



INTERIM REPORT

JANUARY-SEPTEMBER 2022
PERMASCAND TOP HOLDING AB

*"In just the first three quarters of 2022, our sales
have already surpassed full-year 2021."*

New sales record on an annualised basis as order intake picks up speed again

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.

Q3 2022 (Q3 2021)

- Order intake decreased 30 per cent year-on-year to SEK 143 million (203)
- Sales increased 57 per cent to SEK 120 million (76)
Operating profit totalled SEK 11 million (14), corresponding to 11 per cent (18) of revenue
- Adjusted operating profit totalled SEK 6 million (14)
- Profit after tax totalled SEK 8 million (10)
- Earnings per share amounted to SEK 0.13 (0.18)
- Cash flow from operating activities totalled SEK 39 million (32)

Events during the third quarter of 2022

On 23 September, Permascand announced that the partnership with Verdagys for the joint development of a new electrochemical cell for the production of green hydrogen had reached an important milestone in the form of successful pilot tests that validate the technology's durability and scalability.

KEY PERFORMANCE INDICATORS

SEK m	JUL-SEP 2022	JUL-SEP 2021	Δ%	JAN-SEP 2022	JAN-SEP 2021	Δ%	JAN-DEC 2021
Order intake	143	203	-30%	338	302	12%	377
Order backlog	384	501	-23%	384	501	-23%	451
Sales	120	76	57%	422	274	54%	405
Operating profit	11	14	-23%	87	8	944%	38
Adjusted operating profit	6	14	-59%	82	28	191%	60
Profit/loss after tax	8	10	-24%	66	-1	13363%	20
Earnings per share before dilution (SEK)	0.13	0.18	-24%	1.12	-0.03	3315%	0.37
Earnings per share after dilution (SEK)	0.13	0.18	-24%	1.12	-0.03	3315%	0.37
Cash flow from operating activities	39	32	21%	119	-21	656%	11
Equity/assets ratio (%)	63%	60%	5%	63%	60%	5%	62%
Net debt/EBITDA	-0.59	0.65	190%	-0.59	0.65	190%	0.11

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 Ljungavärk, 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.

New sales record on an annualised basis as order intake picks up speed again



"It is gratifying to see that in just the first three quarters of 2022, our sales have already surpassed full-year 2021."

We once again posted robust sales in the third quarter, delivering on our strong order book. It is gratifying to see that in just the first three quarters of 2022, our sales have already surpassed full-year 2021. This is further proof that we are continuing to deliver according to our growth ambition.

Order intake for the quarter totalled SEK 143 million. Despite lower order intake than in the year-earlier quarter, order intake is one of the strongest we have recorded in a quarter, and our order intake for the January to September period was greater than in the corresponding year-earlier period. We are pleased to see that order intake once again picked up speed after the lower level in the second quarter. An important reason for this is falling prices in the global market for materials and raw materials. The year-earlier quarter was an exceptional period, where the entire annual order intake from one of our largest customers was concentrated in one and the same quarter.

Sales totalled SEK 120 million during the quarter, up 57 per cent year-on-year. Sales were primarily driven by sales in Water Treatment, where we successfully delivered on our order book, primarily derived from the strong order intake in Q3 2021 and on an ongoing basis in 2022. Industrial Solutions also performed favourably while sales in Electrification & Renewables were in line with the year-earlier quarter.

The recent turmoil in the global market has led to a shift in market dynamics meaning that the time between order intake and delivery has become shorter. Now our customers place several smaller orders rather than fewer large ones, which can sometimes entail variations that result in misleading comparative quarterly figures. Permascand's performance should be viewed in the context of longer cycles. There it is clear that we are demonstrating a positive trend over time.

Gross profit for the quarter totalled SEK 26 million. Changes in capacity utilization have temporarily affected the result and reported gross margin negatively. The gross margin in the quarter was also negatively impacted by increased pricing pressure in Water Treatment.

