



INTERIM REPORT

JULY-SEPTEMBER 2023
PERMASCAND TOP HOLDING AB



Stronger order intake and improved gross margin

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.

Third quarter 2023 (Q3 2022)

- Order intake increased year-on-year to SEK 154 million (143)
- Sales decreased 35 per cent to SEK 78 million (120)
- Operating profit totalled SEK 7 million (11), corresponding to 10 per cent (9) of revenue
- Adjusted operating profit totalled SEK 5 million (6)
- Profit after tax totalled SEK 4 million (8)
- Earnings per share amounted to SEK 0.07 (0.13)
- Cash flow from operating activities totalled SEK 43 million (39)

January–September 2023 (January–September 2022)

- Order intake totalled SEK 340 million (338) compared with the year-earlier period
- Sales decreased 16 per cent to SEK 357 million (422)
- Operating profit totalled SEK 33 million (87), corresponding to 10 per cent (13) of revenue
- Adjusted operating profit totalled SEK 31 million (82)
- Profit after tax totalled SEK 23 million (66)
- Earnings per share amounted to SEK 0.38 (1.12)
- Cash flow from operating activities totalled SEK -34 million (119)

Events during the third quarter of 2023

- On 18 September, Permascand announced that it had received two orders from one of the world's largest commodity trading companies regarding aftermarket services in electrowinning.
- On 12 September it was announced that Permascand had joined Hydrogen Europe, a leading organisation in the world of hydrogen. The membership will enhance Permascand's presence in the European green hydrogen ecosystem.

KEY PERFORMANCE INDICATORS

SEK m	JUL-SEP 2023	JUL-SEP 2022	Δ%	JAN-SEP 2023	JAN-SEP 2022	Δ%	JAN-DEC 2022
Order intake *)	154	143	8%	340	338	0%	445
Order backlog	344	384	-10%	344	384	-10%	350
Sales	78	120	-35%	357	422	-16%	569
Operating profit	7	11	-35%	33	87	-63%	105
Adjusted operating profit	5	6	-8%	31	82	-63%	95
Profit/loss after tax	4	8	-48%	23	66	-66%	81
Earnings per share before dilution (SEK)	0.07	0.13	-48%	0.38	1.12	-66%	1.37
Earnings per share after dilution (SEK)	0.07	0.13	-48%	0.38	1.12	-66%	1.37
Cash flow from operating activities	43	39	11%	-34	119	-129%	113
Equity/assets ratio (%)	67%	63%	-	67%	63%	-	68%
Net debt/EBITDA	0.40	-0.59	-	0.40	-0.59	-	-0.49

**In the January–September 2022 comparative period, the value of new orders totalled SEK 401 million; after impairment of earlier orders totalling SEK -63 million, the net value amounted to SEK 338 million. For full-year 2022 the value of positive order intake was SEK 508 million, corresponding to a net value of SEK 445 million.*

Stronger order intake and improved gross margin



"We are seeing increased volumes of electrodes as an initial sign that hydrogen projects are nearing the commercialisation phase."

The third quarter of the year was characterised by a stronger order intake and progress in our Electrification & Renewables segment, which is continuing its robust growth and where we have advanced our positions in our hydrogen gas offering.

Order intake for the quarter totalled SEK 154 million, mainly consisting of two orders in Electrification & Renewables that we announced in September. These orders pertain to aftermarket services in electrowinning and confirm that our customer focus is leading to strong, long-term customer relationships. The orders will be delivered at regular intervals during 2024.

Sales for the third quarter totalled SEK 78 million. This is a decrease of 35 per cent year-on-year, which is attributable primarily to the sharp decrease in sales in Water Treatment in line with our forecasts. Sales were driven by deliveries in both Electrification & Renewables and Industrial Solutions, both of which grew compared with the year-earlier period.

Gross profit for the quarter totalled SEK 26 million, corresponding to a gross margin of 33 per cent (22). The main reason for the stronger gross margin is the product mix for the quarter in Industrial Solutions' aftermarket business. We can also state that we have a positive cash flow of SEK 43 million from operating activities during the quarter, as a result of lower trade receivables and advance payments from customers in conjunction with new orders.

To stay on the leading edge and strengthen our offering, Permascand will continue to invest in research and development. Developing the market's most efficient, high-quality products with energy efficiency, extended life cycle and stability as our areas of focus. These factors are increasingly in demand, are central to Permascand's core technology offering as well as being necessary components in being able to reduce the costs of producing green hydrogen.

