



# INTERIM REPORT

APRIL-JUNE 2023  
PERMASCAND TOP HOLDING AB



## A quarter of intense deliveries with a changed revenue mix towards future growth segments

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.

### Second quarter 2023 (Q2 2022)

- Order intake increased year-on-year to SEK 154 million (4')
- Sales increased 3 per cent to SEK 167 million (163)
- Operating profit totalled SEK 17 million (45), corresponding to 10 per cent (28) of revenues
- Adjusted operating profit totalled SEK 17 million (45)
- Profit after tax totalled SEK 12 million (35)
- Earnings per share amounted to SEK 0.21 (0.58)
- Cash flow from operating activities totalled SEK -40 million (58)

### January-June 2023 (Q2 2022)

- Order intake decreased 5 per cent year-on-year to SEK 185 million (195)
- Sales decreased 8 per cent to SEK 279 million (303)
- Operating profit totalled SEK 25 million (76), corresponding to 9 per cent (25) of revenues
- Adjusted operating profit totalled SEK 25 million (76)
- Profit after tax totalled SEK 18 million (58)
- Earnings per share amounted to SEK 0.31 (0.37)
- Cash flow from operating activities totalled SEK -77 million (80)

### Events during the second quarter of 2023

- On 12 May, Permascand announced that the company was strengthening its presence in North America by signing a collaboration and supply agreement with Chemetry. Permascand is also investing in the company as a growth partner.

### KEY PERFORMANCE INDICATORS

SEK m	APR-JUN 2023	APR-JUN 2022	Δ%	JAN-JUN 2023	JAN-JUN 2022	Δ%	JAN-DEC 2022
Order intake *)	154	4	4093%	185	195	-5%	445
Order backlog	269	362	-26%	269	362	-26%	350
Sales	167	163	3%	279	303	-8%	569
Operating profit	17	45	-62%	25	76	-67%	105
Adjusted operating profit	17	45	-62%	25	76	-67%	95
Profit/loss after tax	12	35	-64%	18	58	-68%	81
Earnings per share before dilution (SEK)	0,21	0,58	-64%	0,31	0,98	-68%	1,37
Earnings per share after dilution (SEK)	0,21	0,58	-64%	0,31	0,98	-68%	1,37
Cash flow from operating activities	-40	58	-169%	-77	80	-196%	113
Equity/assets ratio (%)	68%	60%	13%	68%	60%	13%	68%
Net debt/EBITDA	0,79	-0,40	300%	0,79	-0,40	300%	-0,49

\* In the comparison period, the value of new orders totalled SEK 67 million; after impairment of earlier orders totalling SEK -63 million, the net value amounted to SEK 4 million. For full-year 2022 the value of positive order intake was SEK 508 million, corresponding to a net value of SEK 445 million.

## A quarter of intense deliveries with a changed revenue mix towards future growth segments



*"We see good chances that the first order for hydrogen on a commercial scale will be made before the end of the year. This is an area that is expected to gain momentum in 2024 before a major breakthrough is expected in 2025."*

The second quarter of the year was characterised by continued changes to the revenue mix, with growth in the Electrification & Renewables and Industrial Solutions segments that successfully offset a decrease in sales in Water Treatment.

Sales for the quarter totalled SEK 167 million, up 3 per cent year-on-year. Sales were driven by robust growth in both Industrial Solutions and Electrification & Renewables. Successfully setting a new sales record for a single quarter, despite the changes to the revenue mix with a sharp decrease in sales in Water Treatment, is quite an achievement.

Order intake for the quarter totalled SEK 154 million, driven primarily by Electrification & Renewables, our future pillar, and Industrial Solutions, our stable industrial business. One of the highlights of the quarter was the order in Electrification & Renewables, under which the company will supply cells for the construction of a new lithium extraction facility, expected to be delivered in 2025. Customer activity levels continue to be high, but we are still experiencing cautiousness from customers in their orders caused by the uncertainty brought about by the situation in the global market.

Gross profit for the quarter totalled SEK 45 million. That corresponds to a gross margin of 27 per cent, which is lower than the 38 per cent achieved in the year-earlier period. We achieve a lower gross margin due to changed product mix where we in the quarter have a smaller series of manufacturing in Electrification & Renewables, and a price pressured water treatment business.

Permascand's three segments are in three different phases. Industrial Solutions is a very stable aftermarket business with good visibility and profitability. The Water Treatment business has during the period 2018-2022 gone through a strong growth phase with new installations. In total, we delivered around 5,500 cells before installations declined from the first quarter of 2023 and we expect the aftermarket business to reach significant levels after 2026 with the refurbishment of systems installed before 2018.

Thus, after 2026, two out of three segments are expected to be in stable aftermarket phases. Permascand's next growth engine is Electrification & Renewables where we have an ambition to reach 5GW capacity for green hydrogen manufacturing in 2030.

### Electrification & Renewables

The segment posted one of the strongest quarters in its history in terms of sales, while we experienced a high level of activity and increasingly intensive customer dialogues within all parts of the segment, electrowinning, power transmission and hydrogen. The electrowinning orders received in lithium extraction are a success in line with our strategic focus on winning business in new construction. The recoating cycle is estimated at between two and five years, which presents opportunities for attractive and recurring aftermarket business.

In green hydrogen, it is clear that our customers' investment decisions are largely governed by the global market and financing opportunities. Owing to the investments in our production capacity over the last few years, we are ready to do our part – delivering on orders for components for production of green hydrogen on a commercial scale. We currently have over ten active customers with orders, sales and ongoing development and qualification processes.

At the same time, we have another ten customers with ongoing dialog and exchange of information.

### Industrial Solutions

The Industrial Solutions business area is driven by a stable and profitable aftermarket business and has potential for growth through new construction and capacity increases. The segment is our engine for the quarter. In May, we could announce that we had signed a collaboration and supply agreement with California-based Chemetry, which boosts the company's presence in North America. The partnership pertains to commercialisation of a more efficient and sustainable process technologies for commodity chemicals. The development is proceeding in accordance with plans, with expectations that the demonstration facility at Braskem will be in full use in the first half of 2024.

### Water Treatment

In water treatment, we are delivering on our existing order book. We believe that orders will not grow appreciably until after 2026, when it is expected that the segment's aftermarket business will generate increased revenue. We are continuing to work on our offering in the area of water treatment in industry and public water supply. This is an area where we see continued potential for growth, and the possibility for our technology to be developed in a new area of application.