Furthermore, during the quarter we encountered some operational challenges that disrupted our normally efficient operations and production. These included delayed deliveries of spare parts for machinery, employee absenteeism and disruptions to the power supply from a failing switchyard. Increased costs resulting from the interruptions have, to a certain extent, been reflected in the somewhat lower profitability for the quarter. Despite these challenges, we

delivered solid figures and profitable growth and we are continuously reviewing our processes to further strengthen our supply chain and create better stability and resilience against long lead times and volatile prices.

Electrification & Renewables

The level of activity remains high and new milestones are continuously being reached. One of these is our partnership with Verdagy, where we successfully worked together to develop a new electrochemical cell for producing green hydrogen. During the quarter, we could announce successful pilot tests that validated the technology's durability and scalability, which is a precondition for taking the next step and reaching a commercial scale. We look forward to the first commercial order in hydrogen, which is expected to come in 2023. In the area of power transmission, we are seeing increased interest in our expertise in corrosion protection related to investments in green electricity supply.

Industrial Solutions

In line with previous assessments, the activity level and demand remained high in Industrial Solutions, with a strong order intake and sales for the quarter as a result. We have a strong order book in the segment and several future new-build projects are being evaluated.

Water Treatment

We once again reported favourable order intake and strong sales in Water Treatment for the quarter, in parallel with the start of several new customer projects. We have an overall strong position in the market together with our customers, enabling us to continue to capitalise on the installations required in order for marine transport to meet regulatory requirements. It is also gratifying that we delivered our first order for industrial water treatment during the quarter.

Outlook

We are still experiencing a high level of activity among our customers and we have great expectations that ongoing projects will lead to order placements towards the end of the year and in the beginning of 2023. In line with the previous year, we expect stronger order intake in the fourth quarter for delivery next year, and negotiations involving several customer projects are in their final stage. With an impressive sales record on an annualised basis, robust order books and strong finances, we are continuing to develop on our profitable journey of growth and achieving our financial targets as we progress.

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

14 LIFE BELOW WATER



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



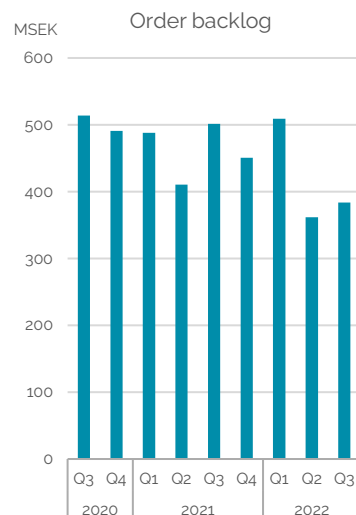
13 CLIMATE ACTION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Financial performance during the third quarter of 2022



Order status

Order intake for the third quarter totalled SEK 143 million (203), divided among Electrification & Renewables, SEK 1 million (3); Industrial Solutions, SEK 38 million (21); and Water Treatment, SEK 105 million (179). At the end of the period, the value of the order backlog was SEK 385 million (501).

Sales

Sales totalled SEK 120 million (76), up 58 per cent year-on-year. Compared with Q2 2022, the decrease was 26 per cent from SEK 163 million, owing to the fact that several orders in Water Treatment were brought forward to Q2 for more rapid deliveries.

In Electrification & Renewables, sales were unchanged year-on-year at SEK 13 million (13). In Industrial Solutions, sales increased 46 per cent to SEK 41 million (28). The large increase in deliveries and revenue was in Water Treatment, where sales grew a full 89 per cent to SEK 66 million (35).

Gross profit

Gross profit totalled SEK 26 million (27), corresponding to a gross margin of 22 per cent (35). The lower gross margin is primarily due to the temporary low capacity utilization in production in the quarter. Other factors that contributed to a lower gross margin include volatility in the global market for noble metals and the subsequent higher purchase prices that prevailed for a period, as well as price pressure within the segment Water Treatment.

