



INTERIM REPORT

JANUARY-JUNE 2022
PERMASCAND TOP HOLDNING AB

*"Sales increased 33 per cent
compared to corresponding quarter 2021."*



Record-high sales and continued strong profitability

Comparative figures in parentheses relating to earnings and cash flow items pertain to the year-earlier period. Comparative figures for balance sheet items pertain to closing balances at the end of the preceding year.

Q2 2022 (Q2 2021)

- Order intake* decreased 91 per cent year-on-year to SEK 4 million (41). Impairment of previous orders had a negative impact on order intake.
- Sales increased 33 per cent to SEK 163 million (123).
- Operating profit totalled SEK 45 million (-3), corresponding to 28 per cent (-2) of revenue.
- Adjusted operating profit totalled SEK 45 million (12).
- Earnings after tax totalled SEK 35 million (-5).
- Earnings per share amounted to SEK 0.58 (-0.1).
- Cash flow from operating activities totalled SEK 58 million (-39).

Events during the second quarter of 2022

On 29 June, Permascand announced a write-down of one order, which decreased the value of the order backlog by approximately SEK 63 million. The order, which was placed in 2018, will not be delivered. The delivery of the order was previously estimated for the second quarter of 2023, which implies that sales for the current calendar year will not be negatively affected.

KEY PERFORMANCE INDICATORS

SEK m	APR-JUN 2022	APR-JUN 2021	Δ%	JAN-JUN 2022	JAN-JUN 2021	Δ%	JAN-DEC 2021
Order intake *)	4	41	-91%	195	98	98%	377
Order backlog	362	411	-12%	362	411	-12%	451
Sales	163	123	33%	303	198	53%	405
Operating profit	45	-3	1718%	76	-6	1390%	38
Adjusted operating profit	45	12	287%	76	14	441%	60
Profit/loss after tax	35	-5	746%	58	-11	637%	20
Earnings per share before dilution (SEK)	0,58	-0,10	682%	0,98	-0,21	569%	0,37
Earnings per share after dilution (SEK)	0,58	-0,10	682%	0,98	-0,21	569%	0,37
Cash flow from operating activities	58	-39	247%	80	-53	250%	11
Equity/assets ratio (%)	60%	57%	5%	60%	57%	5%	62%
Net debt/EBITDA	-0,40	1,06	137%	-0,40	1,06	137%	0,11

*) Order intake during the quarter was negatively affected by a write-down of SEK -63 million on a previous order. The impairment pertains to an order placed in 2018.

About Permascand Top Holding AB

Permascand is an independent technology-driven manufacturer of electrochemical solutions based on proprietary catalytic coatings for clean tech applications. With a customer-centric focus, Permascand has supplied electrodes, electrochemical cells and aftermarket services for a variety of industries for 50 years. Permascand's registered office is in Ljungaverk, Sweden, where the company conducts research and development, technology development and production. In addition, Permascand has offices in Gothenburg, Sweden and Vancouver, Canada. For further information, visit www.permascand.com. The Certified Adviser is FNCA Sweden AB, info@fnca.se, +46 (0) 8528 00 399.

Record sales and continued strong profitability



"Sales totalled SEK 163 million, up 33 per cent year-on-year and approximately 17 per cent stronger than the previous record-breaking quarter."

In the second quarter of the year, we once again achieved record sales alongside high levels of customer activity. We are still benefiting from streamlining and scalability in our production, which resulted in a gross margin of 38 per cent during the quarter.

The value of incoming orders amounted to SEK 67 million, an increase of 63 per cent over the year-earlier period. After the write-down of one order during the quarter, net order intake totalled SEK 4 million. Customer activity levels are generally high in all of our business segments. At the same time, we can note that there was a certain amount of passivity among some customers in the quarter in terms of placing new orders.

Sales totalled SEK 163 million, up 33 per cent year-on-year and approximately 17 per cent stronger than the previous record-breaking quarter, Q1 2022. Strong sales were once again driven primarily by the Water Treatment business segment, where we continued to deliver on our strong order book. While the other segments accounted for a smaller portion of sales in the quarter, the trend has been positive and sales met expectations.

The gross profit for the quarter totalled SEK 62 million, an increase of SEK 31 million over the year-earlier period. We are following our growth plan and managed to deliver good profitability thanks to our efficient and scalable production.

In large portions of our projects, our strong buffer inventory of raw material and materials provide flexibility and stability, as volatile prices for materials and raw materials or unpredictable supply chains otherwise can lead to uncertainty.

In the end of the quarter, we decided to write down parts of one order, which entailed an approximately SEK 63 million decrease in the value of the order backlog. A change entailing the cancellation of a project for our customer meant that the order, originally placed in 2018, would not be delivered. As previously announced, the delivery of the order was previously estimated for the second quarter of 2023, which implies that sales for the current calendar year will not be negatively affected. Otherwise, the order book remains stable and other orders will be delivered as expected.

Electrification & Renewables

The activity level remained high and our assessment is that several companies in green hydrogen are accelerating their processes and moving projects ahead of schedule to reach commercialisation.

Our partnership agreement with Verdagy is based on development where we work together to develop a new electrochemical cell for producing green hydrogen. Like several other partners, Verdagy is accelerating its investments, which can be seen in the form of an intensified level of activity where the next step is to ramp up the demonstration facilities so they reflect the production capacity required in a commercial environment. When our partners then receive commercial orders from

their customers, we are ready to do our part and deliver components that make these projects possible.

Industrial Solutions

We noticed that customer activity also remained high in this segment and we expect it to begin to transition into major orders in autumn 2022. One of the high points of the quarter was an order for continued capacity expansion, which we expect to deliver before the end of the year. In addition to the expansion, demand is strong in maintenance of industrial facilities, where Permascand continuously supports customers in maximising production performance and efficiency. There are currently no signals that demand will slow down in this segment.

Water Treatment

Sales in the Water Treatment segment accounted for the majority of the company's sales in the quarter. We broke a new sales record in a single quarter. Increased costs and falling prices for shipping, signs of a challenging global market, impact ship owners and put pressure on treatment equipment suppliers. At the same time, negotiations intensified concerning volumes and prices, indicating that there is uncertainty among our end customers.

Furthermore, we see an opening in new use areas. For example, we have now received our first order in the water treatment segment within industry and public water distribution, where our electrochemical methods are effective. Growing regulatory requirements and expectations regarding sustainability mean that companies around the world are increasingly demanding efficient methods for treating water in these areas as well. This means that we can offer the same kind of technology we use for ballast water in new use areas in a growing end market.

Outlook

We are closing out the first half of the year with record sales and good earnings, while we also foresee continued high customer activity levels for the rest of 2022 that are expected to result in new orders. However, we can note that the global market has grown more difficult during the quarter, with increased caution among customers as a result. Thus, it is relatively more difficult to predict the market situation beyond the end of the year. Nonetheless, there are no signs that the global green transition will slow down – the reverse, in fact – and we are convinced that the companies that can enable this transition will benefit. Permascand is one of those companies. With strong financial earnings behind us and several exciting customer projects on the activity list, we look forward to continued strong development at the company during the second half of 2022.