### Outlook

Visibility in the short term remains low on how the market and customer orders will develop in the near future. It is clear that the situation in the global market is leading to restraint and caution among our customers – and their customers – in their investment decisions, which is expected to continue into the second half of the year. Given the patterns in customer orders and deliveries, we believe that sales for the full-year 2023 will be lower than that of 2022. Owing to the market environment we expect an unchanged level of our gross margin in the coming quarters.

However, the underlying long-term demand among our customers remains strong. For example, customers postponing investments in new and existing facilities result in increased operating costs, due to lower performance and higher energy consumption, which creates a pent-up need that must be met in the future. Further on, we expect that Electrification & Renewables and Industrial Solutions will continue to grow and even better offset the decrease in sales in Water Treatment. We see good chances that the first order for hydrogen on a commercial scale will be made before the end of the year. This is an area that is expected to gain in momentum in 2024 before a major breakthrough is expected in 2025.

Permascand has a strong position in the market, with our technology and solutions meeting customer expectations for quality and performance. All together, we feel positive about the long-term market outlook driven by the global green transition.

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. Permascand's contribution to everyday life is electrochemical technology that is placed very early on in the value chain for industries that focus on green technology.

### 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.

### About Permascand

Permascand has its head office in Ljungaverk, Sweden, where the company also conducts research and development operations, tech development and production. In addition, Permascand has offices in Stockholm and Gothenburg, Sweden; Berlin, Germany; Vancouver, Canada; and Ohio in the US.

For further information, please visit: [permascand.com](https://permascand.com)

The Certified Adviser is FNCA Sweden AB, [info@fnca.se](mailto:info@fnca.se), +46 (0) 8528 00 399.

### Vision

The leading independent global supplier of key components for electrochemical applications to support the green transition.

### Mission

To deliver innovative, competitive products and services by offering superior support and manufacturing capabilities to our partners.

## Sustainability

Sustainability is at the heart of Permascand's operations and permeates everything the company does. Permascand's products promote the green transition. The company uses its expertise to provide electrochemical solutions that meet the needs of current generations without compromising the ability of future generations to meet their needs. Hence, the global focus on sustainability and reducing environmental impact is a factor that is expected to contribute, to an even greater extent, to demand for Permascand's products.

Permascand has undertaken to account for economic, environmental and societal needs in its production cycle, in manufacturing, and in purchasing materials and services.

The company's business concept is centred on the following UN Sustainable Development Goals:

(9), (12), (13), (14). Several of Permascand's products are key drivers in the global transition to a more sustainable future through:

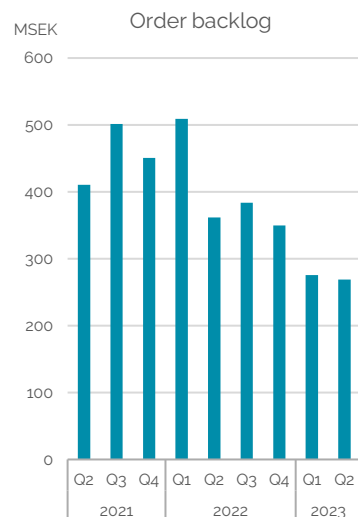
- Reducing energy consumption in several industrial processes.
- Providing technology for the efficient extraction of lithium, copper and nickel, all vital substances for the global transition to renewable energy.
- Creating conditions for the electricity infrastructure needed for the transition away from the fossil-fuel economy.
- Applying materials knowledge in niche areas for electricity transmission technology.
- Providing technology for reducing energy consumption and the manufacturing costs for hydrogen gas.
- Preserving marine ecosystems in the form of ballast water purification systems. Electrolysis is employed to produce an active substance that is used to disinfect the water and to thereby protect biodiversity.



### Permascand's contribution to UN Sustainable Development Goals



## Financial performance during the second quarter of 2023



### Order intake

Order intake in the second quarter totalled SEK 154 million (in the comparison period, the value of new orders amounted to SEK 67 million but the net effect after impairment of orders was SEK 4 million). The largest order intake was noted in the Electrification & Renewables segment, which received new orders during the quarter valued at SEK 85 million (24). The new orders are for deliveries of electrochemical cells in the areas of lithium extraction and electrowinning. The order intake within Industrial Solutions for the quarter was SEK 64 million (32) and SEK 5 million (10) in Water Treatment. At the end of the period, the value of the order backlog was SEK 272 million (361).

### Sales

Sales totalled SEK 167 million (163), which is the highest ever in a single quarter, breaking the old record from second quarter 2022.

In Electrification & Renewables, sales increased to SEK 49 million (10). The increase is a step in the green transition and deliveries in electrification. Also in Industrial Solutions, sales increased compared with the year-earlier quarter. The increase corresponded to 78 per cent and sales totalled SEK 89 million (50). During the quarter, the company continued to deliver on orders for greenfield projects and capacity expansion in the chlorate market.

In Water Treatment, sales were significantly lower than in the year-earlier period – SEK 29 million (103) – but are on a par with the first quarter of the year.

### Gross profit

Gross profit totalled SEK 45 million (62), corresponding to a gross margin of 27 per cent (38). The company's gross margins are impacted by volume, product mix and price effects. In pace with the fall in the company's deliveries in ballast water purification from the third quarter of 2022 and onward, gross margin levels have also decreased from the high levels of 37–38 per cent that were reached in the first half of 2022. The mix of various projects was large in the quarter with smaller production series in terms of volume, which adversely affects the margin. The price impact on the gross margin is a result of products of lower pricing within Electrification & Renewables as well as in deliveries for new installations in Industrial Solutions. Price pressure in ballast water purification also adversely affected the operating margin for the quarter in relation to the comparison period.

### Operating profit/loss

Operating profit for the period totalled SEK 17 million (45), corresponding to an operating margin of 10 per cent (28). The lower operating profit in the quarter is primarily a result of lower gross profit and a lower gross margin, but it was also adversely affected by investments in our future growth areas. Operating profit also includes other operating income and the impact from currency restatements, which for the quarter totalled SEK 0 million (9). The lower positive impact from currency resulted in lower earnings.

### Profit/loss for the period and earnings per share

Profit before tax totalled SEK 16 million (44). The net of financial income and expenses amounted to SEK -1 million (-1) and consisted of interest expense. Tax expenses totalled SEK -3 million (-9). Profit for the period totalled SEK 12 million (35), and earnings per share were SEK 0.21 (0.58).