Operating profit/loss—Adjusted operating profit/loss

Operating profit for the period totalled SEK 11 million (14), corresponding to an operating margin of 9 per cent (18). The lower gross profit for the quarter is the largest contributing factor to the lower operating margin, but costs for future investments also increased day-to-day costs for personnel and consultants. During the quarter, insurance compensation and costs related to a previous incident were settled. The incident occurred in 2020 at the company's treatment facility, which has since been rebuilt. Costs of SEK 14 million were recognised as other operating expenses, and compensation of SEK 20 million is included in other operating income, yielding a net effect of SEK 5 million adjusted as an item affecting comparability. Insurance compensation of SEK 12 million also pertains to investments in rebuilding the facility, which was recognised in the balance sheet among assets.

Other operating income also includes currency restatements, which had a positive impact on operating profit. Adjusted for other operating income in the form of currency restatements and insurance compensation, which amounted to SEK 2 million (1) and SEK 20 million (0), respectively, for the period, as well as operating expenses of SEK 15

million (0) related to the explosion, operating profit totalled SEK 4 million, representing an operating margin of 3 per cent.

As in the previous quarter, administrative expenses and costs for research and development increased, primarily as a result of new employees and thereby higher personnel costs. These new employees are part of Permascand's strategy to invest in the company's future by attracting and securing leading-edge expertise and know-how in research and development.

Profit/loss for the period and earnings per share

Profit before tax totalled SEK 10 million (13). The net of financial income and expenses amounted to SEK -1 million (-1) and consisted of interest. Tax in the third quarter totalled SEK -2 million (-3). Profit for the period decreased to SEK 8 million (10), and earnings per share were SEK 0.13 (0.18).

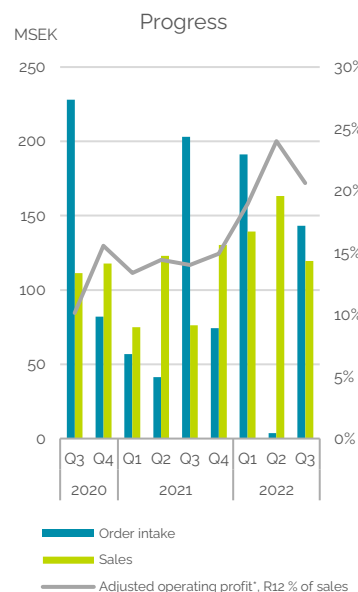
Cash flow

Cash flow from operating activities totalled SEK 39 million (32). The positive cash flow was impacted by operating profit of SEK 11 million (14). The impact from the change in working capital totalled SEK 26 million (17), where the most significant items were reduced inventories and trade receivables. Investments in non-current assets during the period totalled SEK -13 million (-6), the majority of which pertained to coating facilities. Decreased use of overdraft facilities meant that cash flow from financing activities totalled SEK -2 million (-18). Cash flow for the quarter totalled SEK 23 million (8).

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 from January to September



Order intake and sales

During the first nine months of the year, order intake increased 12 per cent year-on-year despite a negative impact of SEK -63 million from the write-down of a previous order. Order intake totalled SEK 338 million (302). The level of activity remained high, with inquiries and tenders as well as development projects and partnerships for coming commercial orders. Patterns in how customers place orders seem to have shifted from a smaller number of very large orders to several smaller orders placed more frequently.

Sales for the first nine months of the year amounted to SEK 422 million (274), up 54 per cent. This means that sales in the first nine months are already higher than they were for all of 2021. Sales increased primarily within the Water Treatment segment compared with the year-earlier period, totalling SEK 268 million (130). During the first nine months, sales in Water Treatment accounted for 64 per cent of total sales. Sales in Industrial Solutions increased year-on-year and accounted for 30 per cent of total sales. Electrification & Renewables decreased year-on-year and accounted for 7 per cent of the total.

Results

Operating profit for the period amounted to SEK 87 million (8) and adjusted operating profit to SEK 82 million (28). 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 139 million (76), corresponding to a margin of 33 per cent (28).

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.

The period includes currency effects in the amount of SEK 11 million (3) and the net of other operating expenses and income of SEK 5 million related to insurance compensation.

The net of financial income and expenses amounted to SEK -4 million (-9) 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 -17 million (0). The comprehensive income for the period increased to SEK 64 million (-11), and earnings per share were SEK 1.12 (-0.01).