Electrification & Renewables

In Electrification & Renewables, sales increased 77 per cent to SEK 23 million. Sales comprise mainly of development projects with the long-term ambition to start serial production resulting in improved margins. We leave the quarter with a strong order book while the level of activity remains intensive in all areas: hydrogen, electrowinning and electricity transfer. In green hydrogen, we recently signed a letter of intent with a leading supplier of green hydrogen technology, with Permascand's product and production offering being central to achieving future levels of ambition. After the end of the quarter, we won a commercial order of SEK 18 million for hydrogen from an unnamed customer. It pertains to high-efficiency electrodes for advanced alkali electrolysis of water, with planned delivery in 2024. We are seeing increased volumes of electrodes as an initial sign that hydrogen projects are nearing the commercialisation phase.

Industrial Solutions

Industrial Solutions accounted for the majority of sales, which increased 20 per cent to SEK 49 million. In the quarter, sales consisted mainly of aftermarket services, after having also delivered orders for major greenfield projects in the first half of the year. The gross margin performed positively because of this larger share of aftermarket business. The order intake varies between quarters, just as sales do. After the end of the quarter, a large aftermarket order of SEK 52 million was placed for delivery in 2024.

Water Treatment

The sharp decrease in the levels of order intake and revenue in Water Treatment was due to a decline in the global market linked to the installation cycle and stockpiling among customers. We are now delivering from our existing order book, which is not expected to grow substantially until after 2026 when the aftermarket business in the segment is estimated to achieve meaningful volumes.

Outlook

As regards order intake, the fourth quarter has gotten off to a good start with a commercial order for hydrogen as well as aftermarket business in Industrial Solutions, which strengthens Permascand's order book for 2024 and beyond.

In line with previous assessments, sales for full-year 2023 are expected to be lower than in the preceding year as a result of the decrease in sales in Water Treatment. Over the short term, sales performance will be adversely impacted by the downturn within Water Treatment, but over time it is expected to be fully offset by Industrial Solutions and Electrification & Renewables.

We are experiencing a continued high level of activity and advanced dialogues with many of our customers, which means we see a favorable outlook for the order intake in the months ahead – including in the form of larger commercial orders in hydrogen, where we are pursuing far-reaching discussions with several operators, as well as in the form of aftermarket services in Industrial Solutions.

We enter the final quarter of the year with yet another profitable quarter of positive cash flows behind us. With a strengthened order book and commercial advances in hydrogen while Industrial Solutions is continuing its stable growth over time, we look forward with confidence to the end of the year and the quarters immediately following.

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

The Certified Adviser is FNCA Sweden AB, 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

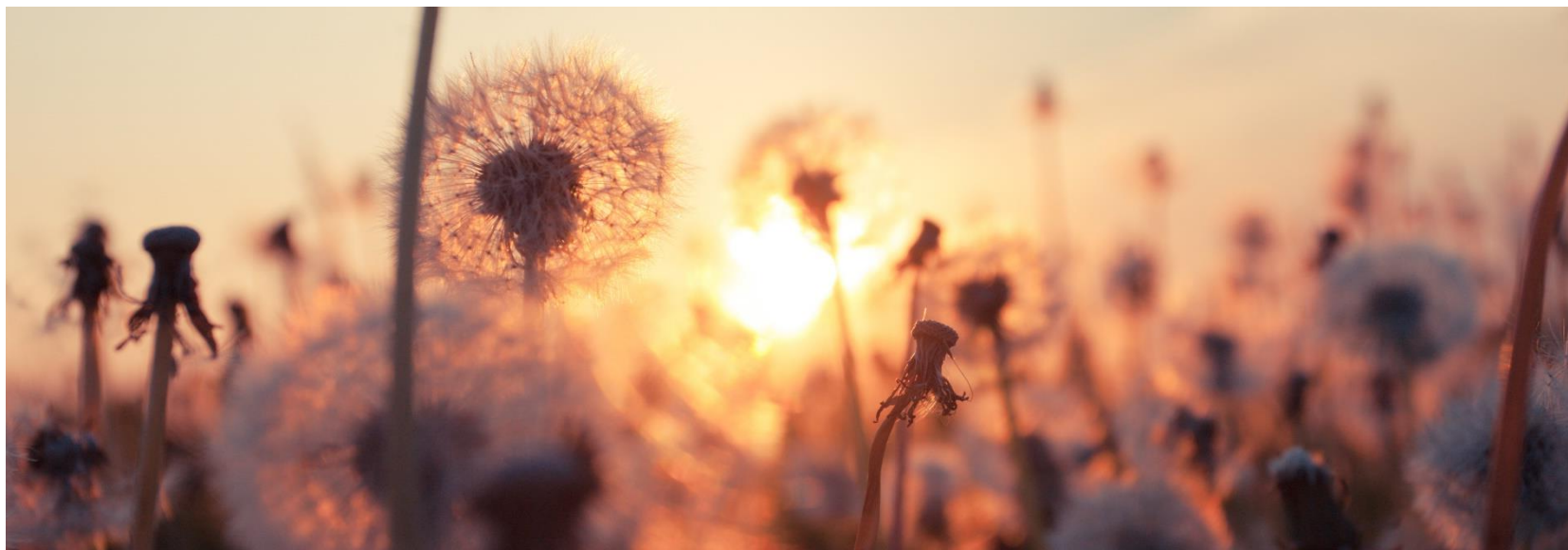
Sustainability is at the heart of Permascand's operations and permeates everything the company does. Permascand's products promote the green transition. The company uses its expertise to provide electrochemical solutions that meet the needs of current generations without compromising the ability of future 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:

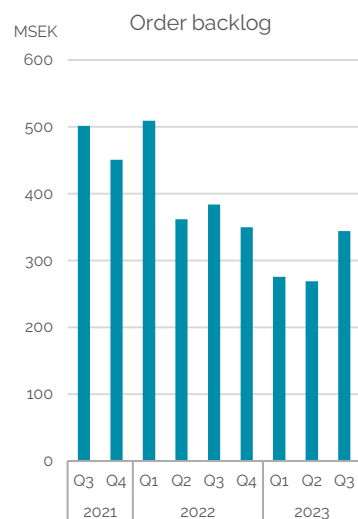
- Reducing energy consumption in several industrial processes.
- Providing technology for the efficient extraction of lithium, copper and nickel, all vital substances for the global transition to renewable energy.
- Creating conditions for the electricity infrastructure needed for the transition away 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 third quarter of 2023



Order intake

Order intake for the third quarter totalled SEK 154 million (143). The largest order intake was in Electrification & Renewables, with SEK 141 million(1), of which SEK 130 million comprised two orders pertaining to aftermarket services in electrowinning. The order intake within Industrial Solutions for the quarter was SEK 11 million (38) and SEK 2 million (105) in Water Treatment. At the end of the period, the value of the order backlog was SEK 344 million (384).

Sales

Sales totalled SEK 78 million (120), which is a significant decrease from previous quarters and the comparative period. The decrease was due to low order intake early in the year with a reduced order book as a result, as well as major second-quarter deliveries this year. Compared with the third quarter of the previous year, the lower sales were related to the declining market in the water treatment segment.

Sales in Electrification & Renewables increased to SEK 23 million (13) and is a stage in the green transition, with deliveries in electrification. Sales in Industrial Solutions increased to SEK 49 million (41) while sales in Water Treatment decreased to SEK 6 million (66).

Gross profit

Gross profit totalled SEK 26 million (26), corresponding to a gross margin of 33 per cent (22). The company's gross margins were impacted by volume and product mix, as well as price effects. In pace with the decrease in the company's deliveries in ballast water purification from the third quarter of 2022 and onward, gross margin levels have also been negatively impacted. However, the gross margin strengthened somewhat during the third quarter compared with the beginning of the year. The increase in the gross margin was primarily a result of product mix in the Industrial Solutions segment, with a shift from a large share of new sales to greenfield projects to a large share of deliveries to aftermarket business with higher margins. In the Electrification & Renewables segment, the gross margin also strengthened compared to earlier in the year, which was a result of deliveries of larger-volume orders and lengthier production series.

Operating profit/loss

Operating profit for the period totalled SEK 7 million (11), corresponding to an operating margin of 9 per cent (9). As a result of the order situation with decreased deliveries in the third quarter, Permascand has deliberately reduced administrative expenses and overheads, which mean that the operating margin was maintained, despite lower sales. Operating profit also includes other operating income, which consist of SEK 2 million in sales of scrap for recycling as well as SEK 1 million in insurance compensation. Other operating expenses pertain to the impact of currency translation, which totalled SEK -4 million during the quarter. In the comparative period, the positive impact from other income was SEK 10 million.