Peter Lundström, CEO Permascand

Permascand in brief

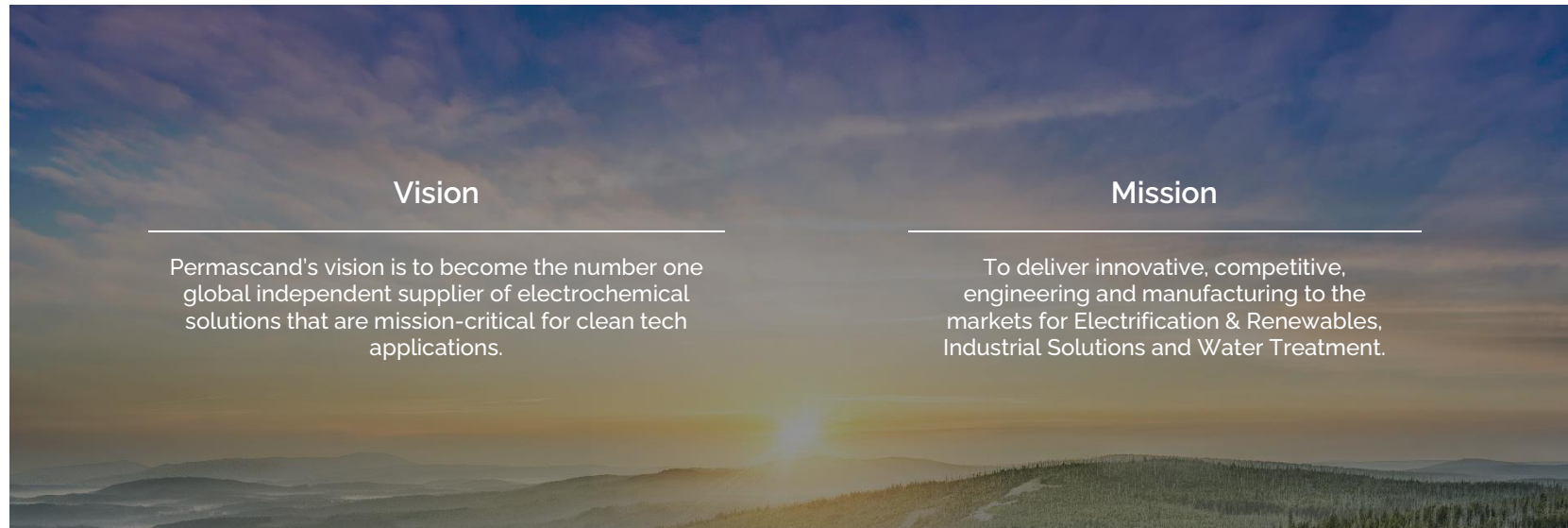
Permascand is an independent technology-driven manufacturer of electrochemical solutions. With its proprietary catalyst-coated electrodes for electrolysis, Permascand provides products that facilitate energy savings and promote the transition to green energy.

With a customer-oriented focus, Permascand has supplied electrodes, electrochemical cells and aftermarket services for a variety of industries for more than 50 years. The Permascand share is listed on Nasdaq First North Premier Growth Market under the symbol PSCAND.

The Group's operations are divided into three business segments: Electrification & Renewables, Industrial Solutions and Water Treatment. Sustainability is at the heart of Permascand's operations and permeates everything Permascand does. Permascand's solutions are directly linked to clean tech applications that lower environmental impact. Hence, the global focus on sustainability and reducing environmental impact is a factor that is expected to increasingly contribute to demand for Permascand's products.

FINANCIAL TARGETS AND DIVIDEND POLICY

Growth	Permascand's goal over the medium term is to achieve average organic growth of at least 25 per cent per year.
Profitability	Permascand's goal over the medium term is to deliver an operating margin of more than 25 per cent.
Capital structure	Permascand's net debt in relation to EBITDA shall not exceed 2.0x. This level may be temporarily exceeded in connection with acquisitions.
Dividend policy	Permascand's Board of Directors intends to use generated cash flow for continued growth and does not expect to propose a dividend in the short term. The Board of Directors will, however, evaluate the possibility of a dividend on an annual basis, taking into account the company's business conditions, growth opportunities and financial position.



Vision

Permascand's vision is to become the number one global independent supplier of electrochemical solutions that are mission-critical for clean tech applications.

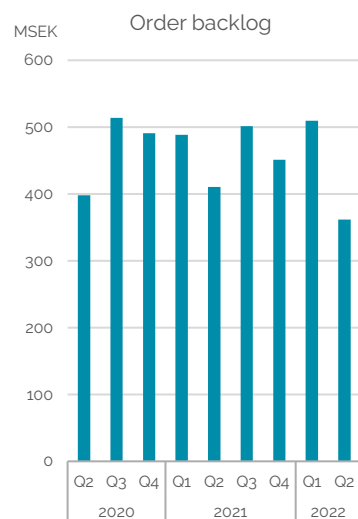
Mission

To deliver innovative, competitive, engineering and manufacturing to the markets for Electrification & Renewables, Industrial Solutions and Water Treatment.

Permascand's contribution to UN Sustainable Development Goals



Financial performance during the second quarter of 2022



Order Status

Order intake for the second quarter totalled SEK 4 million (41), net. The total value was affected by new orders and a positive order intake of SEK 67 million as well as a negative impact following the revision of a previous order and a write-down of SEK -63 million of the order backlog's value. The write-down was within the Electrification & Renewables segment, which took new orders during the quarter valued at SEK 24 million (4) and reported therefore a net value of SEK -39 million. The order intake within Industrial Solutions for the quarter was SEK 32 million (33) and SEK 10 million (4) in Water Treatment. At the end of the period, the value of the order backlog was SEK 361 million (411).

Sales

Sales totalled SEK 163 million (123), up 33 per cent year-on-year; this is the strongest sales quarter in the company's history. Compared with Q1 2022, the increase was 17 per cent from SEK 139 million.

In Electrification & Renewables, sales decreased 29 per cent compared with the year-earlier period to SEK 10 million (14). In Industrial Solutions, sales decreased 11 per cent and totalled SEK 50 million (56). The large increase of deliveries and revenue was in the Water Treatment segment, where sales increased 91 per cent to SEK 103 million (54) and was somewhat higher than the value for the year-earlier quarter, SEK 99 million.

Gross profit

Gross profit totalled SEK 62 million (31), corresponding to a gross margin of 38 per cent (25). In the three most recent quarters, the gross margin has on average been 37 per cent and is the result of the company's success in staving off the effects of increased market prices for raw materials and transportation as well as of a more efficient production process, and the result of strategic investments for reduced costs. The high level of sales also enabled a high gross margin, since the company can benefit from economies of scale and high capacity utilisation.

Operating profit/loss—Adjusted operating profit/loss

Operating profit for the period totalled SEK 45 million (-3), corresponding to an operating margin of 28 per cent (-2). The higher gross profit in the quarter was a major factor in the increase, but positive effects from the restatement of currencies also helped the rise in operating profit. Adjusted for other operating income in the form of currency restatements, which amounted to SEK 9 million (0) for the period, operating profit totalled SEK 36 million, representing an operating margin of 22 per cent. In the comparison period, adjusted operating profit totalled SEK 12 million when non-recurring costs attributable to the IPO were excluded. Administrative expenses and costs for research and development increased quarter-on-quarter, primarily as a result of new employees and personnel cost. These recruitments are part of Permascand's

strategy to invest for the future by attracting and securing cutting-edge expertise and knowledge in research and development.

