter excl. available credit increased to SEKm 57.0 (74.9). Net interest-bearing liabilities amounted to SEKm 236.7 (273.8) excl. rental liabilities which are now accounted for as interest-bearing liabilities. The Group had total assets of SEKm 603.0 (586.0). Implementation of IFRS 16 has impacted the balance sheet by SEKm 22.8. Non-current assets amounted to SEKm 423.5 (388.6) and are related to goodwill SEKm 343.7 (343.7), capitalized development cost SEKm 5.9 (7.1), leasing i.e. rental contracts SEKm 22.6 (0). Book value of equipment and units amounted to SEKm 39.8 (23.6). The carrying amounts of assets and liabilities are considered to essentially correspond to fair value.

INVESTMENTS

Fourth quarter investments amounted to SEKm 12.2 (2.2). Investments in the fourth quarter relates to the acquisition of SFS Finance and to modular units with customer rental contracts. IFRS 16 Leasing assets were included for the first time as non-current assets 2019 and amounted to SEKm 22.6.

INSTALLED BASE

At the end of the period the total number of installed units amounted to 8,409 of which 3,270 units are on our own balance sheet.

	Dec 31 2019	Dec 31 2018
Accounted value installed units, TSEK	39 813	22 054
Installed units in balance sheet, number	3 270	2 080
Installed units sold to finance companies, number	2 606	3 322
Sold units with service agreement, number	2 533	2 196
Total installed units, number	8 409	7 598
where of in own balance sheet, %	39%	27%

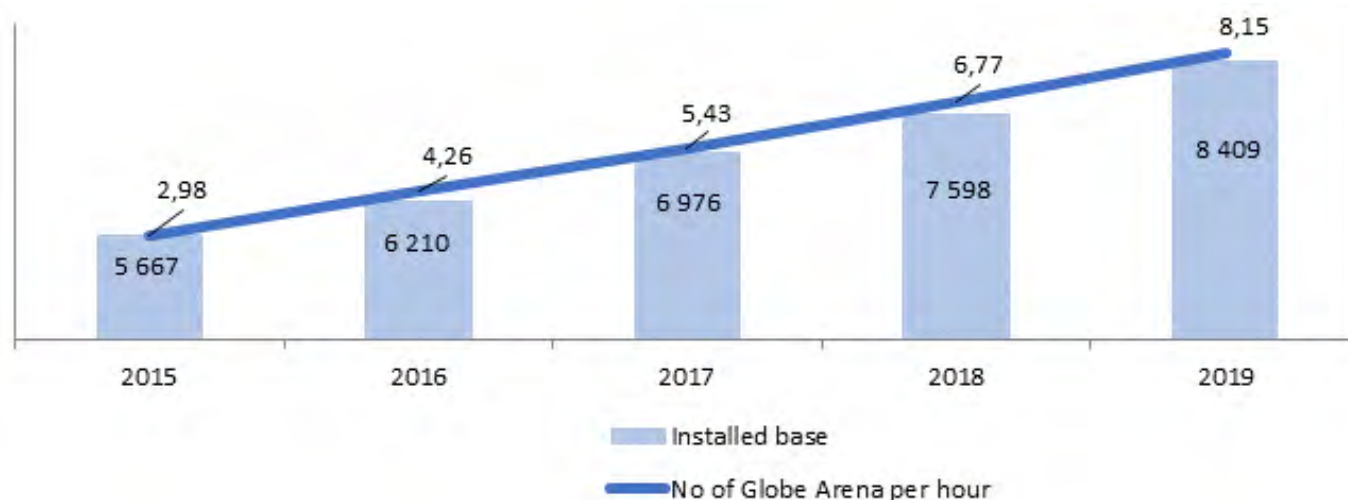
* where of 620 units (620) served with consumables only

QleanAir calculates its own installed base in Clean Rooms as one unit per SEK 100,000 in order value.