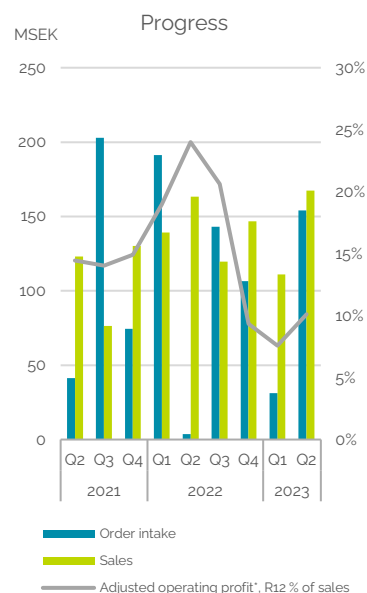
### Cash flow

Cash flow from operating activities totalled SEK -40 million (58), of which cash flow from changes in working capital accounted for SEK -58 million (12). The greatest impact on change in working capital is fewer liabilities in the form of advance payments from customers, decreases in trade payables and increases in trade receivables as a result of invoicing late in the quarter.

Investments in tangible and financial assets during the period totalled SEK -27 million (-13), the majority of which pertained to coating facilities and investments in a technology centre and modern laboratory. Investments in non-current financial assets totalled SEK -11 million (0) and pertain to an investment in a North American partnership to develop lower energy technologies in the chemical space.

To finance working capital and investments, the company increased its utilisation of overdraft facilities in banks and raised a capex loan of SEK 25 million, which resulted in a total cash flow from financing activities of SEK 55 million (-25). In total, cash flow for the quarter amounted to SEK -12 million (20).

## Financial performance, first half-year 2023



### Order intake and sales

During the first half of the year, the order intake did not perform to the extent expected, attributable primarily to the low order intake in the first quarter. In the second quarter, the outcome was better and the order intake for six months totalled SEK 185 million (195). The company's smallest segment, Electrification & Renewables, accounted for the largest order intake, totalling SEK 106 million (41), and it is also in this segment that activity levels were clearly the highest, with inquiries and quotes as well as development projects and partnerships for future commercial orders.

Sales for the first half of the year amounted to SEK 279 million (303), down 8 per cent year-on-year. Sales decreased primarily within the Water Treatment segment while the other two segments reported robust increases in sales. During the first half of the year, sales in Electrification & Renewables accounted for 22 per cent of total sales, Industrial Solutions accounted for 56 per cent and Water Treatment 22 per cent.

### Earnings

Gross profit for the half-year amounted to SEK 77 million (113) and operating profit was SEK 25 million (76). The main reason for the lower earnings is a reduced gross margin that fell to 28 per cent (38). Underlying causes include a larger variation and mix in production, lower volumes and price pressure. The comparison figures for Q1 and Q2 2022 were exceptionally high as a result of deliveries and revenue of SEK 200 million in ballast water purification which resulted in large economies of scale and optimised capacity utilisation. Conditions in the market have changed, which resulted in adjustments to changing conditions and a lower gross margin. In the Industrial Solutions segment, the margin has been negatively affected by lower pricing for deliveries to the large projects for new installations, so-called Greenfield projects.

Operating profit decreased as a result of a lower gross margin, but also because of new recruitment activities to address future customer projects and technological advances as well as cost increases for improved quality, sales, and research and development.

Currency impact on operating profit for the half-year was SEK 1 million (9). Net financial income and expenses amounted to SEK -2 million (-2) and consisted of interest expense. Tax expenses totalled SEK -5 million (-15), which yielded earnings of SEK 18 million (57) and earnings per share of SEK 0.31 million (0.98).

### Cash flow

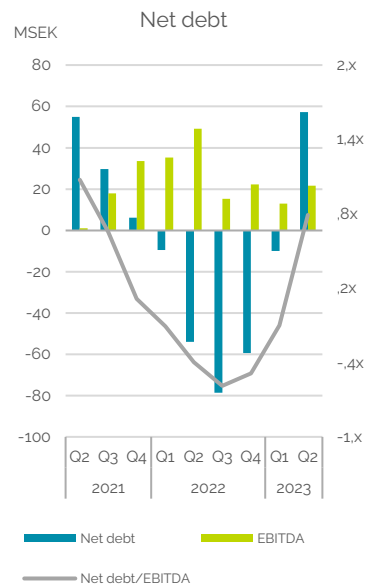
Cash flow for the half-year totalled SEK -56 million (32), cash and cash equivalents decreased from SEK 71 million to SEK 16 million. The main contributing factor to the negative cash flow was the change in working capital, which totalled SEK -102 million (8). The negative effect from change in working capital are temporary due to a couple of factors; As a result of the low order intake during the first quarter, other operating liabilities – primarily comprising advance payments from customers totalling SEK -27 million – decreased; trade payables also decreased by SEK -24 million while trade receivables increased substantially by SEK -46 million, all of which had an adverse impact on cash flow. Cash position strengthened after the end of the quarter.

Investments in tangible and intangible assets totalled SEK -28 million (-19), and investments in non-current financial assets totalled SEK -11 million (0). To finance working capital and investments, the company increased its utilisation of overdraft facilities in banks of SEK 36 million (-4) and raised a capex loan of SEK 25 million, which resulted in a total cash flow from financing activities of SEK 60 million (-29).

### 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 either 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 position 30 June



Total assets at the end of June amounted to SEK 562 million (533 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 16 million (71). Liquidity decreased during the half-year as a result of the development of working capital. After the end of the second quarter, liquidity strengthened as a result of payments from customers.

Equity continued to strengthen as a result of positive earnings, totalling SEK 382 million (364). The company's equity/assets ratio remained strong at 68 per cent (68). A more detailed explanation of the change in equity is available in the Condensed consolidated statement of changes in equity on page 14.

### Working capital

Operating assets are primarily inventories and trade receivables, and the majority of operating liabilities are trade payables and advance payments from customers. Net working capital amounted to SEK 182 million, or 33 per cent in relation to sales during the last 12 months. Net working capital has increased sharply since the start of the year, which impacted liquidity and cash flow. One reason was low order intake in the first quarter, with a small share of new advance payments from customers while ongoing deliveries were made against the opening balance of advance payments, thereby reducing liabilities. Trade payables had also decreased by the end of June, while trade receivables had increased sharply as a result of invoicing late in the period.

### Net debt

In recent years, the company has had strong cash flow and very low levels of borrowings. During the half-year, increased utilisation of overdraft facilities was required to finance the temporarily high working capital. Moreover, in the second quarter the company utilised a capex loan in banks of SEK 25 million to finance investments in non-current assets. These measures impacted net liabilities, which were negative for a long time, with the sum of borrowing being lower than liquidity but now totalling SEK 58 million. Despite the borrowings, net debt remains at a stable level under the financial targets that indicate that net debt in relation to EBITDA must not exceed 2.0x; the current figure is 0.79x (-0.49).