Cash flow

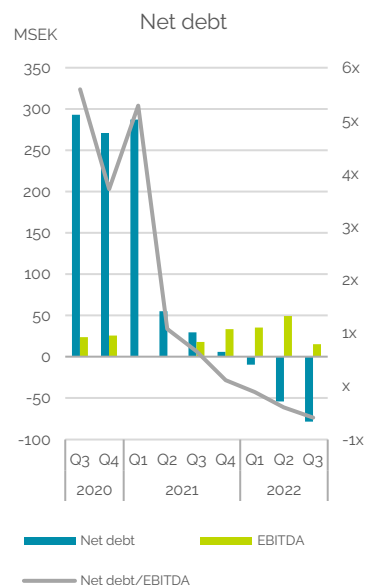
Cash flow for the period totalled SEK 55 million (5). Material items that contributed to the positive cash flow were primarily a strong operating profit and a positive change in working capital of SEK 34 million (-22). During the period, SEK -32 million (-8) of cash flow was used for investments in tangible and intangible assets and SEK -30 million was used to reduce liabilities to banks.

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, but investments in a new laboratory and research space are being carried out on a full scale during the autumn. A total of SEK 32 million (14) has been invested in tangible and intangible assets. The majority of the investments pertain to developing coating methods and technological centres. Rebuilding the treatment facility accounted for SEK 12 million.

Financial position 30 September



Total assets at the end of September amounted to SEK 551 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 91 million (36).

Equity continued to strengthen as the result of positive earnings, totalling SEK 347 million (283). The company's equity/assets ratio remained strong at 63 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.

Working capital

Operating assets are primarily inventories and trade receivables, and the majority of operating liabilities are trade payables and prepayments from customers. Net working capital amounted to SEK 48 million, or 9% in relation to sales during the last 12 months. This relatively low figure is due to reduced inventories and large prepayments connected to customer orders for future deliveries.

Net debt

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

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 13 million (42 at the beginning of the year) and cash and cash equivalents in banks totalled SEK 91 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.

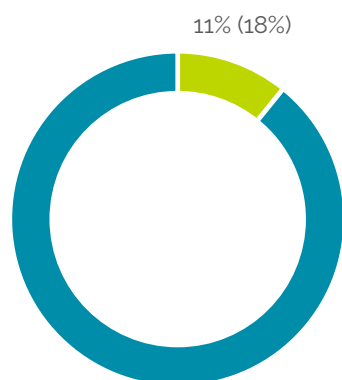
Derivatives

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 -3.6 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 Q3 2022 (Q3 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

Order intake for Electrification & Renewables in the third quarter was SEK 1 million (3). The year-on-year decrease is due to the segment's tendency to fluctuate between periods.

At the end of the quarter, the value of the order backlog was SEK 59 million. Activity in the segment is high, with several development projects in progress. One example is the letter of intent signed with RES, an independent developer of renewable energy and energy storage.

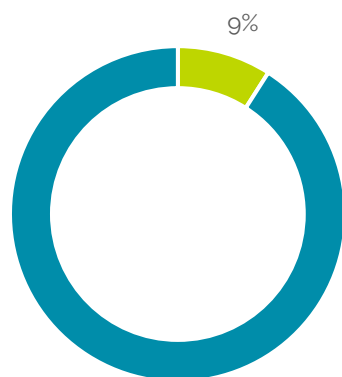
The project is one of Sweden's largest industrial initiatives and aims to jointly develop a commercial research centre at a new production facility for green hydrogen for which RES is pursuing development and establishment in Ånge Municipality.

Thanks to successful demonstration tests in hydrogen, several customers intend to significantly scale up operations and place orders already in an initial stage. This means that we expect the first commercial orders in 2023.

Sales for the third quarter was stable and totalled SEK 13 million (13). Sales were also somewhat higher than the figure of SEK 10 million reported in the second quarter of 2022. Of total sales in the third quarter, Electrification & Renewables comprised 11 per cent (18).