SUSTAINABILITY

QleanAir has a long tradition of seriously addressing crucial issues. Environmental issues, health and safety have been key priorities for QleanAir for decades. QleanAir has been developing solutions that protect people against indoor air pollution for 20 years. The QleanAir operating company is ISO-certified to quality standard ISO 9001 and environmental standard ISO 14 001. Our business model is based on leasing modular solutions with a performance guarantee. The equipment can be recycled and reused. A high proportion of operations is outsourced to suppliers who comply with the QleanAir code of conduct. This code of conduct is linked to our policies for sustainability, quality assurance and environmental, marketing and HSE. Since 2015 the Group has quantified the amount of purified air per hour on an ongoing basis.

Total number of installed units and purified indoor air per month measured in m3 and expressed as the number of Ericsson Globe Arenas in Stockholm per hour.



RISKS

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 prospectus from December 2, 2019, available on www.qleanair.com.



PARENT COMPANY

Revenues for the parent company for the full year 2019 amounted to SEKm 10.2 (10.2). Loss for the period amounted to SEKm -5.3 (-5.2). QleanAir Holding AB, company registration number 556879-4548 is a Swedish limited company incorporated in Solna, Sweden.

DISPUTES

The Group had no ongoing disputes.

TRANSACTIONS WITH RELATED PARTIES

At the end of the period, subordinated shareholder loans amounted to SEKm 0 (237.3). Interest for the full year 2019 amounted to SEKm 18.1 (17.6). QleanAir acquired SFS Finance AB from Qevirp 41 Ltd. The purchase price was based on an external valuation of SFS Finance AB.

SHARE CAPITAL, THE SHARES AND OWNERS

The total number of shares as of December 31 2019 was 14 859 200 and share capital amounted to SEKm 7.4. All shares are ordinary shares with equal voting rights. The shares have a quota value of SEK 0.50. QleanAir Holding AB is a public company listed on Nasdaq First North Premier Growth Market. The ten largest shareholder per December 2019 were (Euroclear data):

Qevirp 41 Ltd	39.1%
IKC Fonder	5.0%
Handelsbanken Fonder	4.4%
Skandia Fonder	3.8%
DEKA	3.7%
Livförsäkringsbolaget Skandia	3.1%
Enter Fonder	2.0%
Sensor Fonder	2.0%
Taaleritehtaan Rahastoyhtiö Oy	1.6%
Avanza Pension	1.5%
LMK-bolagen & Stiftelse	1.3%

FNCA is certified advisor to QleanAir Holding.

DIVIDEND

The Board plan to propose the AGM a dividend of 0.25 (0) SEK per share, total SEKm 3.7.

ANNUAL GENERAL MEETING

The AGM is scheduled on May 13 at the QleanAir Office in Solna, Stockholm.

FINANCIAL CALENDAR

- April 22-25, 2020: Annual Report 2019 published on www.qleanair.com
- May 13, 2020: Interim Report Q1 – First three months 2020
- May 13, 2020: AGM
- August 19, 2020: Interim Report Q2 – First six months 2020
- November 18, 2020: Interim Report Q3 – First nine months 2020
- February 17, 2021: Interim Report Q4 – Year-End report 2020

SIGNIFICANT EVENTS DURING 2019

- In association with the listing and the acquisition of SFS Finance the loan structure was re-negotiated, the financial cost will be lower over time and the financial flexibility was secured.
- QleanAir's share listed on December 12, 2019, on Nasdaq First North Premier Growth Market, ticker symbol QAIR.
- Acquisition of SFS Finance AB.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- No significant events occurred after the reporting period.

OTHER INFORMATION

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

This information is information that QleanAir Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at February 20, 2020 at 8:00 am CET.

AUDITOR'S REPORT

This report has not been reviewed by the company auditor.

PRESENTATION

QleanAir invites to teleconference/audiocast on February 20, 2020 at 4 pm CET. The company's CEO, Andreas Göth, and CFO, Henrik Resmark, will present the year-end report and fourth quarter 2019 results in Swedish with presentation slides in English.