Profit/loss for the period and earnings per share

Profit before tax totalled SEK 44 million (-7). The net of financial income and expenses amounted to SEK -1 million (-4) and consisted of interest. As a result of the lower loan-to-value ratio, interest expense was lower than in the comparison period. Tax expenses totalled SEK -9 million (1). The profit for the period increased to SEK 35 million (-6), and earnings per share were SEK 0.58 (-0.10).

Cash flow

Cash flow from operating activities totalled MSEK 58 (-39). The positive cash flow was primarily a result of a strong operating profit. The impact from the change in working capital totalled SEK 12 million (-35), where the most significant items were reduced inventories and increased liabilities in the form of advance payments from customers. Investments in non-current assets during the period totalled SEK -13 million (-7), the majority of which pertained to coating facilities. Decreased use of overdraft facilities meant that cash flow from financing activities totalled SEK -25 million (49). During the comparison period, the company carried out an IPO and subsequent share issue as well as paid down bank loans, which had an impact of SEK 49 million on financing activities. Cash flow for the quarter totalled SEK 20 million (3).

Investments

For several years, Permascand has had an investment plan for an automated production process, which was primarily put into full operation in late 2021. In April 2021, a major innovation drive for developing the hydrogen gas technology of the future and constructing a full-scale technology and innovation centre was presented. In total, the company plans to invest around SEK 300 million over the next three years. The majority of investment and development projects are still in the early planning and start-up phase, which means that invested capital for the quarter was low. A total of SEK 13 million (7) has been invested in tangible and intangible assets.

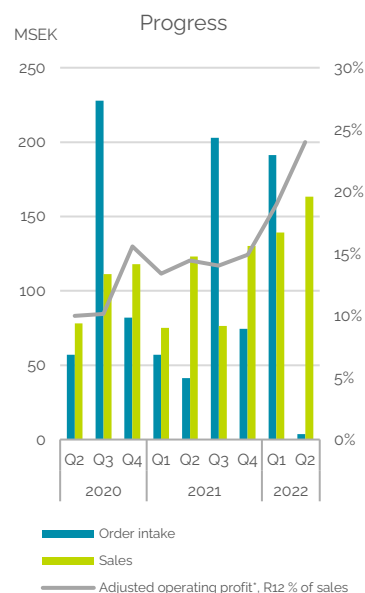
The impact of COVID-19 on the company

The management keep follow the development of the effects that Covid-19 brings and makes continuous assessments about possible adaptations of the business to counteract the spread of infection within the company.

Uncertainty linked to Russia's invasion of Ukraine

Russia's invasion of Ukraine has resulted in market uncertainty and global supply chain disruption. Permascand does not have any direct business exposure to Russia or Ukraine, but is impacted through limitations on global access to raw materials. Management is monitoring the course of events closely in order to act quickly if conditions change

Financial performance, first half-year



Order intake and sales

During the first half of the year, order intake did not perform to the extent expected. Uncertainty in the market entailed caution among customers and a write-down of SEK -63 million on a previous order had a negative effect. Nonetheless, the order intake increased 99 per cent over the year-earlier period and totalled SEK 195 million (98). The level of activity remained high, with inquiries and tenders as well as development projects and partnerships for coming commercial orders.

Sales for the first half of the year amounted to SEK 303 million (198), up 53 per cent. Sales increased primarily within the Water Treatment segment compared with the year-earlier period, totalling SEK 203 million (94). During the first half of the year, sales in Water Treatment accounted for 67 per cent of total sales. Industrial Solutions increased somewhat year-on-year and accounted for 28 per cent of total sales. Electrification & Renewables decreased year-on-year and accounted for 5 per cent of total sales.

Results

Adjusted operating profit totalled SEK 76 million (-6) and adjusted operating profit amounted to SEK 76 million (14). Increased sales with economies of scale and optimised capacity utilisation, together with cost reductions from investments in automation, improved the gross profit and margin during the year.

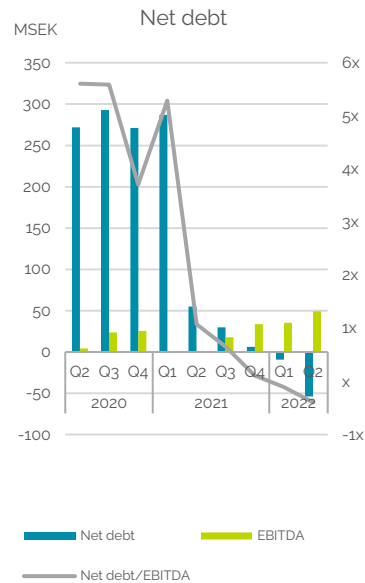
Gross profit totalled SEK 113 million (49), corresponding to a margin of 37 per cent (25). Overhead costs did not increase at the same rate as growth, which meant that operating profit increased. Operating profit also includes currency effects from the restatement of balance sheet items, recognised as other operating income. Currency affects for the quarter totalled SEK 9 million (3).

The net of financial income and expenses amounted to SEK -2 million (-8) and consisted of interest expense. As a result of the lower loan-to-value ratio, interest expense was lower than in the comparison period. Tax expenses totalled SEK -15 million (3). The comprehensive income for the period increased to SEK 58 million (-11), and earnings per share were SEK 0.98 (-0.21).

Cash flow

Cash flow for the period totalled SEK 32 million (-3). Material items that contributed to the positive cash flow were primarily a strong operating profit and a positive change in working capital of SEK 8 million (-39). During the period, SEK -19 million (-8) of cash flow was used for investments in tangible and intangible assets and SEK -29 million was used to reduce liabilities to banks. Cash flow totalled SEK 32 million (-3).

Financial position 30 June



Total assets at the end of June amounted to SEK 562 million (455 at the beginning of the year). The assets largely comprise non-current assets in the form of robot cells for automation, coating facilities, and inventory and current receivables (primarily trade receivables). Cash and cash equivalents totalled SEK 68 million (36).

Equity continued to strengthen as the result of positive earnings, totalling SEK 340 million (283). The company's equity/assets ratio remained strong at 60 per cent (62). A more detailed explanation of the change in equity is available in the Condensed consolidated statement of changes in equity on page 14.

Apart from interest-bearing liabilities, the company has operating liabilities, the majority of which comprise trade payables and advance payments from customers.

Net debt

As a result of strong cash and bank balances and decreased utilisation of bank overdraft facilities, the Group's net debt was under 0 at the end of June. Since

June 2021, when the company conducted a share issue and paid off major bank loans, indebtedness has been low. The remaining interest-bearing liabilities consist primarily of borrowing in banks.

On the balance sheet date, loans outstanding totalled SEK 14 million (42 at the beginning of the year) and cash and cash equivalents in banks totalled SEK 68 million (36 at the beginning of the year). The carrying amount of borrowing corresponds to the fair value of the Group's borrowing as the loans have a variable interest rate and the credit spread is not such that the carrying amount deviates materially from the fair value. The credit facilities have the customary covenants.