Profit/loss for the period and earnings per share

Profit before tax totalled SEK 5 million (10). The net of financial income and expenses amounted to SEK -2 million (-1) and consisted of interest expense. Tax expenses totalled SEK -1 million (-2). Profit for the period totalled SEK 4 million (8), and earnings per share were SEK 0.07 (0.13).

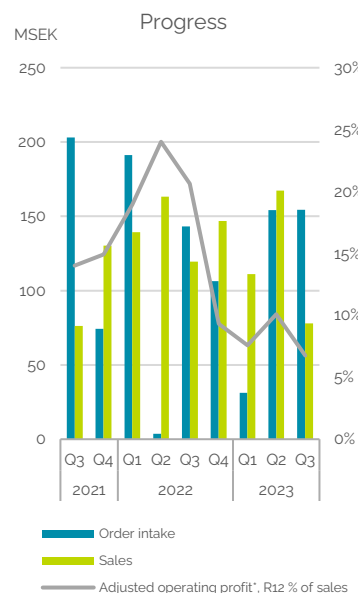
Cash flow

Cash flow from operating activities totalled SEK 43 million (39), of which cash flow from changes in working capital contributed SEK 34 million (26). The greatest impact on change in working capital is payments from customers, which reduced trade receivables and increased short-term liabilities in the form of advance payments (invoiced but not earned). Trade payables also increased, which positively impacted cash flow.

Investments in tangible and financial assets during the period totalled SEK -13 million (-13), with the majority pertaining to investments in a technology centre and modern laboratory.

The positive cash flow was used to reduce bank loans and overdraft facilities. Cash flow from financing activities totalled SEK -10 million (-2). In total, cash flow for the quarter amounted to SEK 21 million (23).

Financial performance, January–September 2023



Order intake and sales

Order intake was low at the start of the year but picked up during the summer and continued in the third quarter. Total order intake was SEK 340 million (338). The company's smallest segment, Electrification & Renewables, accounted for the largest order intake, totalling SEK 248 million (42). It was 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 period amounted to SEK 357 million (422), down 16 per cent year-on-year. The lower level of sales was attributable to the Water Treatment segment, while the other two segments reported robust increases in sales. The change in the sales mix among segments meant that Electrification & Renewables accounted for 24 per cent of total sales, Industrial Solutions accounted for 58 per cent and Water Treatment 18 per cent.

Earnings

Gross profit for the period amounted to SEK 103 million (139) and operating profit was SEK 33 million (87). The main reason for the lower earnings is a reduced gross margin that fell to 29 per cent (33). Underlying causes include a larger variation and mix in production, lower volumes and price pressure. The comparative figures for 2022 were exceptionally high as a result of deliveries and revenue of SEK 268 million in ballast water purification (compared with SEK 66 million for the first nine months of the year), which resulted in large economies of scale and optimised capacity utilisation in 2022. Conditions in the market have changed, which resulted in adjustments to changing conditions and a lower gross margin in the segment that now totals 17 per cent (29). In the Industrial Solutions segment, the margin was adversely affected by lower pricing on deliveries to the major projects for new installations – known as greenfield projects – totalling 39 per cent (41).

Operating profit for the period decreased as a result of lower gross margins, and also lower positive effects from currency translation.

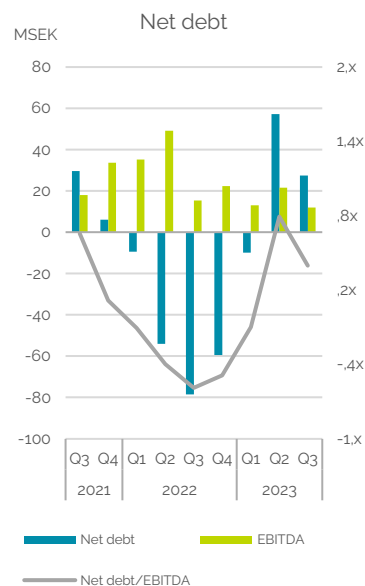
The currency impact on operating profit for the period was SEK -6 million (11). Net financial income and expenses amounted to SEK -4 million (-4) and consisted of interest expense. Tax expenses totalled SEK -6 million (-17), which yielded earnings of SEK 23 million (66) and earnings per share of SEK 0.38 (1.12).

Cash flow

Cash flow for the period totalled SEK -35 million (55), and cash and cash equivalents decreased from SEK 71 million to SEK 36 million. The main contributing factor to the negative cash flow was the increase in tied-up working capital, which totalled SEK -68 million (34). During the first half of the year, the negative effect from the change in working capital was large, but it improved during the third quarter. The primary causes are increased trade receivables of SEK -30 million, decreased advance payments from customers of SEK -21 million and an increased inventory value of [SEK -9 million].