Here is the link to follow the presentation online: <https://tv.streamfabriken.com/qleanair-holding-q4-2019>

Telephone numbers for dial-in:

SE: +46850558358 UK: +443333009032 US: +18335268395

Solna February 20, 2020

Board of directors QleanAir Holding AB

Rolf Classon, Chairman

Christina Lindstedt

Mats Hjerpe

Maria Perez Hultström

Andreas Göth, CEO

THE GROUP'S CONSOLIDATED STATEMENT COMPREHENSIVE INCOME IN SUMMARY

TSEK	Oct-dec 2019	Oct-dec 2018	FY 2019	FY 2018
Net sales	123 847	103 149	456 879	400 813
Other income	0	61	114	259
Sales	123 847	103 210	456 993	401 072
Cost of goods sold	-49 965	-38 389	-160 959	-137 888
Gross profit	73 882	64 821	296 034	263 184
Other external costs	-40 716	-24 653	-111 395	-91 557
Personnel costs	-26 585	-28 415	-104 883	-98 728
Depreciation of tangible and intangible assets	-31 848	-3 626	-47 682	-11 106
Operating income	-25 268	8 127	32 073	61 793
Financial income	487	-965	503	1 068
Financial expenses	-4 206	-6 197	-23 739	-22 796
Income before tax	-28 987	965	8 837	40 065
Deferred tax	5 345	2 332	5 374	2 332
Tax on result for the period	-4 610	-5 422	-21 732	-21 394
Net result for the period	-28 252	-2 125	-7 521	21 003
Profit/Loss attributable to:				
Shareholders parent company	-28 252	-2 125	-7 521	21 003
Non-controlling interest	0	0	0	0
Net result for the period	-28 252	-2 125	-7 521	21 003
Earnings per share basic, SEK	-2,11	-0,16	-0,56	1,58
Net result for the period	-28 252	-2 125	-7 521	21 003
Currency translation differences foreign subsidiaries	-4 954	2 130	1 605	2 232
Total result for the period	-33 206	5	-5 916	23 235
Profit/loss attributable to:				
Shareholders parent company	-33 206	5	-5 916	23 235
Non-controlling interest	0	0	0	0
Total net result for the period	-33 206	5	-5 916	23 235

THE GROUP'S CONSOLIDATED BALANCE SHEET IN SUMMARY

TSEK	2019-12-31	2018-12-31
ASSETS		
Capitalized development cost	5 934	7 143
Customer contracts	0	8
Goodwill	343 704	343 704
Intangible fixed assets	349 637	350 855
Leasing (IFRS 16)	22 632	0
Tangible fixed assets	39 813	23 618
Tangible fixed assets	62 445	23 618
Deferred tax	11 255	0
Long term receivables	172	14 110
Fixed assets	423 509	388 583
Inventories	32 147	22 984
Account receivables	35 936	49 338
Other receivables	11 296	6 288
Prepaid costs and accrued income	43 068	43 919
Cash and bank	56 994	74 935
Current assets	179 441	197 464
TOTAL ASSETS	602 950	586 047
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	7 430	6 641
Additional paid in capital	121 140	58 928
Translation differences	5 269	3 664
Balanced result	-28 572	-26 262
Result for the period	-7 521	21 003
Equity	97 745	63 974
Accrued tax liabilities	0	3 193
Subordinated shareholder loan	0	237 302
Long term interest bearing liabilities	249 684	65 000
Other liabilities (IFRS 16)	14 053	0
Long term liabilities	263 737	305 495
Short term interest bearing liabilities	18 671	30 000
Overdraft credit facility	18 677	16 424
Accounts payable	41 496	34 707
Tax liabilities	1 626	4 000
Other short term liabilities	9 803	10 766
Other liabilities (IFRS 16)	9 351	0
Accrued expenses and deferred income	141 843	120 682
Current liabilities	241 467	216 578
Liabilities	505 204	522 073
TOTAL EQUITY AND LIABILITIES	602 950	586 047

Short and long term interest bearing liabilities are netted after deduction for fee for new credit facilities, according to IFRS.

THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY

2019, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance equity 2019-01-01	6 642	58 928	3 664	-5 260	63 974
Adjustments to IFRS 16				-480	-480
Changed accounting internal sales				1 284	1 284
Net result for the period				-7 521	-7 521
New issue 2019	788	62 212			63 000
Acquisition SFS Finance				-24 116	-24 116
Other result			1 605		1 605
Closing balance	7 430	121 140	5 269	-36 093	97 746

2018, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance equity 2018-01-01	6 642	58 929	1 432	-22 788	44 215
Changed accounting internal sales				-3 475	-3 475
Net result for the period				21 002	21 002
Other result			2 232		2 232
Closing balance	6 642	58 929	3 664	-5 261	63 974

THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
Operating activities				
Operating income	-25 268	8 126	32 073	61 792
Adjustment for non-cash items	31 092	7 531	46 706	17 616
Net finance and currency translation effect	-8 837	-1 414	-12 215	-5 112
Tax paid	-3 486	1 315	-21 675	-18 077
Total	-6 499	15 558	44 889	56 219
Decrease (+)/Increase (-) inventories	-2 577	1 045	-8 390	6 185
Decrease (+)/Increase (-) account receivables	-2 784	-6 512	5 032	1 231
Decrease (+)/Increase (-) current assets	21 235	10 358	2 778	-13 185
Decrease (-)/Increase (+) current liabilities*	-1 496	12 777	12 430	19 630
Decrease (-)/Increase (+) account payables	2 353	-919	5 758	-807
Cash-flow from operations	10 233	32 307	62 498	69 273
Investing activities				
Investments in intangible assets	-475	-885	-1 774	-1 738
Investments in tangible assets	-5 165	-1 350	-17 447	-14 271
Acquisition	-6 603	0	-6 603	0
Cash flow from investing activities	-12 244	-2 235	-25 824	-16 009
Financing activities				
New loans	277 254	0	277 254	0
Amortization of loan	-295 897	-4 998	-334 615	-33 429
Cash flow from financing activities	-18 643	-4 998	-57 361	-33 429
Cash flow for the period	-20 654	25 074	-20 688	19 835
Opening cash balance	80 804	48 773	74 935	50 991
Exchange rate differences on financial items	-3 155	1 088	2 747	4 109
Closing cash balance	56 994	74 935	56 994	74 935

* In 2019 the check account with overdraft facility has been reclassified from operating capital to financing activities. The corresponding adjustment has been made in the comparison figures for 2018.

THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

TSEK	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
Net sales	2 550	2 550	10 200	10 200
Other external costs	-19 030	2	-20 116	-1 006
Personnel costs	-2 663	-5 395	-7 897	-10 614
Depreciation on intangible and tangible assets	-2 064	-2 064	-8 254	-8 254
Operating profit	-21 207	-4 907	-26 067	-9 674
Other interest income and similar profit/loss items				
Interest costs and similar profit/loss items	-5 055	-5 315	-21 370	-21 171
Result after financial items	-26 262	-10 222	-47 437	-30 845
Group contribution	21 000	5 000	21 000	5 000
Tax on result for the period	-14	-14	-14	-14
Net result for the period	-5 276	-5 236	-26 451	-25 859

THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY

TSEK	2019-12-31	2018-12-31
Intangible assets	58 462	66 716
Tangible assets	0	0
Shares in Group companies	429 000	429 000
Total financial fixed assets	487 462	495 716
Current tax receivables	457	479
Other receivables	2 290	44
Prepaid expenses and accrued income	6 357	546
Cash and bank	728	3 506
Total current assets	9 832	4 575
Total assets	497 295	500 291
Shareholders' equity	7 430	6 642
Premium reserve	113 569	77 216
Profit/loss for the period	-26 451	-25 859
Total equity	94 548	57 999
Subordinated shareholder liabilities	0	237 302
Long term interest bearing liabilities	255 000	65 000
Total long term liabilities	255 000	302 302
Short term interest bearing liabilities	20 000	30 000
Accounts payable	9 151	55
Liabilities to Group companies	109 990	102 440
Other current liabilities	0	119
Accrued expenses and prepaid income	8 606	7 376
Total current liabilities	147 747	139 990
Total equity and liabilities	497 295	500 291

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 Annual Report of 2018, with the addition of the application of the new IFRS standard for IFRS 16 Leases.