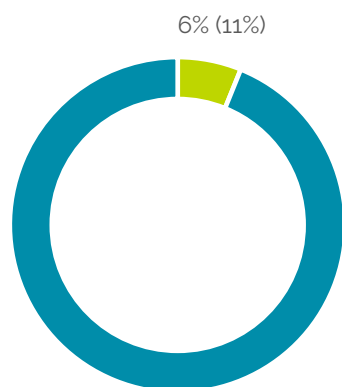
Derivatives

Permascand has currency derivatives in the form of swap contracts in EUR and USD. The total market value of the contracts on the balance sheet date was SEK -2.2 million (-0.3 at the beginning of the year).

Segment reporting – Electrification & Renewables

Permascand has three operating segments: Electrification & Renewables, Industrial Solutions and Water Treatment, which also correspond to the Group's business areas. The respective segments are described below. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Share of Group sales Q2 2022 (Q2 2021)



Permascand's Electrification & Renewables segment offers products in rapidly growing markets for green technology. This pertains to products in which electrochemical cells are used in processes for the extraction of metals – primarily copper, nickel, and cobalt – and for substances such as lithium and hydrogen gas, which create conditions for renewable energy, energy storage and fossil-free fuels.

Sales and earnings

Net order intake for Electrification & Renewables in the second quarter was negative, amounting to SEK -39 million (4), which was affected by a write-down of SEK -63 million on a previous order. The value of new orders amounted to SEK 24 million, which was higher than the order intake for the first quarter of 2022, which totalled SEK 17 million.

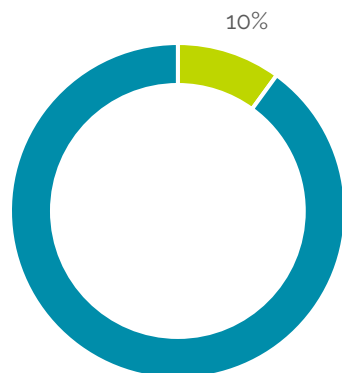
At the end of the quarter, the value of the order backlog was SEK 72 million. Activity in the segment is high, with several development projects in progress. One example is the letter of intent recently signed with RES, an independent

developer of renewable energy and energy storage for joint development of a commercial research centre at a new production facility for green hydrogen for which RES is pursuing development and establishment in Ånge Municipality. At the same time, the turbulence in the business environment, with difficulties in materials supply and transportation, leads to the company's customers adopting a cautious attitude ahead of future commercialisation phases.

Revenue for the second quarter decreased to SEK 10 million (14). Sales were also somewhat higher than the sales of SEK 5 million achieved in the first quarter of 2022. Of total sales in the second quarter, Electrification & Renewables comprised 6 per cent (11).

The gross margin for the second quarter totalled 49 per cent. Order intake and sales in the segment were dominated by business related to development projects that will lead to future commercial orders.

Share of Group sales LTM

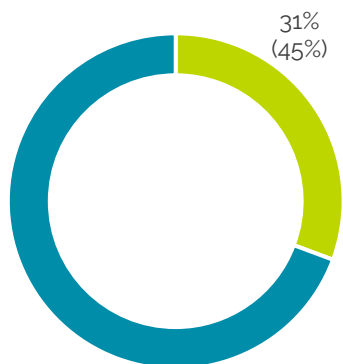


SEK m	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
Order backlog	72	123	72	123	100
Order intake	-39	4	-22	21	38
Sales	10	14	15	24	59
Gross profit	5	1	7	2	10
Gross margin	49%	9%	45%	9%	16%

Segment reporting – Industrial Solutions

Permascand has three operating segments: Electrification & Renewables, Industrial Solutions and Water Treatment, which also correspond to the Group's business areas. The respective segments are described below. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Share of Group sales Q2 2022 (Q2 2021)



Permascand's Industrial Solutions segment specialises in production for customers primarily in the chemicals industry. The products within the segment allow customers to reduce their energy consumption and their investment costs – for better sustainability results. The segment includes electrode fabrication, manufacturing of electrodes and complete chlorate and chloralkali process systems for new and existing plants and recoating of installed products.

Sales and earnings

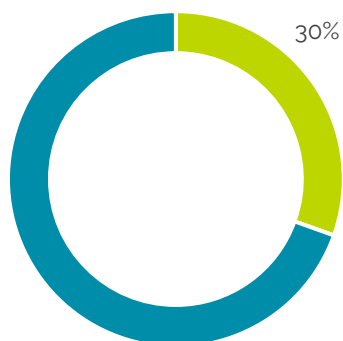
Ordering and Order intake in Industrial Solutions for the second quarter were stable and totalled SEK 32 million (33).

The level of activity and general demand remain high. In Industrial Solutions, North America is the market with the greatest potential for growth, which is the reason the company reinforced its organisation there through such measures as recruiting a new Director of Sales for the region.

At the end of the quarter, the value of the order backlog was SEK 194 million. Revenue for the second quarter declined slightly and totalled SEK 50 million (56).

In the last quarter (first quarter of 2022), sales totalled SEK 35 million. Of total sales in the second quarter, Industrial Solutions comprised 30 per cent (45). The gross margin in the segment increased in the second quarter to 54 per cent, driven by improvements in efficiency resulting from the automation and robotification of production.

Share of Group sales LTM

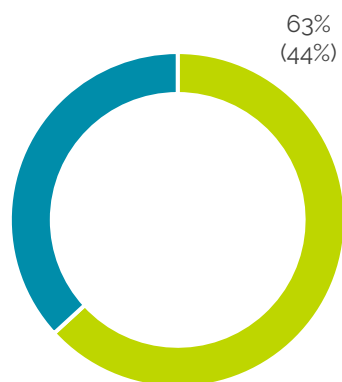


SEK m	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
Order backlog	194	102	194	102	99
Order intake	32	33	170	70	147
Sales	50	56	85	80	150
Gross profit	27	18	41	24	54
Gross margin	54%	32%	48%	30%	36%

Segment Reporting – Water Treatment

Permascand has three operating segments: Electrification & Renewables, Industrial Solutions and Water Treatment, which also correspond to the Group's business areas. The respective segments are described below. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Share of Group sales Q2 2022 (Q2 2021)



Permascand's Water Treatment segment offers products for electrochemical disinfection of water, primarily for the marine sector, and purification of ballast water for ships as well as standard systems with other areas of application. Demand is driven primarily by tightened international requirements for purification of ballast water from the International Maritime Organization (IMO) and the US Coast Guard (USCG). The technology behind the company's ballast water purification product has been approved by the IMO and USCG, and is built on Permascand's electrochemical cells, which purify ballast water of marine organisms upon contact and thereby prevent invasive species from spreading into alien environments.

Sales and earnings

Water Treatment posted an improved order intake in the second quarter of SEK 10 million (4), though it remains lower than pre-pandemic levels. At the end of the second quarter, the value of the order backlog was SEK 96 million. A contributing

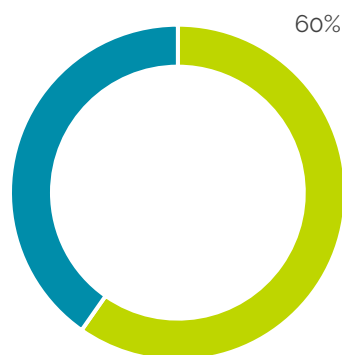
reason for the smaller order is shorter lead times and faster deliveries. This has resulted in customers to a greater extent placing smaller orders often instead of a few larger orders

Revenue for the second quarter totalled SEK 103 million (54). This increase should be viewed in light of weaker comparison figures in the segment, where the second quarter of 2021 was drastically impacted by the pandemic as deliveries were stopped and investment decisions were postponed. The robust sales were attributable to a more normalised market in which Permascand successfully delivered against its order book. Revenue was somewhat higher than the first quarter of 2022.