The gross margin for the third quarter totalled 15 per cent, which is on a par with the level for the full year of 2021. 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

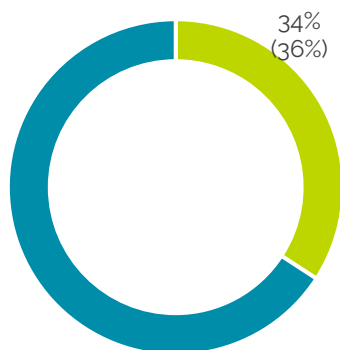


SEK m	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Order backlog	59	107	59	107	100
Order intake	1	3	-21	24	38
Sales	13	13	28	37	59
Gross profit	2	4	9	6	10
Gross margin	15%	27%	31%	16%	16%

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 Q3 2022 (Q3 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

Order intake in Industrial Solutions for the third quarter was strong and totalled SEK 38 million (21). This was due to increased installations, primarily within chlorate, and expanded capacity – which also strengthens our aftermarket business.

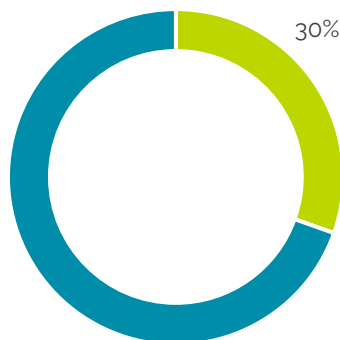
The level of activity and general demand remain high in the market.

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 189 million. Revenue for the third quarter increased to SEK 41 million (28). In the preceding quarter (second quarter of 2022), sales totalled SEK 50 million.

Of the company's total sales in the third quarter, Industrial Solutions comprised 34 per cent (36). The gross margin in the segment decreased to 26 per cent during the quarter.

Share of Group sales LTM

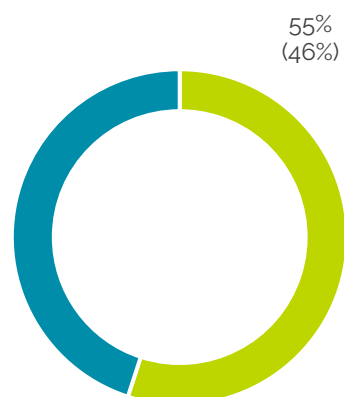


SEK m	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Order backlog	189	86	189	86	99
Order intake	38	21	208	92	147
Sales	41	28	125	108	150
Gross profit	11	10	52	34	54
Gross margin	26%	34%	41%	31%	36%

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 Q3 2022 (Q3 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

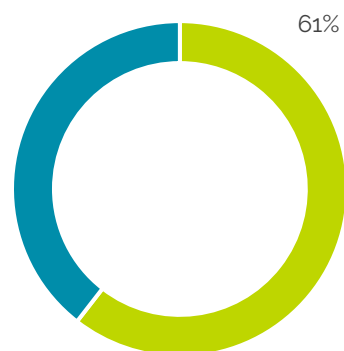
Water Treatment reported a reduced order intake of SEK 105 million (179) in the third quarter. At the end of the third quarter, the value of the order backlog was SEK 136 million. Contributing factors to the smaller order backlog include shorter lead times and faster deliveries than in the previous year. This has entailed that customers, to a greater extent, are placing smaller orders more often instead of fewer large orders, which is also reflected in the figures for the January to September period.

Sales for the third quarter increased to SEK 66 million (35). This increase should be viewed in light of weaker comparison figures in the segment in the third quarter of 2021, which was drastically impacted by the pandemic as deliveries were halted and investment decisions were postponed. The robust sales are due to our strong position and order book, where Permascand delivers to the installations that need to be carried out to ensure that maritime transport can meet regulatory requirements. Revenue was somewhat lower than the second quarter of 2022.

The gross margin decreased to 20 per cent in the third quarter and was affected by price pressure in the ballast water treatment market, where we are working strategically to retain market shares and serve the subsequent aftermarket business.

Of total sales in the third quarter, Water Treatment comprised 55 per cent (46).

Share of Group sales LTM



SEK m	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Order backlog	136	308	136	308	252
Order intake	105	179	151	185	191
Sales	66	35	268	130	195
Gross profit	13	14	79	36	60
Gross margin	20%	39%	29%	28%	31%

Other

FINANCIAL CALENDAR

- **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 127 employees, of whom 43 per cent were under collective bargaining agreements and 57 were salaried employees.