On the balance sheet date, loans outstanding totalled SEK 73 million (42 at the beginning of the year) and cash and cash equivalents in banks totalled SEK 16 million (71 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 -1.1 million (-1.2 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.

Permascand's Electrification & Renewables segment offers products in rapidly growing markets for green technology. This pertains products where electrodes and electrochemical cells are used in processes for hydrogen production, for corrosion protection in the expansion of electricity supply, and in the extraction of metals, such as lithium, which, among other things, create the conditions for fossil-free and renewable energy, as well as energy storage.

### Sales and earnings

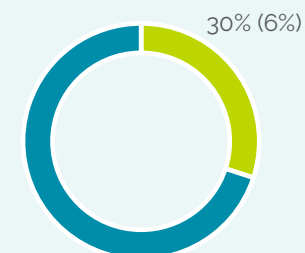
Order intake and sales in the segment were dominated by business related to development projects that will lead to future commercial orders. Order intake for the second quarter totalled SEK 85 million (-39), attributable primarily to a larger order for new construction in lithium extraction with delivery in 2025. The reported order intake in the comparison period was impacted by the impairment of an order by roughly SEK 65 million. At the end of the quarter, the value of the order backlog was SEK 120 million compared with SEK 75 million at the beginning of the year. Activity in the segment is high, with several qualifications and development projects in progress in various phases with several different partners.

SEK m	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Order backlog	120	72	120	72	75
Order intake	85	-39	106	-22	26
Sales	49	10	62	15	54
Gross profit	5	5	7	7	10
Gross margin	9%	49%	11%	45%	18%

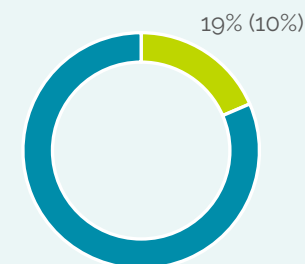
One example is the partnership with RES, an independent developer of renewable energy and energy storage, which was developed further during the quarter. Permascand has a declaration of intent with RES linked to a project for green hydrogen in Ånge Municipality, where RES is pursuing development and establishment. Another is the partnership with Verdagy, where we are developing new hydrogen gas technology. In green hydrogen, we are still expecting the first order on a commercial scale in 2023.

Revenue for the quarter totalled SEK 49 million (10). Of total sales, Electrification & Renewables comprised 30 per cent (6). The gross margin in the segment totalled 9 per cent (49). The margin was impacted by our delivery of a large low-margin order in the quarter, with the gross margin also adversely impacted by currency effects. The gross margin in the segment is also expected to increase in pace with larger orders being received, enabling production in larger series and utilization of production capacity advantages.

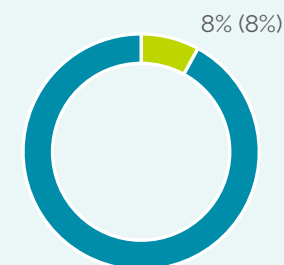
Share of Group sales Q2



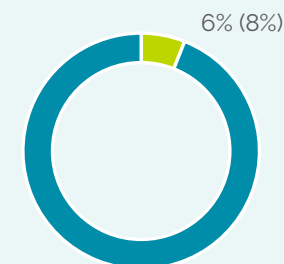
Share of Group sales LTM



Share of Group's gross profit Q2



Share of Group's gross profit LTM



## 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.

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 manufacturing and manufacturing of electrochemical processes for the chlorate and chlor-alkali industry for both new and existing plants, as well as refurbishment and recoating of existing industries.

### Sales and earnings

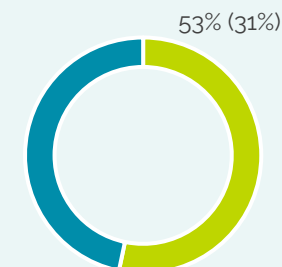
The order intake in Industrial Solutions for the first quarter totalled SEK 64 million (32). We are still experiencing a high level of activity and a large amount of customer inquiries. The level of customer activity was due first and foremost to increased installations, primarily within chlorate, and expanded capacity – which also strengthens our aftermarket business over the long term. During the quarter, Permascand signed a collaboration and supply agreement with Chemetry, which further boosts its presence in North America, a market with great potential for growth.

At the end of the quarter, the value of the order backlog in the segment was SEK 108 million (194), as we have delivered a greenfield order.

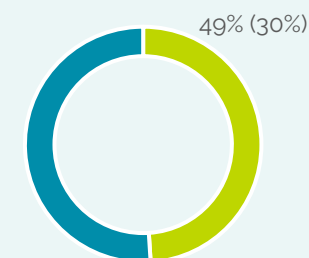
SEK m	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Order backlog	108	194	108	194	178
Order intake	64	32	72	170	258
Sales	89	50	157	85	195
Gross profit	35	27	59	41	80
Gross margin	39%	54%	38%	48%	41%

Revenue increased, totalling SEK 89 million (50), which thus made the segment the company's largest during the quarter in terms of sales with 53 per cent of total sales. The high levels of revenue are a result of deliveries, primarily to greenfield projects. The gross margin totalled 39 per cent, compared to 54 per cent in the comparison period. The reason is that the lower margins were driven by lower prices for major new installation projects to expand capacity in the market.

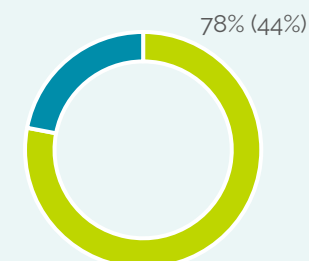
Share of Group sales Q2



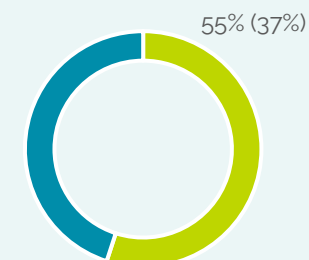
Share of Group sales LTM



Share of Group's gross profit Q2



Share of Group's gross profit LTM



## 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.

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.

A small but growing part of the segment is water purification both in industry and in public water supply, where stricter 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.

### Sales and earnings

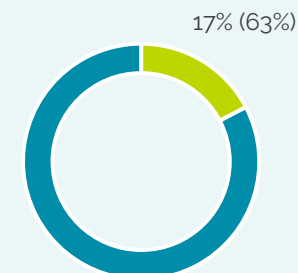
Water Treatment reported a low order intake of SEK 5 million (10) in the quarter. Order backlog totalled SEK 41 million compared with SEK 96 million at the same time last year. Revenue fell to SEK 29 million (103). In the comparison period, the company noted a large increase in deliveries and revenue as a result of the market regaining momentum after the pandemic. Lower levels of order intake and revenue are due to a decrease in the global market linked to the installation cycle and stockpiling among customers.