The gross margin improved during the second quarter to 29 per cent, driven by improvements in efficiency resulting from the automation and robotification of production.

Of total sales in the second quarter, Water Treatment comprised 63 per cent (44).

Share of Group sales LTM



SEK m	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
Order backlog	96	185	96	185	252
Order intake	10	4	46	7	191
Sales	103	54	203	94	195
Gross profit	30	11	66	22	60
Gross margin	29%	21%	32%	24%	31%

Other

FINANCIAL CALENDAR

- **Q3 2022**
11 November 2022
- **Q4 2022**
9 February 2023
- **Q1 2023**
10 May 2023
- **Q2 2023**
16 August 2023
- **Q3 2023**
9 November 2023

Employees

On the balance sheet date, the Group had 119 employees, of whom 45 per cent were under collective bargaining agreements and 55 were salaried employees.

Significant events after the end of the reporting period

After the end of the period, the Board decided to carry out an intra-Group merger between the parent company Permascand Top Holding and the subsidiaries Permascand Middle Holding AB ("Middle"), Permascand Holding AB ("Holding") and Permascand Group AB ("Group"). The boards of the parent company and subsidiaries are of the opinion that the merger entails a simplified Group structure and reduced costs and streamlined administration.

Material risks and uncertainties

Permascand is a company that is active in a global market. With operations in different parts of the world, Permascand is exposed to various risks and uncertainties such as raw material price risk, market risks, operational and legal risks, and financial risks pertaining to factors such as exchange rate fluctuations, interest rates, liquidity and financing opportunities.

For further information on risks and risk management, refer to the Group's Annual Report, which is available on Permascand's website: www.permascand.com.

The share

Permascand Top Holding's ordinary share has been listed on Nasdaq First North Premier Growth Market since 4 June 2021. The ticker symbol is PSCAND. The ISIN is SE0015962048.

As of 30 June, the share capital totalled SEK 2.2 million with a quota value of SEK 0.037. The total number of shares registered is 59,313,529. The share price on 30 June 2022 was SEK 28.65 per share, corresponding to a total market value of SEK 1,699 million. Permascand's shareholder register with its ten largest shareholders is presented on the company's website.

Review

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

Dividend

The Annual General Meeting resolved that no dividend be distributed for the full-year 2021, according to the company's dividend policy

Presentation of interim report

A teleconference and webcast will be held on 18 August 2022 at 11:00 a.m. CEST.

To follow the conference via telephone and to participate in the Q&A session, please call one of the following numbers:

SE: +46-8-5051-6386

UK: +44-20-319-84884

US: +1-412-317-6300 Pin code: 2717689#

Link: <https://tv.streamfabriken.com/permascand-top-holding-q2-2022>

Consolidated statement of comprehensive income

SEK m	Note	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
Sales		163	123	303	198	405
Cost of goods sold		-102	-92	-189	-149	-282
Gross profit		62	31	113	49	123
Sales expenses		-5	-4	-8	-8	-17
Administrative expenses		-12	-24	-23	-39	-56
Research and development expenses		-8	-5	-14	-10	-17
Other operating income/expenses		9	0	9	3	5
Operating income		45	-3	76	-6	38
Net financial items		-1	-4	-2	-8	-11
Profit/loss before tax		44	-7	74	-14	27
Income tax		-9	1	-15	3	-7
Net profit /loss for the period		35	-5	58	-11	20
Other comprehensive income						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Change in fair value of cash flow hedging		-2	1	-2	0	-1
Tax attributable to changed value of cash flow hedging		0	0	0	0	0
Translation differences on foreign subsidiaries		0	0	0	0	0
Total other comprehensive income		-2	0	-1	0	-1
Total comprehensive income for the period		33	-5	57	-11	20
Comprehensive income for the period attributable to Parent Company shareholders		33	-5	57	-11	20
Earnings per share, calculated on profit for the period attributable to Parent Company shareholders						
Earnings per share before and after dilution, SEK		0,58	-0,10	0,98	-0,21	0,37
Average no. of shares before dilution		59 313 529	53 204 932	59 313 529	51 854 966	55 616 036
Average number of shares after dilution		59 313 529	53 206 569	59 313 529	51 855 789	55 616 036

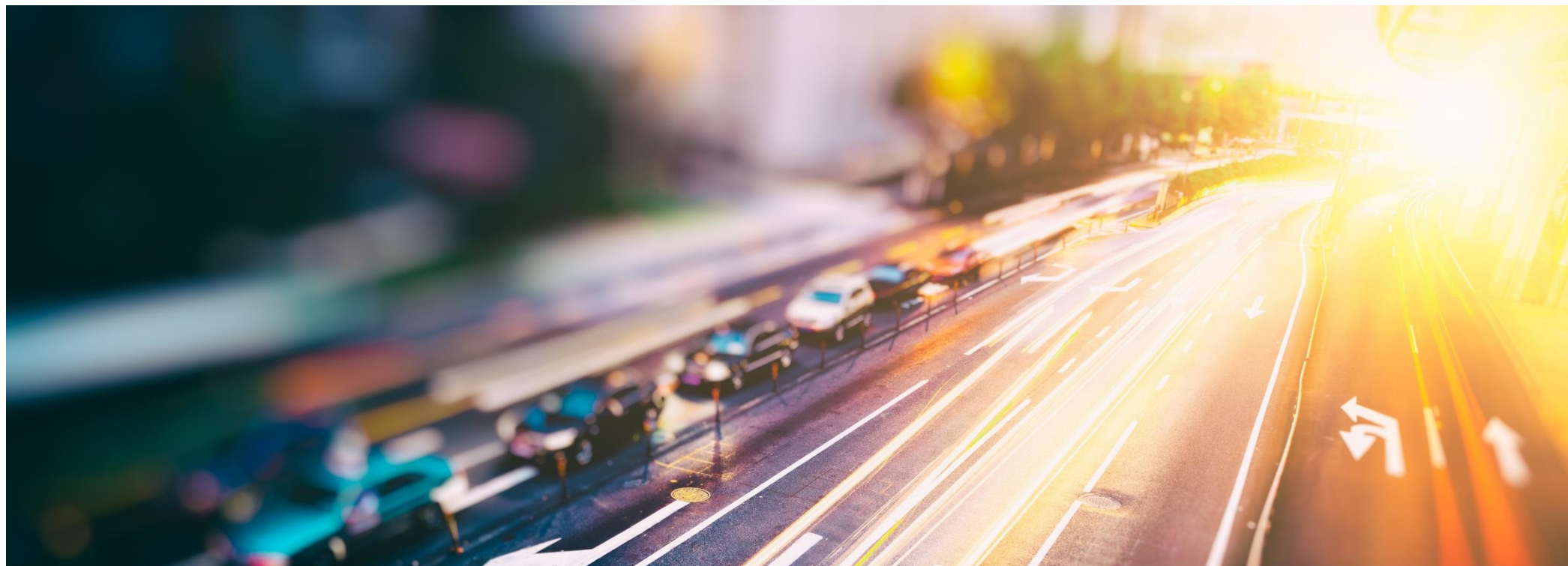
Rounding may apply in tables and calculations, which means the total amounts stated will not always reflect the exact sum of the original amounts.