Significant events after the end of the reporting period

No significant events took place after the end of the reporting period

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 September, 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 September 2022 was SEK 25.90 per share, corresponding to a total market value of SEK 1,536 million. Permascand's shareholder register with its ten largest shareholders is presented on the company's website.

Review

This interim report has been reviewed by the company's auditors.

Presentation of interim report

A teleconference and webcast will be held on 11 November 2022 at 10:30 a.m. CET.

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: 9111060#

Link: <https://ir.financialhearings.com/permascand-top-holding-q3-2022>

Consolidated statement of comprehensive income

SEK m	Note	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Sales	2	120	76	422	274	405
Cost of goods sold		-94	-49	-283	-199	-282
Gross profit		26	27	139	76	123
Sales expenses		-4	-4	-12	-12	-17
Administrative expenses	3	-15	-8	-38	-48	-56
Research and development expenses		-6	-2	-20	-12	-17
Other operating income/expenses		10	2	19	4	5
Operating income		11	14	87	8	38
Net financial items		-1	-1	-4	-9	-11
Profit/loss before tax		10	13	84	-1	27
Income tax		-2	-3	-17	-	-7
Net profit /loss for the period		8	10	66	-	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		-1	0	-3	-1	-1
Tax attributable to changed value of cash flow hedging		0	0	1	0	0
Translation differences on foreign subsidiaries		0	0	0	0	0
Total other comprehensive income		-1	0	-2	-1	-1
Total comprehensive income for the period		7	10	64	-1	20
Comprehensive income for the period attributable to Parent Company shareholders		7	10	64	-1	20
Earnings per share, calculated on profit for the period attributable to Parent Company shareholders						
Earnings per share before and after dilution, SEK		0.13	0.18	1.12	-0.01	0.37
Average no. of shares before dilution		59,313,529	59,313,529	59,313,529	54,368,474	55,616,036
Average number of shares after dilution		59,313,529	59,318,361	59,313,529	54,368,474	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 SEP 2022	30 SEP 2021	31 DEC 2021
Assets				
Fixed assets				
<i>Intangible fixed assets</i>				
Goodwill		56	56	56
Other intellectual property rights		16	13	17
Property plant and equipment		167	145	146
Right-of-use assets		2	3	3
Financial assets		-	-	-
Total non-current assets		240	216	221
Current assets				
Inventories		109	108	109
Current receivables		111	90	88
Cash and cash equivalents		91	24	36
Total current assets		311	222	233
Total assets		551	438	455
EQUITY AND LIABILITIES				
Equity		347	262	283
Non-current liabilities				
Liabilities to credit institutions		8	46	34
Deferred tax liabilities		11	8	11
Lease liabilities		1	1	2
Total non-current liabilities		20	56	47
Current liabilities				
Liabilities to credit institutions		3	5	5
Lease liabilities		1	1	1
Other current liabilities		181	114	119
Total current liabilities		185	120	125
TOTAL LIABILITIES		204	176	172
TOTAL EQUITY AND LIABILITIES		551	438	455

Condensed consolidated statement of changes in equity

SEK m	Note	30 SEP 2022	30 SEP 2021	31 DEC 2021
Opening balance		283	-16	-16
Net profit /loss for the period		66	-	20
Other comprehensive income		-2	-1	-1
Total comprehensive income		64	-1	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		347	262	283
Closing balance		347	262	283