The gross margin totalled 21 per cent, which is a decrease from 29 per cent in the year-earlier period. The lower margin is both an effect of price pressure in the market for ballast water purification as well as an effect of shorter production series, decreased economies of scale and the introduction of new products. Permascand is strategically engaged in retaining market share and has the possibility of subsequent aftermarket business in ballast water purification, and has therefore followed market pricing. It is estimated that the aftermarket business will achieve meaningful volumes after 2026, when the systems installed prior to 2018 are expected to require recoating.

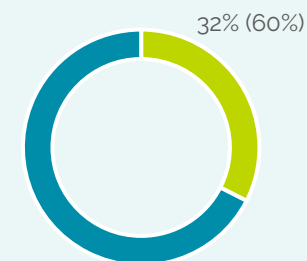
Of total sales in the quarter, Water Treatment comprised 17 per cent (63).

SEK m	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Order backlog	41	96	41	96	97
Order intake	5	10	7	46	160
Sales	29	103	60	203	320
Gross profit	6	30	11	66	95
Gross margin	21%	29%	18%	32%	30%

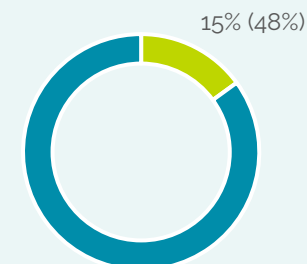
### Share of Group sales Q2



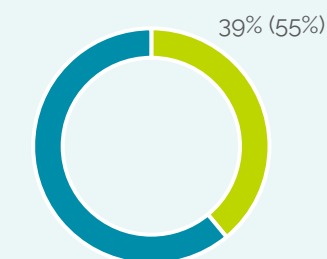
### Share of Group sales LTM



### Share of Group's gross profit Q2



### Share of Group's gross profit LTM



## Other

### FINANCIAL CALENDAR

- **Q3 2023**  
9 November 2023
- **Q4 2023**  
15 February 2024
- **Q1 2024**  
8 May 2024
- **Q2 2024**  
15 August 2024

*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 16 August 2023 at 7:45 a.m. CEST.*

### Employees

On the balance sheet date, the Group had 122 employees, of whom 43 per cent were under collective bargaining agreements and 57 per cent 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](http://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 2023 was SEK 8.48 per share, corresponding to a total market value of SEK 503 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.

### Permascand Top Holding AB

Folkets Husvägen 50  
SE-841 99 Ljungaverk  
Corp. Reg. No. 559227-6147  
Website: [Permascand.com](http://Permascand.com)

### Additional information

Linda Ekman, CFO  
[linda.ekman@permascand.com](mailto:linda.ekman@permascand.com)

## Presentation of interim report

A teleconference and webcast will be held on 16 August 2023 at 10:30 a.m. CEST.

Register via this link to participate via the teleconference: <https://conference.financialhearings.com/teleconference/?id=200910>

After registration, you will receive a telephone number and login ID for the teleconference. There will be opportunities to ask questions verbally via the teleconference.

Use this link to follow the webcast: <https://ir.financialhearings.com/permascand-top-holding-q2-2023>

## Consolidated statement of comprehensive income

SEK m	Note	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Sales	2	167	163	279	303	569
Cost of goods sold		-122	-102	-201	-189	-384
<b>Gross profit</b>		<b>45</b>	<b>62</b>	<b>77</b>	<b>113</b>	<b>185</b>
Sales expenses		-6	-5	-11	-8	-18
Administrative expenses	3	-15	-12	-27	-23	-50
Research and development expenses		-8	-8	-15	-14	-28
Other operating income/expenses		0	9	1	9	17
<b>Operating income</b>		<b>17</b>	<b>45</b>	<b>25</b>	<b>76</b>	<b>105</b>
Net financial items		-1	-1	-2	-2	-4
<b>Profit/loss before tax</b>		<b>16</b>	<b>44</b>	<b>23</b>	<b>74</b>	<b>100</b>
Income tax		-3	-9	-5	-15	-19
<b>Net profit /loss for the period</b>		<b>12</b>	<b>35</b>	<b>18</b>	<b>58</b>	<b>81</b>
<b>Other comprehensive income</b>						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Change in fair value of cash flow hedging		0	-2	0	-2	-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
<b>Total other comprehensive income</b>		<b>0</b>	<b>-2</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Total comprehensive income for the period</b>		<b>12</b>	<b>33</b>	<b>18</b>	<b>57</b>	<b>81</b>
<b>Comprehensive income for the period attributable to Parent Company shareholders</b>		<b>12</b>	<b>33</b>	<b>18</b>	<b>57</b>	<b>81</b>
<b>Earnings per share, calculated on profit for the period attributable to Parent Company shareholders</b>						
Earnings per share before and after dilution, SEK		0,21	0,58	0,31	0,98	1,37
Average no. of shares before dilution		59 313 529	59 313 529	59 313 529	59 313 529	59 313 529
Average number of shares after dilution		59 313 529	59 313 529	59 313 529	59 313 529	59 313 529

*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 2023	30 JUN 2022	31 DEC 2022
<b>Assets</b>				
<b>Fixed assets</b>				
<i>Intangible fixed assets</i>				
Goodwill		56	56	56
Other intellectual property rights		16	17	16
Property plant and equipment		194	157	175
Right-of-use assets		1	2	2
Financial assets		11	0	0
<b>Total non-current assets</b>		<b>278</b>	<b>231</b>	<b>248</b>
<b>Current assets</b>				
Inventories		121	128	124
Current receivables		147	136	90
Cash and cash equivalents		16	68	71
<b>Total current assets</b>		<b>284</b>	<b>332</b>	<b>285</b>
<b>Total assets</b>		<b>562</b>	<b>562</b>	<b>533</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Non-current liabilities</b>				
Liabilities to credit institutions		70	9	7
Deferred tax liabilities		14	11	13
Lease liabilities		0	1	0
<b>Total non-current liabilities</b>		<b>84</b>	<b>20</b>	<b>20</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		2	4	3
Lease liabilities		1	1	1
Other current liabilities		93	198	145
<b>Total current liabilities</b>		<b>96</b>	<b>202</b>	<b>150</b>
<b>TOTAL LIABILITIES</b>		<b>179</b>	<b>222</b>	<b>170</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>562</b>	<b>562</b>	<b>533</b>