New standards, amendments and interpretations applied from January 1, 2019

IFRS 16 Leases was issued in 2016 to replace IAS 17 Leases and has been implemented in 2019. QleanAir has chosen the modified retrospective approach as the method of initial application of the new reporting standard. This means that the cumulative effect of the implementation affects the accounts on initial application of the accounting policy. Comparative information is not adjusted. The implementation of IFRS 16 affects the comparison figures for 2019 with those of the previous year. When calculating the IFRS 16 value of rights of use and associated commitments, we have excluded leases with a lease term of less than 12 months and leases with a total value of less than SEK 50,000. In order to calculate the value of the right of use and lease liability, the incremental interest rate is based on the category of the lease, the term of the lease and the region. For more information about the accounting policies applied, see QleanAir annual report.

Segments

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

Financial instruments, currency exposure and risk management

Most transactions are expressed in EUR. Exposure to changes in foreign exchange rates is related to Group sales and purchases from other countries. QleanAir uses forward exchange contracts to manage currency risk. Forward exchange contracts are mainly used to manage currency exposure not expected to be netted against other currency transactions.

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.

Adjustments, rounded

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

NOTES

Comparative figures

The comparative figures for IFRS 16 have been implemented as of January 1, 2019 and affect comparisons of our financial performance. IFRS 16 discounts the value of the right to future use of rental assets and this value is recognized as an asset on the balance sheet, with the corresponding rental commitment as a liability. Recognized rental assets are written down over the term of the agreement and the liability is reduced through ongoing payments for the commitment. The effects of discounting have been recognized as an interest expense. The balance sheet, income statement and cash flow of QleanAir have been affected by IFRS 16 as described below:

Comparison with accounted leasing commitments in the Annual Report 2018-12-31, TSEK	
Commitments operational leasing agreements note Leasing 2018-12-31	22,988
Discounted according to Group margin interest rate liabilities 2.5-2.8%	-1,464
Adjustments for extension options and termination clause	9,604
Additional contract	891
Currency exchange rates	535
Adjustment for short-term agreements and agreements of lesser value	-368
Accounted leasing debt per 1 January 2019	32,186

2019-12-31, TSEK	Incl. IFRS 16	IFRS 16 effect	Excl. IFRS 16
Group consolidated balance sheet			
Fixed assets	423 509	-22 804	400 705
Long term liabilities	263 737	-14 053	249 684
Current liabilities	241 466	-9 351	232 116

2019, TSEK	Incl. IFRS 16	IFRS 16 effect	Excl. IFRS 16
Total result			
Operating result before depreciations (EBITDA)	79 756	-10 523	69 232
Depreciations of tangible and intangible assets	-47 682	9 858	-37 824
Operating result (EBIT)	32 073	-665	31 408
Net financial items	-23 237	810	-22 426
Result before tax	8 837	145	8 982
Tax	-16 358	-32	-16 390
Net result	-7 521	113	-7 408

2019, TSEK	Incl. IFRS 16	IFRS 16 effect	Excl. IFRS 16
Cash flow statement			
Adjustment for non cash items	46 706	-9 858	36 848
Net financial items	-12 215	810	-11 405
Amortization of loan	-334 615	9 713	-324 902
Cash flow from operations	62 498	-9 713	52 785

Changes in Group structure

In connection with the listing on Nasdaq First North Premier Growth Market 100% of the shares in SFS Finance AB were acquired from the main shareholder Qevirp 41 Ltd. SFS Finance's operation is to offer financing solutions for QleanAir's products. The purchase price was SEK 8.7 million and was based on a third party valuation.