Condensed consolidated balance sheet

SEK m	Note	30 JUN 2022	30 JUN 2021	31 DEC 2021
Assets				
Fixed assets				
<i>Intangible fixed assets</i>				
Goodwill		56	56	56
Other intellectual property rights		17	13	17
Property plant and equipment		157	143	146
Right-of-use assets		2	3	3
Financial assets		0	0	0
Total non-current assets		231	214	221
Current assets				
Inventories		128	93	109
Current receivables		136	116	88
Cash and cash equivalents		68	16	36
Total current assets		332	226	233
Total assets		562	440	455
EQUITY AND LIABILITIES				
Equity		340	252	283
Non-current liabilities				
Liabilities to credit institutions		9	62	34
Deferred tax liabilities		11	12	11
Lease liabilities		1	2	2
Total non-current liabilities		20	76	47
Current liabilities				
Liabilities to credit institutions		4	6	5
Lease liabilities		1	1	1
Other current liabilities		198	105	119
Total current liabilities		202	111	125
TOTAL LIABILITIES		222	187	172
TOTAL EQUITY AND LIABILITIES		562	440	455

Condensed consolidated statement of changes in equity

SEK m	Note	30 JUN 2022	30 JUN 2021	31 DEC 2021
Opening balance		283	-16	-16
Net profit /loss for the period		58	-11	20
Other comprehensive income		-1	0	-1
Total comprehensive income		57	-11	19
New share issue		-	300	300
Cost of new share issue		-	-26	-26
Warrant premiums received		-	5	5
Total transactions with shareholders		-	280	280
Equity attributable to Parent Company shareholders		340	252	283
Closing balance		340	252	283



Condensed consolidated cash flow statement

SEK m	Note	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
Operating income		45	-3	76	-6	38
Depreciation and amortisation of tangible and intangible assets		4	4	8	8	15
Other items not affecting cash flow		0	1	1	1	1
Interest paid		0	-3	-1	-6	-8
Income tax paid		-3	-3	-12	-11	-16
Cash flow from operating activities before changes in working capital		46	-4	72	-14	30
Cash flow from change in working capital		12	-35	8	-39	-19
Cash flow from operating activities		58	-39	80	-53	11
Investments in tangible and intangible assets		-13	-7	-19	-8	-23
Cash flow from investing activities		-13	-7	-19	-8	-23
New share issue		-	305	-	305	305
Issue costs		-	-26	-	-26	-26
Repayment of borrowings		-	-250	-	-250	-250
Increase/decrease in current borrowings		-2	22	-4	34	7
Repayment of non-current liabilities		-23	-2	-24	-3	-7
Lease payments		0	0	-1	-1	-2
Cash flow from financing activities		-25	49	-29	59	28
Cash flow for the period		20	3	32	-3	17
Cash and cash equivalents at the beginning of period		49	13	36	19	19
Exchange-rate differences in cash and cash equivalents		0	0	0	0	0
Cash and cash equivalents at the end of period		68	16	68	16	36

Condensed Parent Company income statement

SEK m	Note	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
Sales		2	4	3	4	5
Administrative expenses		-5	-8	-8	-10	-24
Operating profit (EBIT)		-3	-4	-5	-6	-19
Inter-comapny interest income		6	6	12	12	24
Interest expenses		0	0	0	0	0
Income after financial items		3	2	7	5	5
Received Group contributions		-	-	-	-	20
Profit before tax (EBT)		3	2	7	5	24
Income tax		-	-	-	-	-
Net profit /loss for the period		3	2	7	5	24

The Parent Company has no items that are recognised as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year.



Condensed Parent Company balance sheet

SEK m	Note	30 JUN 2022	30 JUN 2021	31 DEC 2021
Assets				
Non-current assets				
Shares in subsidiaries		0	0	0
Non-current receivables from Group companies		732	732	732
Total non-current assets		732	732	732
Current assets				
Current receivables from Group companies		84	39	71
Current receivables		0	4	0
Cash and cash equivalents		7	6	13
Total current assets		91	49	84
Total assets		823	781	816
EQUITY AND LIABILITIES				
Restricted equity		2	2	2
Non-restricted equity		814	770	807
Total equity		816	772	809
Current liabilities		7	9	6
TOTAL EQUITY AND LIABILITIES		823	781	816

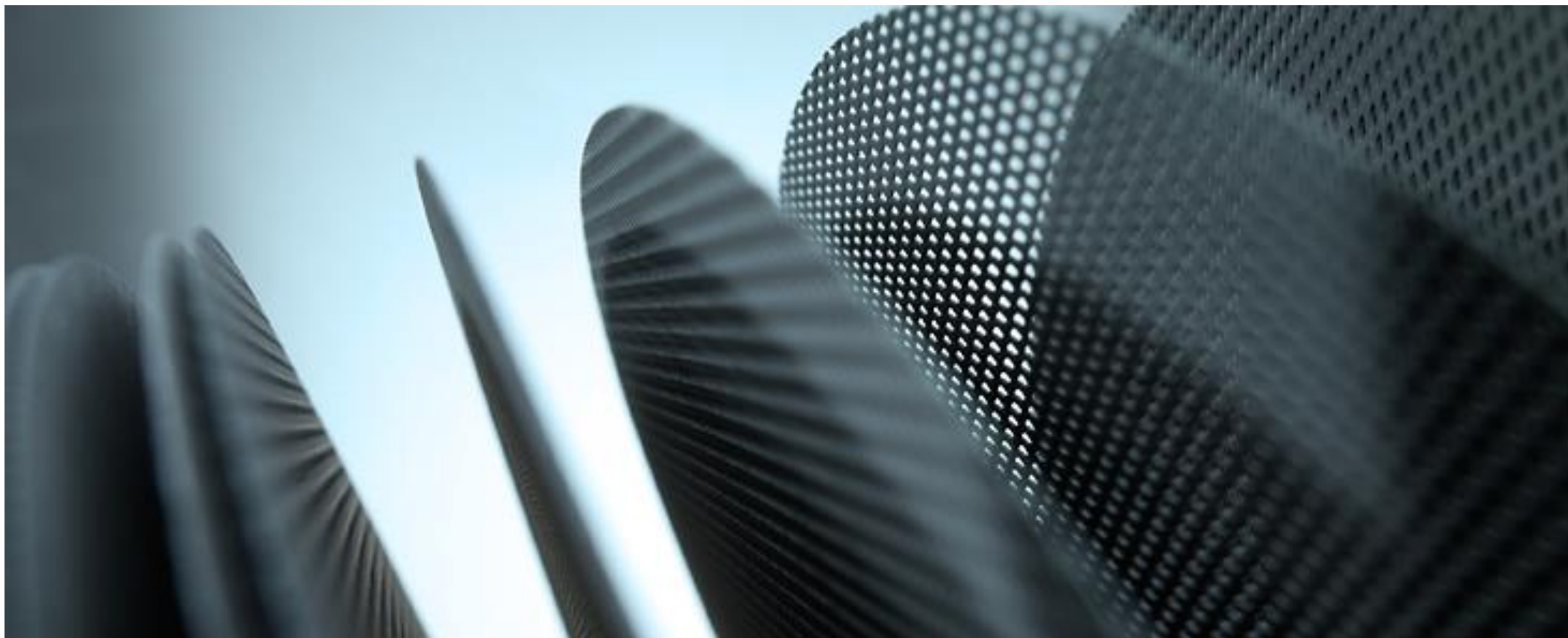
The Parent Company has no items that are recognised as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year.