## Condensed consolidated statement of changes in equity

SEK m	Note	30 JUN 2023	30 JUN 2022	31 DEC 2022
<b>Opening balance</b>		<b>364</b>	<b>283</b>	<b>283</b>
Net profit /loss for the period		18	58	81
Other comprehensive income		0	-1	-1
<b>Total comprehensive income</b>		<b>18</b>	<b>57</b>	<b>81</b>
New share issue		0	0	0
Cost of new share issue		0	0	0
Warrant premiums received		0	0	0
<b>Total transactions with shareholders</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity attributable to Parent Company shareholders</b>		<b>382</b>	<b>340</b>	<b>364</b>
<b>Closing balance</b>		<b>382</b>	<b>340</b>	<b>364</b>

## Condensed consolidated cash flow statement

SEK m	Note	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Operating income		17	45	25	76	105
Depreciation and amortisation of tangible and intangible assets		5	4	9	8	17
Other items not affecting cash flow		1	0	2	1	2
Interest paid		-1	0	-2	-1	-3
Income tax paid		-4	-3	-9	-12	-10
<b>Cash flow from operating activities before changes in working capital</b>		<b>18</b>	<b>46</b>	<b>25</b>	<b>72</b>	<b>112</b>
Cash flow from change in working capital		-58	12	-102	8	2
<b>Cash flow from operating activities</b>		<b>-40</b>	<b>58</b>	<b>-77</b>	<b>80</b>	<b>113</b>
Investments in tangible and intangible assets		-16	-13	-28	-19	-45
Investments in financial assets		-11	0	-11	0	0
<b>Cash flow from investing activities</b>		<b>-27</b>	<b>-13</b>	<b>-39</b>	<b>-19</b>	<b>-45</b>
New share issue		0	0	0	0	0
Issue costs		0	0	0	0	0
Repayment of borrowings		0	0	0	0	0
New bank loans		25	0	25	0	0
Increase/decrease in bank loans		30	-2	36	-4	-7
Repayment of non-current liabilities		0	-23	0	-24	-24
Lease payments		0	0	-1	-1	-2
<b>Cash flow from financing activities</b>		<b>55</b>	<b>-25</b>	<b>60</b>	<b>-29</b>	<b>-33</b>
<b>Cash flow for the period</b>		<b>-12</b>	<b>20</b>	<b>-56</b>	<b>32</b>	<b>35</b>
Cash and cash equivalents at the beginning of period		28	48	71	36	36
Exchange-rate differences in cash and cash equivalents		0	0	0	0	0
Cash and cash equivalents at the end of period		16	68	16	68	71



## Condensed Parent Company income statement

SEK m	Note	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Sales		3	2	4	3	5
Administrative expenses		-6	-5	-10	-8	-14
<b>Operating profit (EBIT)</b>		<b>-4</b>	<b>-3</b>	<b>-6</b>	<b>-5</b>	<b>-10</b>
Inter-comapny interest income		0	6	0	12	0
Interest expenses		-1	0	-1	0	-2
<b>Income after financial items</b>		<b>-4</b>	<b>3</b>	<b>-7</b>	<b>7</b>	<b>-12</b>
Received Group contributions		0	0	0	0	34
<b>Profit before tax (EBT)</b>		<b>-4</b>	<b>3</b>	<b>-7</b>	<b>7</b>	<b>22</b>
Income tax		0	0	0	0	-3
<b>Net profit /loss for the period</b>		<b>-4</b>	<b>3</b>	<b>-7</b>	<b>7</b>	<b>19</b>

*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 2023	30 JUN 2022	31 DEC 2022
<b>Assets</b>				
<b>Non-current assets</b>				
Shares in subsidiaries		690	0	690
Non-current receivables from Group companies		22	732	22
Other long-term securities holdings		11	0	0
<b>Total non-current assets</b>		<b>722</b>	<b>732</b>	<b>711</b>
<b>Current assets</b>				
Current receivables from Group companies		69	84	67
Current receivables		1	0	2
Cash and cash equivalents		0	7	4
<b>Total current assets</b>		<b>70</b>	<b>91</b>	<b>72</b>
<b>Total assets</b>		<b>792</b>	<b>823</b>	<b>784</b>
<b>EQUITY AND LIABILITIES</b>				
Restricted equity		2	2	2
Non-restricted equity		764	814	772
<b>Total equity</b>		<b>767</b>	<b>816</b>	<b>774</b>
<b>Current liabilities</b>		<b>26</b>	<b>7</b>	<b>10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>792</b>	<b>823</b>	<b>784</b>