Acquisition SFS Finance AB	2019-12-16
On December 16, 2019 QleanAir acquired 100% of SFS Finance AB, a company based in Solna.	TSEK
Acquisition of the shares:	
Actual value	
Cash payment	8 700
Acquisition costs	0
Total	8 700
Accounted amounts on net assets	
Tangible assets	64 768
Intangible assets	0
Deferred tax	2 848
Managed properties	0
Total fixed assets	67 616
Inventories	0
Short term receivables	7 211
Cash	2 097
Current assets	9 308
Total assets	76 924
Liabilities	37 454
Deferred tax	0
Total long term liabilities	37 454
Reserves	0
Other liabilities	30 770
Accounts payables and other short term liabilities	0
Current liabilities	30 770
Total liabilities	68 224
Net assets	8 700
Goodwill at the acquisition	0
Purchase price	8 700
Acquired cash	-2 097
Net cash flow at acquisition	6 603

In connection with the acquisition the internal profit included in the tangible assets amounting to 56 568 TSEK have been eliminated against Shareholders' equity with 30 373 TSEK and 26 196 TSEK is eliminated over the profit and loss account 2019. Accounting for deferred tax is booked accordingly.

As a separate transaction, after the acquisition of SFS Finance AB, in the consolidated statements a non-recurring depreciation of the acquired fixed assets has been made. The depreciation of SEK 56 million corresponds to the accounted internal profit from the transaction related to sales of products from QleanAir to SFS Finance AB for the time prior to the acquisition. The internal profit accounted for in 2019, SEK 26 million, has been charged to the result before tax and the remaining part, SEK 30.4 million, has been eliminated direct against the Group's equity after deduction of deferred tax. A deferred tax receivable amounting to SEK 11 million has been accounted for based on the temporary difference in fixed asset as a result of the non-recurring depreciation in the consolidated accounts.

Distribution of net sales

QleanAir's main markets are Northern Europe in EMEA, Japan in APAC and USA in Americas. Geographically, Europe is presented together with the Middle East as EMEA, Japan as APAC and USA as the Americas. QleanAir solutions can be divided into three product categories: Cabin Solutions, Facility Solutions and Room Solutions with clean rooms and lounges. Net sales by geographic area and product Group are presented on page 5.

Currency effect and organic growth

	Oct-Dec 2019	Oct-Dec 2018	FY 2019	FY 2018
Net sales, TSEK	123 847	103 209	456 993	401 072
Growth Net sales, %	20,0%	10,9%	13,9%	19,3%
Currency exchange variances, TSEK	5 859	6 187	23 980	17 859
Currency exchange variances, %	5,7%	6,6%	6,0%	5,3%
Organic growth Net sales, TSEK	14 779	3 984	31 941	47 027
Organic growth Net sales, %	14,3%	4,3%	8,0%	14,0%

Goodwill

Goodwill refers to QleanAir Holding AB's acquisition of subsidiary company QleanAir Scandinavia, the operating company.

Alternative key ratios

The company applies ESMA's (European Securities and Markets Authority) guidance for alternative key performance indicators. Alternative key performance indicators are financial measurements that cannot be directly discerned or derived from financial statements. These financial measurements are intended to help company management and investors to analyze the Group's performance. Investors should view these alternative key performance indicators as a complement to the financial statements prepared in accordance with IFRS. As not all companies calculate financial key ratios in the same way. The key ratios are not always comparable with the same key ratio used by other companies.

Quarterly information

	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018
Order intake, TSEK	102 466	89 540	87 753	86 223	74 712
Sales, TSEK	123 847	119 018	108 997	105 151	103 209
Gross profit, TSEK	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	24 931	26 384	27 677	26 214	29 252
Adjusted EBITDA-margin, %	20,1%	22,2%	25,4%	24,9%	28,3%
Adjusted EBIT, TSEK	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	394 811	421 063	416 087	413 132	410 749
Interest bearing liabilities excl. IFRS16, TSEK	236 684	253 679	259 029	269 026	260 560
Equity/Asset ratio, %	16,2%	14,0%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	2,4	2,8	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	21,2%	19,0%	19,5%	20,5%	17,8%

EBITDA 2019 is affected by IFRS 16, applied from January 1, 2019.