Condensed consolidated cash flow statement

SEK m	Note	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Operating income		11	14	87	8	38
Depreciation and amortisation of tangible and intangible assets		4	4	13	11	15
Other items not affecting cash flow		1	0	1	1	1
Interest paid		-1	0	-2	-6	-8
Income tax paid		-2	-3	-15	-14	-16
Cash flow from operating activities before changes in working capital		13	15	85	1	30
Cash flow from change in working capital		26	17	34	-22	-19
Cash flow from operating activities		39	32	119	-21	11
Investments in tangible and intangible assets		-13	-6	-32	-14	-23
Cash flow from investing activities		-13	-6	-32	-14	-23
New share issue		-	-	-	305	305
Issue costs		-	-	-	-26	-26
Repayment of borrowings		-	-	-	-250	-250
Increase/decrease in current borrowings		-2	-16	-5	17	7
Repayment of non-current liabilities		-	-2	-24	-5	-7
Lease payments		0	0	-1	-1	-2
Cash flow from financing activities		-2	-18	-31	40	28
Cash flow for the period		23	8	55	5	17
Cash and cash equivalents at the beginning of period		68	16	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		91	24	91	24	36

Condensed Parent Company income statement

SEK m	Note	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Sales		1	1	4	4	5
Administrative expenses		-3	-11	-11	-21	-24
Operating profit (EBIT)		-2	-10	-7	-17	-19
Inter-comapny interest income		6	6	18	18	24
Interest expenses		0	0	0	0	0
Income after financial items		4	-5	11	1	5
Received Group contributions		-	-	-	-	20
Profit before tax (EBT)		4	-5	11	1	24
Income tax		-	-	-	-	-
Net profit /loss for the period		4	-5	11	1	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 SEP 2022	30 SEP 2021	31 DEC 2021
Assets				
Non-current assets				
Shares in subsidiaries		-	-	-
Non-current receivables from Group companies		732	732	732
Total non-current assets		732	732	732
Current assets				
Current receivables from Group companies		90	45	71
Current receivables		-	-	-
Cash and cash equivalents		5	14	13
Total current assets		95	59	84
Total assets		827	791	816
EQUITY AND LIABILITIES				
Restricted equity		2	2	2
Non-restricted equity		818	784	807
Total equity		820	786	809
Current liabilities		7	5	6
TOTAL EQUITY AND LIABILITIES		827	791	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:

JUL-SEP 2022	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	41	13	66		120
Cost of goods sold	-30	-11	-53		-94
Gross profit	11	2	13		26
Gross margin	26%	15%	20%		22%
Operating profit (EBIT)				-15	11
Net financial items				-1	-1
Profit before tax (EBT)					10

JUL-SEP 2021	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	28	13	35		76
Cost of goods sold	-18	-10	-21		-49
Gross profit	10	4	14		27
Gross margin	34%	27%	39%		35%
Operating profit (EBIT)				-13	14
Net financial items				-1	-1
Profit before tax (EBT)					13

JAN-SEP 2022	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	125	28	268		422
Cost of goods sold	-74	-20	-190		-283
Gross profit	52	9	79		139
Gross margin	41%	31%	29%		33%
Operating profit (EBIT)				-52	87
Net financial items				-4	-4
Profit before tax (EBT)					83

JAN-SEP 2021	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	108	37	130		274
Cost of goods sold	-74	-31	-93		-199
Gross profit	34	6	36		76
Gross margin	31%	16%	28%		28%
Operating profit (EBIT)				-68	8
Net financial items				-9	-9
Profit before tax (EBT)					-1

JAN-DEC 2021	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
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:

JUL-SEP 2022	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	41	2	65	108
At a point in time	0	11	0	11
Total	41	13	66	120

JUL-SEP 2021	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	28	7	35	70
At a point in time	-	6	-	6
Total	28	13	35	76

JAN-SEP 2022	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	123	12	268	403
At a point in time	3	16	1	19
Total	125	28	268	422

JAN-SEP 2021	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	108	17	130	255
At a point in time	-	20	-	20
Total	108	37	130	274

JAN-DEC 2021	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
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 September 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 September 2022, the value of derivatives amounted to SEK -3.6 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.

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

	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
SEK m					
Operating income	11	14	87	8	38
Items affecting comparability	-5	-	-5	20	22
Adjusted operating profit	6	14	82	28	60

Operating margin

	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
SEK m					
Operating income	11	14	87	8	38
Sales	120	76	422	274	405
%	9%	18%	21%	3%	9%

Alternative performance measures cont.