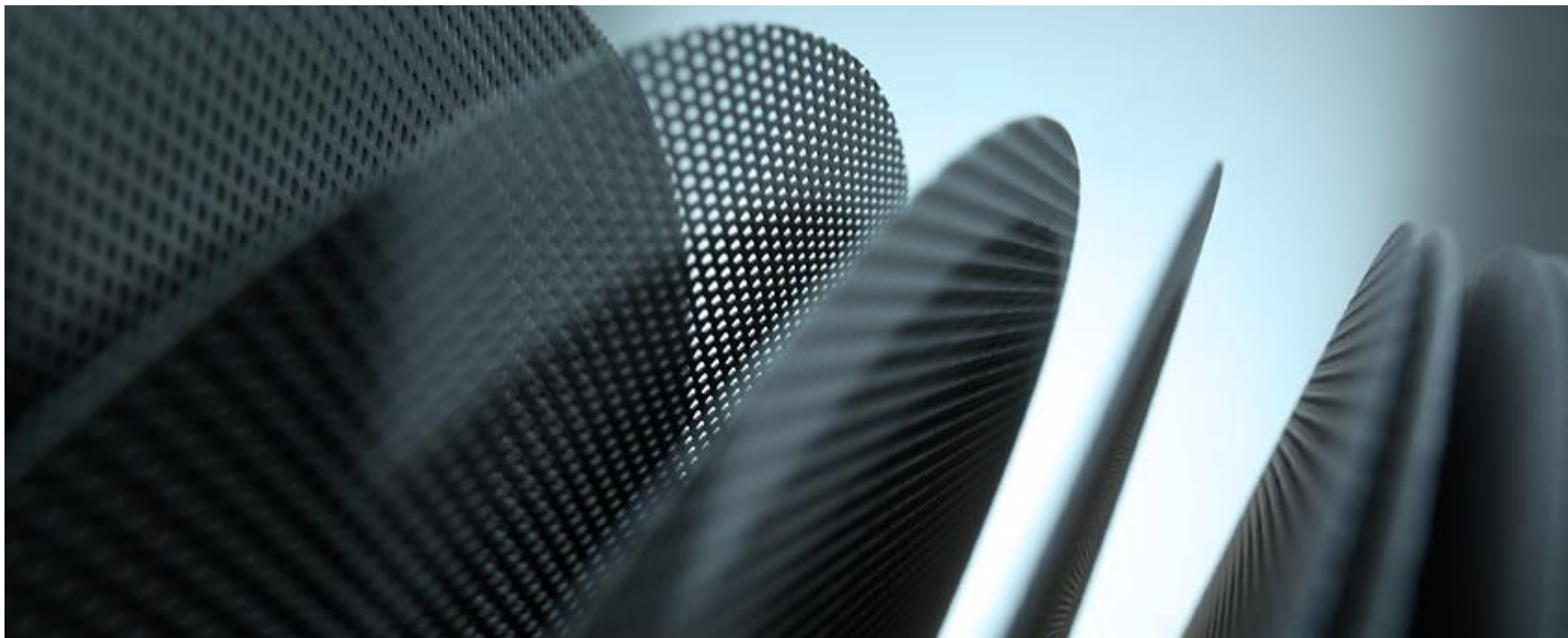
## Notes to the financial statements

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### **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 2022 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 2022 Annual Report. The 2022 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
<b>APR-JUN 2023</b>					
<b>Sales</b>	<b>89</b>	<b>49</b>	<b>29</b>		<b>167</b>
Cost of goods sold	-54	-45	-23		-122
Gross profit	35	5	6		45
Gross margin	39%	9%	21%		27%
<b>Operating profit (EBIT)</b>				<b>-28</b>	<b>17</b>
Net financial items				-1	-1
<b>Profit before tax (EBT)</b>					<b>16</b>
	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
<b>APR-JUN 2022</b>					
<b>Sales</b>	<b>50</b>	<b>10</b>	<b>103</b>		<b>163</b>
Cost of goods sold	-23	-5	-74		-102
Gross profit	27	5	30		62
Gross margin	54%	49%	29%		38%
<b>Operating profit (EBIT)</b>				<b>-17</b>	<b>45</b>
Net financial items				-1	-1
<b>Profit before tax (EBT)</b>					<b>44</b>
	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
<b>JAN-DEC 2022</b>					
<b>Sales</b>	<b>195</b>	<b>54</b>	<b>320</b>		<b>569</b>
Cost of goods sold	-115	-44	-225		-384
Gross profit	80	10	95		185
Gross margin	41%	18%	30%		32%
<b>Operating profit (EBIT)</b>				<b>-80</b>	<b>105</b>
Net financial items				-4	-4
<b>Profit before tax (EBT)</b>					<b>100</b>

	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
<b>JAN-JUN 2023</b>					
<b>Sales</b>	<b>157</b>	<b>62</b>	<b>60</b>		<b>279</b>
Cost of goods sold	-97	-55	-49		-201
Gross profit	59	7	11		77
Gross margin	38%	11%	18%		28%
<b>Operating profit (EBIT)</b>				<b>-52</b>	<b>25</b>
Net financial items				-2	-2
<b>Profit before tax (EBT)</b>					<b>23</b>
	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
<b>JAN-JUN 2022</b>					
<b>Sales</b>	<b>85</b>	<b>15</b>	<b>203</b>		<b>303</b>
Cost of goods sold	-44	-8	-137		-189
Gross profit	41	7	66		113
Gross margin	48%	45%	32%		37%
<b>Operating profit (EBIT)</b>				<b>-37</b>	<b>76</b>
Net financial items				-2	-2
<b>Profit before tax (EBT)</b>					<b>74</b>

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

<b>APR-JUN 2023</b>	<b>Industrial Solutions</b>	<b>Electrification &amp; Renewables</b>	<b>Water Treatment</b>	<b>Total</b>
Over time	89	22	28	139
At a point in time	0	27	1	28
<b>Total</b>	<b>89</b>	<b>49</b>	<b>29</b>	<b>167</b>

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

<b>JAN-DEC 2022</b>	<b>Industrial Solutions</b>	<b>Electrification &amp; Renewables</b>	<b>Water Treatment</b>	<b>Total</b>
Over time	192	36	319	547
At a point in time	3	18	1	22
<b>Total</b>	<b>195</b>	<b>54</b>	<b>320</b>	<b>569</b>

<b>JAN-JUN 2023</b>	<b>Industrial Solutions</b>	<b>Electrification &amp; Renewables</b>	<b>Water Treatment</b>	<b>Total</b>
Over time	157	27	57	240
At a point in time	0	35	3	38
<b>Total</b>	<b>157</b>	<b>62</b>	<b>60</b>	<b>279</b>

<b>JAN-JUN 2022</b>	<b>Industrial Solutions</b>	<b>Electrification &amp; Renewables</b>	<b>Water Treatment</b>	<b>Total</b>
Over time	81	10	202	293
At a point in time	4	5	0	9
<b>Total</b>	<b>85</b>	<b>15</b>	<b>203</b>	<b>303</b>

## Notes to the financial statements

### Not 3. Items affecting comparability

The company did not have any items affecting comparability during the quarter. In the comparison figures, costs related to insurance damages were treated as items 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, the value of the derivatives amounted to SEK -1.1 million (SEK -1.2 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-party 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. The CEO of the Group is 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. In November 2022, an intra-Group merger was conducted that increased the Parent Company's carrying amount of shares in subsidiaries. Refer to Note 6 in the Parent Company balance sheet.

### 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.

## 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 25.

### Adjusted operating profit

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
SEK m					
Operating income	17	45	25	76	105
Items affecting comparability	0	0	0	0	-9
<b>Adjusted operating profit</b>	<b>17</b>	<b>45</b>	<b>25</b>	<b>76</b>	<b>95</b>

### Operating margin

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
SEK m					
Operating income	17	45	25	76	105
Sales	167	163	279	303	569
%	<b>10%</b>	<b>28%</b>	<b>9%</b>	<b>25%</b>	<b>18%</b>

### Adjusted operating margin

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
SEK m					
Adjusted operating profit	17	45	25	76	95
Sales	167	163	279	303	569
%	<b>10%</b>	<b>28%</b>	<b>9%</b>	<b>25%</b>	<b>17%</b>

## Alternative performance measures cont.

### EBITDA

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
<b>SEK m</b>					
Net profit /loss for the period	12	35	18	58	81
Income tax	3	9	5	15	19
Net financial items	1	1	2	2	4
Depreciation	5	4	9	8	17
<b>EBITDA</b>	<b>22</b>	<b>49</b>	<b>35</b>	<b>84</b>	<b>122</b>