Notes to the financial statements

Not 1. Accounting policies

This consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Permascand applies International Financial Reporting Standards (IFRS) as adopted by the European Union. The Parent Company financial statements have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting

Board's recommendation RFR2 Accounting for Legal Entities. The accounting policies applied are consistent with the reporting and measurement principles presented in the 2021 Annual Report. The assessments and assumptions that form the basis of the management's application of accounting policies and the degree of uncertainty remain unchanged compared with the data presented in the 2021 Annual Report. The 2021 Annual Report is available on the company's website.



Notes to the financial statements

Not 2. Segments and revenue

The following table explains the distribution of revenue, expenses and gross profit between segment reporting and the Group's total accounting for the period:

	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
APR-JUN 2022					
Sales	50	10	103		163
Cost of goods sold	-23	-5	-74		-102
Gross profit	27	5	30		62
Gross margin	54%	49%	29%		38%
Operating profit (EBIT)				-17	45
Net financial items				-1	-1
Profit before tax (EBT)					44

	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
APR-JUN 2021					
Sales	56	14	54		123
Cost of goods sold	-38	-13	-42		-92
Gross profit	18	1	11		31
Gross margin	32%	9%	21%		0
Operating profit (EBIT)				-33	-3
Net financial items				-4	-4
Profit before tax (EBT)					-7

	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
JAN-JUN 2022					
Sales	85	15	203		303
Cost of goods sold	-44	-8	-137		-189
Gross profit	41	7	66		113
Gross margin	48%	45%	32%		37%
Operating profit (EBIT)				-37	76
Net financial items				-2	-2
Profit before tax (EBT)					74

	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
JAN-JUN 2021					
Sales	80	24	94		198
Cost of goods sold	-56	-22	-72		-149
Gross profit	24	2	22		49
Gross margin	30%	9%	24%		25%
Operating profit (EBIT)				-55	-6
Net financial items				-8	-8
Profit before tax (EBT)					-14

	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
JAN-DEC 2021					
Sales	150	59	195		405
Cost of goods sold	-97	-49	-136		-282
Gross profit	54	10	60		123
Gross margin	36%	16%	31%		30%
Operating profit (EBIT)				-85	38
Net financial items				-11	-11
Profit before tax (EBT)					27

The points in time for revenue recognition are allocated according to the following table:

	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
APR-JUN 2022				
Over time	47	6	103	156
At a point in time	3	4	0	8
Total	50	10	103	163

	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
APR-JUN 2021				
Over time	56	9	54	118
At a point in time	-	5	0	5
Total	56	14	54	123

	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
JAN-JUN 2021				
Over time	80	10	94	184
At a point in time	-	14	0	14
Total	80	24	94	198

	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
JAN-DEC 2021				
Over time	150	25	195	371
At a point in time	-	34	-	34
Total	150	59	195	405

Notes to the financial statements

Not 3. Administrative expenses

In the comparison figures for administrative expenses for January to June 2021, SEK 20 million pertained to costs attributable to the company's listing, which has been treated as an item affecting comparability.

Not 4. Financial instruments

The Group's financial assets consist of trade receivables, cash and cash equivalents, and derivatives. The Group's financial liabilities consist of borrowings and trade payables. All derivatives are measured at fair value and classified according to Level 2, which means that all significant input data required for valuation is observable. As of 30 June 2022, the value of the derivative amounted to SEK -2.2 million (SEK 0.3 million at the beginning of the year). For forward contracts, fair value is determined on the basis of quoted prices. The market price is calculated on the basis of the current price adjusted for the interest-rate difference between the currencies and the number of days, compared with the contract price to obtain fair value.

The carrying amount of trade receivables, other receivables, cash and cash equivalents, trade payables and other liabilities constitutes a reasonable approximation of fair value. The carrying amount of borrowing corresponds to the fair value of the Group's borrowing as the loans have a variable interest rate and the credit spread is not such that the carrying amount deviates materially from the fair value.

Not 5. Related party transactions

No related-part transactions took place during the period.

Not 6. Parent company

Permascand Top Holding AB is the Parent Company of the Permascand Group. The Parent Company manages shares in the subsidiaries and conducts Group-wide services. As of June 2021, the CEO of the Group was an employee of the Parent Company. The only assets in the Parent Company are its shares in the subsidiaries and Group-wide receivables. The Parent Company's financial position and earnings, as well as its operational risks, are largely associated with the Group's risks and uncertainties.

Not 7. Seasonal variations

Permascand's sales vary during the year; however, this is not a direct impact of seasonal variations, but rather of one of the prevailing conditions in the market and

of customers' investment plans, primarily in the Industrial Solutions segment. In Water Treatment, the Group's largest segment, sales are normally evenly distributed throughout the year but were impacted by the pandemic in 2020 and 2021.

Not 8. Alternative performance measures

Permascand presents certain financial measurements in its interim reports that are not defined under IFRS. The purpose of these measurements is to create better understanding of the performance of the operations.

Permascand uses the alternative performance measures "net debt" and "equity/assets ratio", which are deemed to be useful as a supplement to other key performance indicators in order to assess the possibility of a dividend and to assess the Group's possibilities of compliance with its financial commitments. Moreover, Permascand uses the key performance indicators "adjusted operating profit", "operating profit as a percentage of sales" and "EBITDA", which are measurements that are relevant to investors who wish to understand earnings generation excluding items affecting comparability. "Return on equity" and "Return on assets" are earnings set in relation to key balance sheet items. For definitions of key performance indicators, refer to page 27.

Adjusted operating profit

	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
SEK m					
Operating income	45	-3	76	-6	38
Items affecting comparability	-	14	0	20	22
Adjusted operating profit	45	12	76	14	60

Operating margin

	APR-JUN 2022	APR-JUN 2021	JAN-JUN 2022	JAN-JUN 2021	JAN-DEC 2021
SEK m					
Operating income	45	-3	76	-6	38
Sales	163	123	303	198	405
%	28%	-2%	25%	-3%	9%

Alternative performance measures cont.