Key ratio	Definition and purpose
Order intake	The value of incoming orders in the period. The ratio gives investors the opportunity to assess the company's future revenues.
Sales	Net sales including other income. The ratio shows the Company's total revenues.
Gross profit	Cost of sold goods deducted from Sales.
Gross-margin	Gross profit divided with Sales.
EBITDA	Earnings before depreciations and write-downs. The ratio is used to show the business profitability before depreciations and write-downs.
Adjusted EBITDA	Earnings before depreciations and write-downs adjusted for non-operational one-off costs such as costs associated with the listing (2018: restructuring costs). The ratio is used to show the company's earnings potential independent of depreciations, write-downs and without regards to one-off items.
Adjusted EBITDA-margin	Adjusted EBITDA as part of Sales. The ratio is used to measure operational profitability, independent of depreciations and write-downs.
Operating profit (EBIT)	Earnings before financial items and tax. The ratio shows the company's operational profitability.
Adjusted EBIT	Operating profit before financial items and tax adjusted for non-operational one-off costs such as costs associated with the listing (2018: restructuring costs). The ratio is used to show the company's earnings potential before financial items, without regards to one-off items.
EBIT-margin	Operating profit divided with Sales. The ratio is used to show operational profitability after depreciations and write-downs.
Adjusted EBIT-margin	Adjusted EBIT divided with Sales. The ratio is used to show the company's profitability before financial items and tax, without regards to one-off items.
Operational 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 deducted with short-term liabilities.
Average capital employed	Average equity and interest bearing liabilities for the period. The ratio is used to analyze how much capital that is employed in the business has during the period.
Net debt	Cash deducted from short- and long-term interest bearing liabilities. The ratio shows the company's financial position.
Equity/Asset ratio	Equity divided with the company's total assets. The ratio is used to measure the company's financial stability.
Net debt/Equity ratio	Cash deducted from interest bearing liabilities divided by equity. The net debt/Equity ratio helps the company's investors to understand the company's financial position.
Adjusted return on average capital employed	Adjusted EBITDA as percent of average capital employed. The ratio is included to help investors to get a view of the company's profitability in relation to capital employed in the business during the year. Adjusted EBITDA is used as the company believes that the effect of items affecting comparability, which makes it possible to compare the underlying operational profitability.

ABOUT

QleanAir is a niche premium provider of clean indoor environment solutions. The company's business model is based on lease contracts for modular solutions with a full-service offer. QleanAir solutions are developed using filter technology that traps, filters and recycles indoor air. The company has approximately 8,100 installed units at more than 2,500 customers on the markets for EMEA, APAC and the Americas. For full year 2018, net sales amounted to SEKm 401 and operating margin was 15 percent. QleanAir head office is in Solna, Sweden, and the company had 94 employees at the end of September 2019.

BUSINESS IDEA

QleanAir provides modular solution for indoor air purification to protect people, products and processes.

VISION

QleanAir aims to be a world-class supplier of standalone solutions for air purification 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 environment with quality and trust.

FINANCIAL GOALS**Growth**

In a mid-term perspective QleanAir aims to achieve average annual organic growth of approximately 10 percent.

Profitability

In a mid-term perspective QleanAir aims to achieve an EBIT-margin of 15-20 percent.

Dividend policy

QleanAir aims to pay a share dividend of 30-50 percent of annual net profit. The dividend proposal is to take QleanAir's long-term development potential into account.



QleanAir Holding AB (publ)

Org.nr. 556879-4548

Box 1178, Torggatan 13

171 23 Solna, Sverige

+46 8 545 788 00

info@qleanair.com

www.qleanair.com