### Net debt

<b>SEK m</b>	30 JUN 2023	30 JUN 2022	31 DEC 2022
Non-current liabilities to credit institutions	70	9	7
Non-current lease liability	0	1	0
Current liabilities to credit institutions	2	4	3
Current lease liability	1	1	1
Cash and cash equivalents	-16	-68	-71
<b>Net debt</b>	<b>57</b>	<b>-54</b>	<b>-59</b>

### Equity/assets ratio

<b>SEK m</b>	30 JUN 2023	30 JUN 2022	31 DEC 2022
Equity	382	340	364
Total assets	562	562	533
<b>Equity/assets ratio, %</b>	<b>68%</b>	<b>60%</b>	<b>68%</b>

### Net debt/EBITDA

<b>SEK m</b>	30 JUN 2023	30 JUN 2022	31 DEC 2022
EBITDA, LTM	72	136	122
Net debt	57	-54	-59
<b>Net debt/EBITDA</b>	<b>0,79</b>	<b>-0,40</b>	<b>-0,49</b>

### Return on equity

<b>SEK m</b>	30 JUN 2023	30 JUN 2022	31 DEC 2022
Earnings for the period, LTM	41	90	81
Opening equity	340	252	283
Closing equity	382	340	364
Average equity, LTM	361	296	323
<b>Return on equity, %</b>	<b>11,4%</b>	<b>30,2%</b>	<b>25,1%</b>

### Return on assets

<b>SEK m</b>	30 JUN 2023	30 JUN 2022	31 DEC 2022
Operating profit, LTM	54	120	105
Financial income, LTM	0	0	0
Opening total assets	562	440	455
Closing total assets	562	562	533
Average total assets, LTM	562	501	494
<b>Return on assets, %</b>	<b>9,6%</b>	<b>23,9%</b>	<b>21,2%</b>

# Assurance

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**Permascand Top Holding AB**

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841 99 Ljungaverk

Corp. Reg. No. 559227-6147

Website: [www.permascand.com](http://www.permascand.com)
**Additional information**

Linda Ekman, CFO

[linda.ekman@permascand.com](mailto: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 16 August 2023 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, 2023-08-16

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**Per Lindberg**

Chairman of the Board

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**Anna Alexandersson**

Board member

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**Ingar Jensen**

Board member

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**Johan Karlsson**

Board member

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**Karl Bergman**

Board member

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**Marie Grönberg**

Board member

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**Mario Houde**

Board member

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**Peter Lundström**

CEO

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**Erik Zimmerman**

Employee representative



## Consolidated quarterly data

SEK m	2023		2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	154	31	107	143	4	191	74	202	41	57
<b>Income statement</b>										
Sales	167	111	147	120	163	139	130	76	123	75
Gross profit	45	32	45	26	62	52	47	27	31	18
Operating income	17	8	18	11	45	31	30	14	-3	-3
Adjusted operating profit	17	8	14	6	45	31	32	14	12	2
EBITDA	22	13	22	15	49	35	34	18	1	1
Profit/loss before tax	16	8	17	10	44	30	28	13	-7	-7
Gross profit/loss, % of sales	27%	29%	31%	22%	38%	37%	36%	35%	25%	24%
Operating profit/loss, % of sales	10%	8%	12%	9%	28%	22%	23%	18%	-2%	-4%
Adjusted operating profit*, % of sales	10%	8%	9%	5%	28%	22%	25%	18%	9%	3%
<b>Balance sheet</b>										
Property plant and equipment	194	182	175	167	157	148	146	145	146	143
Tangible assets	562	502	533	551	562	519	455	438	440	408
Cash and cash equivalents	16	28	71	91	68	48	36	24	16	13
Non-current interest-bearing liabilities	70	15	7	9	9	34	36	47	64	293
<b>Cash flow</b>										
Operating activities	-40	-37	-5	39	58	22	33	32	-39	-14
Investing activities	-27	-12	-13	-13	-13	-6	-9	-6	-7	-2
Financing activities	55	6	-2	-2	-25	-3	-12	-18	49	10
Cash flow for the period	-12	-43	-20	23	20	13	12	8	3	-6
<b>Capital structure</b>										
Net debt	57	-10	-59	-79	-54	-9	6	30	55	287
<b>Per share data, SEK</b>										
Earnings per share before and after dilution	0.21	0.10	0.25	0.13	0.58	0.40	0.35	0.18	-0.10	-0.11
Number of shares before dilution	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	53 204 932	50 490 000
Number of shares after dilution	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	59 313 529	59 318 361	53 206 569	50 490 000

## Definitions of key performance indicators

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE
<b>Return on equity</b>	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.
<b>Return on assets</b>	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.
<b>Gross profit</b>	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.
<b>Gross margin</b>	Gross profit divided by net sales	Gross margin is used to measure the Group's production profitability.
<b>EBITDA</b>	Operating profit before depreciation and amortisation of tangible and intangible assets	EBITDA gives an overview of the Group's operational profitability.
<b>Adjusted operating profit</b>	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.
<b>Adjusted operating margin</b>	Adjusted operating profit divided by net sales	Adjusted operating margin gives an overview of profitability relative to total revenue, adjusted for items affecting comparability.
<b>Items affecting comparability</b>	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.
<b>Net debt</b>	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.
<b>Net working capital</b>	Current assets less current liabilities	Net working capital is used to measure the company's ability to meet short-term capital requirements.
<b>Net working capital/net sales</b>	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.
<b>Earnings per share</b>	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.
<b>Operating margin</b>	Operating profit divided by net sales	Operating margin gives an overview of profitability relative to total revenue.
<b>Equity/assets ratio</b>	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

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WORD/TERM	DEFINITION
<b>Ballast water</b>	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
<b>BWTS</b>	Abbreviation for Ballast Water Treatment System, a product for the treatment of ballast water
<b>Aftermarket services</b>	The collective term for Permascand's offering to customers, primarily in terms of recoating electrodes or replacing electrochemical cells
<b>Electrification &amp; Renewables</b>	Permascand's segment for products within electrification and renewable energy
<b>Electrode</b>	The collective term for anodes and cathodes
<b>Electrochemical cell</b>	Consists of several coated electrodes than are assembled into a single cell; used to induce chemical reactions through the application of electricity
<b>Electrochemical solutions</b>	The collective term for Permascand's products
<b>Greenfield</b>	New establishment of production plants
<b>Industrial Solutions</b>	Permascand's segment for products primarily in the chemical industry
<b>Catalytic coatings</b>	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
<b>Chlorate</b>	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
<b>Recoating</b>	The process by which electrodes are given new catalytic coatings
<b>Water Treatment</b>	Permascand's segment for products within water treatment
<b>Equity/assets ratio</b>	Equity divided by total assets



 **PERMASCAND**

[www.permascand.com](http://www.permascand.com)