EBITDA

SEK m	APR-JUN	APR-JUN	JAN-JUN	JAN-JUN	JAN-DEC
	2022	2021	2022	2021	2021
Net profit /loss for the period	35	-5	58	-11	20
Income tax	9	-1	15	-3	7
Net financial items	1	4	2	8	11
Depreciation	4	4	8	8	15
EBITDA	49	1	84	2	54

Net debt

SEK m	30 JUN 2022	30 JUN 2021	31 DEC 2021
Non-current liabilities to credit institutions	9	62	34
Non-current lease liability	1	2	2
Current liabilities to credit institutions	4	6	5
Current lease liability	1	1	1
Cash and cash equivalents	-68	-16	-36
Net debt	-54	55	6

Equity/assets ratio

SEK m	30 JUN 2022	30 JUN 2021	31 DEC 2021
Equity	340	252	283
Total assets	562	440	455
Equity/assets ratio, %	60%	57%	62%

Net debt/EBITDA

SEK m	30 JUN 2022	30 JUN 2021	31 DEC 2021
EBITDA, LTM	136	51	53
Net debt	-54	55	6
Net debt/EBITDA	-0,40	1,06	0,11

Return on equity

SEK m	30 JUN 2022	30 JUN 2021	31 DEC 2021
Earnings for the period, LTM	90	16	20
Opening equity	252	-43	-16
Closing equity	340	252	283
Average equity, LTM	296	105	133
Return on equity, %	30,2%	14,8%	15,2%

Return on assets

SEK m	30 JUN 2022	30 JUN 2021	31 DEC 2021
Operating profit, LTM	120	37	38
Financial income, LTM	-	0	-
Opening total assets	440	359	413
Closing total assets	562	440	455
Average total assets, LTM	501	399	434
Return on assets, %	23,9%	9,3%	8,8%

Assurance

Permascand Top Holding AB

Folkets Husvägen 50

841 99 Ljungaverk

Corp. Reg. No. 559227-6147

Website: www.permascand.com

Additional information

Linda Ekman, CFO

linda.ekman@permascand.com

This information is such that Permascand Top Holding AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for disclosure on 18 August 2022 at 7:45 a.m. CEST.

The Board of Directors and the President and CEO affirm that this interim report provides a true and fair view of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 2022-08-18

Per Lindberg

Chairman of the Board

Anna Alexandersson

Board member

Ingar Jensen

Board member

Johan Karlsson

Board member

Karl Bergman

Board member

Marie Grönborg

Board member

Mario Houde

Board member

Peter Lundström

CEO

Erik Zimmerman

Employee representative

Consolidated quarterly data

SEK m	2022		2021				2020			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	4	191	74	203	41	57	82	228	57	104
Income statement										
Sales	163	139	130	76	123	75	118	111	78	108
Gross profit	62	52	47	27	31	18	36	30	11	27
Operating income	45	31	30	14	-3	-3	22	21	1	16
Adjusted operating profit	45	31	32	14	12	2	27	21	1	16
EBITDA	49	35	34	18	1	1	26	24	4	19
Profit/loss before tax	44	30	28	13	-7	-7	18	17	-3	13
Gross profit/loss, % of sales	38%	37%	36%	35%	25%	24%	30%	27%	14%	25%
Operating profit/loss, % of sales	28%	22%	23%	18%	-2%	-4%	19%	19%	1%	15%
Adjusted operating profit*, % of sales	28%	22%	25%	18%	9%	3%	23%	19%	1%	15%
Balance sheet										
Property plant and equipment	157	148	146	145	146	143	146	144	143	136
Tangible assets	562	519	455	438	440	408	413	404	359	375
Cash and cash equivalents	68	48	36	24	16	13	19	4	13	28
Non-current interest-bearing liabilities	9	34	36	47	64	293	282	288	276	290
Cash flow										
Operating activities	58	22	33	32	-39	-14	32	-16	10	27
Investing activities	-13	-6	-9	-6	-7	-2	-10	-5	-10	-18
Financing activities	-25	-3	-12	-18	49	10	-6	12	-16	-7
Cash flow for the period	20	13	12	8	3	-6	16	-9	-16	2
Capital structure										
Net debt	-54	-9	6	30	55	287	271	293	272	272
Per share data, SEK										
Earnings per share before and after dilution	0,58	0,40	0,35	0,18	-0,10	-0,11	0,26	0,26	-0,06	0,19
Number of shares before dilution	59 313 529	59 313 529	59 313 529	59 313 529	53 204 932	50 490 000	50 490 000	50 490 000	50 490 000	50 490 000
Number of shares after dilution	59 313 529	59 313 529	59 313 529	59 318 361	53 206 569	50 490 000	50 490 000	50 490 000	50 490 000	50 490 000

Definitions of key performance indicators

KEY PERFORMANCE INDICATORS	DEFINITION	PURPOSE
Return on equity	Profit for the period, last 12 months (LTM), divided by average equity	Return on equity is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
Return on assets	Operating profit plus financial income, last 12 months (LTM), divided by average total assets	Return on assets is used to analyse profitability, based on how much capital is used.
Gross profit	Net sales less cost of goods sold	Gross profit is used to measure the Group's profitability before sales expenses, administrative expenses and research and development expenses.
Gross margin	Gross profit divided by net sales	Gross margin is used to measure the Group's production profitability.
EBITDA	Operating profit before depreciation and amortisation of tangible and intangible assets	EBITDA gives an overview of the Group's operational profitability.
Adjusted operating profit	Operating profit excluding items affecting comparability. Items affecting comparability refer to income and expenses that affect comparability insofar as they do not recur with the same regularity as other items.	Adjusted operating profit is used to measure the Group's profitability and to increase comparability between different time periods.
Adjusted operating margin	Adjusted operating profit divided by net sales	Adjusted operating margin gives an overview of profitability relative to total revenue, adjusted for items affecting comparability.
Items affecting comparability	Income and expenses that affect comparability insofar as they do not recur with the same regularity as other items	Break off items that affect comparability with normal operations.
Net debt	Interest-bearing current and non-current liabilities less cash and cash equivalents	Net debt is used to assess the Group's financial position, opportunities for strategic investments, dividend and to fulfil its financial commitments.
Net working capital	Current assets less current liabilities	Net working capital is used to measure the company's ability to meet short-term capital requirements.
Net working capital/net sales	Net working capital divided by net sales during the last 12 months	Net working capital/net sales is used to measure the company's financial position in relation to revenue over a 12-month period.
Earnings per share	Earnings for the period divided by the average number of shares for the period	Earnings per share provides a measurement of each ordinary share's portion of the company's earnings.
Operating margin	Operating profit divided by net sales	Operating margin gives an overview of profitability relative to total revenue.
Equity/assets ratio	Equity divided by total assets	The equity/assets ratio is used to assess the Group's financial position, opportunities for strategic investments, dividends and to fulfil its financial commitments.

Glossary

WORD/TERM	DEFINITION
Ballast water	Water pumped into not fully loaded ships to provide stability for the ship. Various living organisms follow along with the ballast water and are spread globally, and may have a negative impact on the environment when released in new locations
BWTS	Abbreviation for Ballast Water Treatment System, a product for the treatment of ballast water
Aftermarket services	The collective term for Permascand's offering to customers, primarily in terms of recoating electrodes or replacing electrochemical cells
Electrification & Renewables	Permascand's segment for products within electrification and renewable energy
Electrode	The collective term for anodes and cathodes
Electrochemical cell	Consists of several coated electrodes than are assembled into a single cell; used to induce chemical reactions through the application of electricity
Electrochemical solutions	The collective term for Permascand's products
Greenfield	New establishment of production plants
Industrial Solutions	Permascand's segment for products primarily in the chemical industry
Catalytic coatings	The main technological component for all of Permascand's products. Catalytic coatings consist of a mixture of precious metals and other compounds, giving a "surface layer" that is applied to metal substrates such as titanium or nickel
Chlorate	Chemical compound that can be produced industrially via electrochemistry and used in various industries such as pulp and paper, organic and inorganic chemical manufacturing and PVC manufacturing
Recoating	The process by which electrodes are given new catalytic coatings
Water Treatment	Permascand's segment for products within water treatment
Equity/assets ratio	Equity divided by total assets



 **PERMASCAND**

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