EBITDA

SEK m	JUL-SEP 2022	JUL-SEP 2021	JAN-SEP 2022	JAN-SEP 2021	JAN-DEC 2021
Net profit /loss for the period	8	10	66	0	20
Income tax	2	3	17	0	7
Net financial items	1	1	4	9	11
Depreciation	4	4	13	11	15
EBITDA	15	18	100	20	54

Net debt

SEK m	30 SEP 2022	30 SEP 2021	31 DEC 2021
Non-current liabilities to credit institutions	8	46	34
Non-current lease liability	1	1	2
Current liabilities to credit institutions	3	5	5
Current lease liability	1	1	1
Cash and cash equivalents	-91	-24	-36
Net debt	-79	30	6

Equity/assets ratio

SEK m	30 SEP 2022	30 SEP 2021	31 DEC 2021
Equity	347	262	283
Total assets	551	438	455
Equity/assets ratio, %	63%	60%	62%

Net debt/EBITDA

SEK m	30 SEP 2022	30 SEP 2021	31 DEC 2021
EBITDA, LTM	133	45	53
Net debt	-79	30	6
Net debt/EBITDA	-0.59	0.65	0.11

Return on equity

SEK m	30 SEP 2022	30 SEP 2021	31 DEC 2021
Earnings for the period, LTM	87	13	20
Opening equity	262	-30	-16
Closing equity	347	262	283
Average equity, LTM	305	116	133
Return on equity, %	28.6%	11.0%	15.2%

Return on assets

SEK m	30 SEP 2022	30 SEP 2021	31 DEC 2021
Operating profit, LTM	117	30	38
Financial income, LTM	-	-	-
Opening total assets	438	404	413
Closing total assets	551	438	455
Average total assets, LTM	495	421	434
Return on assets, %	23.6%	7.2%	8.8%

Assurance

Permascand Top Holding AB

Folkets Husvägen 50

SE-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 11 November 2022 at 7:45 a.m. CET.

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, 11 November 2022

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

**Auditor's report**

To the Board of Permascand Top Holding AB (publ.)

Corp. Reg. No. 555922-6124

Introduction

We have reviewed the condensed interim financial information (interim report) of Permascand Top Holding AB (publ.) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 11 November 2022

KPMG AB

Helena Nilsson

Authorised Public Accountant

Consolidated quarterly data

SEK m	2022			2021				2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	143	4	191	75	202	41	57	82	228	57	104
Income statement											
Sales	120	163	139	130	76	123	75	118	111	78	108
Gross profit	26	62	52	47	27	31	18	36	30	11	27
Operating income	11	45	31	30	14	-3	-3	22	21	1	16
Adjusted operating profit	6	45	31	32	14	12	2	27	21	1	16
EBITDA	15	49	35	34	18	1	1	26	24	4	19
Profit/loss before tax	10	44	30	28	13	-7	-7	18	17	-3	13
Gross profit/loss, % of sales	22%	38%	37%	36%	35%	25%	24%	30%	27%	14%	25%
Operating profit/loss, % of sales	9%	28%	22%	23%	18%	-2%	-4%	19%	19%	1%	15%
Adjusted operating profit*, % of sales	5%	28%	22%	25%	18%	9%	3%	23%	19%	1%	15%
Balance sheet											
Property plant and equipment	167	157	148	146	145	146	143	146	144	143	136
Tangible assets	551	562	519	455	438	440	408	413	404	359	375
Cash and cash equivalents	91	68	48	36	24	16	13	19	4	13	28
Non-current interest-bearing liabilities	9	9	34	36	47	64	293	282	288	276	290
Cash flow											
Operating activities	39	58	22	33	32	-39	-14	32	-16	10	27
Investing activities	-13	-13	-6	-9	-6	-7	-2	-10	-5	-10	-18
Financing activities	-2	-25	-3	-12	-18	49	10	-6	12	-16	-7
Cash flow for the period	23	20	13	12	8	3	-6	16	-9	-16	2
Capital structure											
Net debt	-79	-54	-9	6	30	55	287	271	293	272	272
Per share data, SEK											
Earnings per share before and after dilution	0.13	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	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	59,313,529	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



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