Investments in tangible and intangible assets totalled SEK -40 million (-32), 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 27 million (-5) and utilised a capex loan of SEK 25 million. This resulted in a total cash flow from financing activities of SEK 52 million (-31).

Financial position 30 September



Total assets at the end of September amounted to SEK 575 million (533 at the beginning of the year). The assets largely comprised 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 36 million (71). Liquidity decreased during the period as a result of the trend in working capital, but the company continued to have good ability to pay and low levels of borrowings.

Equity continued to strengthen as the result of positive earnings, totalling SEK 387 million (364). The company's equity/assets ratio remained strong at 67 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 15.

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 148 million, or 29 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. Increased inventory value and increased trade receivables were contributing factors.

Net debt

The company has low levels of borrowings, and for several years has been able to utilise the positive cash flows in operations to finance major investments. During the period, increased utilisation of overdraft facilities was required to finance the increase in tied-up working capital. Moreover, in the second quarter the company raised a capex loan in banks of SEK 25 million to finance investments in non-current assets. These measures impacted net debt, which was negative for a long time, with the sum of borrowing being lower than liquidity but now totalling SEK 27 million. Despite increased borrowings, net debt remains at a low level and under the financial targets that indicate that net debt in relation to EBITDA must not exceed 2.0x; the current figure is 0.4x (-0.49).

On the balance sheet date, loans outstanding totalled SEK 64 million (11 at the beginning of the year) and cash and cash equivalents in banks totalled SEK 36 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 -0.5 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 to products that use electrodes and electrochemical cells in processes for hydrogen production, for corrosion protection in building up a power supply and in the extraction of metals such as lithium, which 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 third quarter totalled SEK 141 million (1), attributable primarily to two orders pertaining to aftermarket services in electrowinning. At the end of the quarter, the value of the order backlog was SEK 240 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.

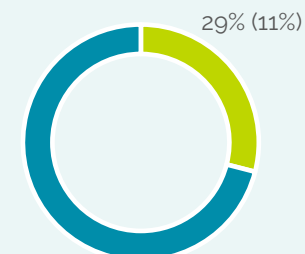
One example is the partnership with RES, an independent developer of renewable energy and energy storage, which was developed further during the quarter. Permascand has a declaration of intent with RES linked to a project for green hydrogen in Ånge Municipality, where RES is pursuing development and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

After the end of the quarter, the company has received a commercial order in hydrogen and a letter of intent, from a leading supplier in green hydrogen technology. These confirmations indicate that hydrogen projects are nearing a commercialisation phase as well as a sign of increased volumes of electrodes.

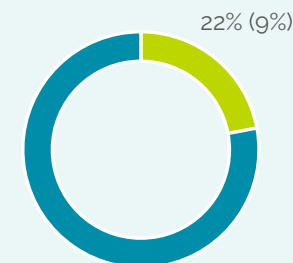
Revenue for the quarter totalled SEK 23 million (13). Of total sales, Electrification & Renewables comprised 29 per cent (11). The gross margin in the segment totalled 20 per cent (15). The margin was positively impacted by deliveries of larger volume orders and lengthier production series. The gross margin in the segment is also expected to increase in pace with larger orders being received, which will facilitate production in larger series and the utilisation of advantages in product capacity.

SEK m	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Order backlog	240	59	240	59	75
Order intake	141	1	248	-21	26
Sales	23	13	85	28	54
Gross profit	5	2	12	9	10
Gross margin	20%	15%	14%	31%	18%

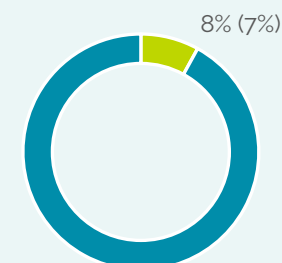
Share of Group sales Q3



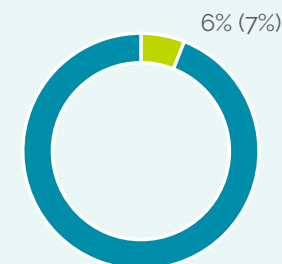
Share of Group sales LTM



Share of Group's gross profit Q3



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 fabrication, manufacturing of electrodes and electrochemical processes for the chlorate and chloralkali industry for both new and existing plants as well as for renovation and recoating of existing industries.

Sales and earnings

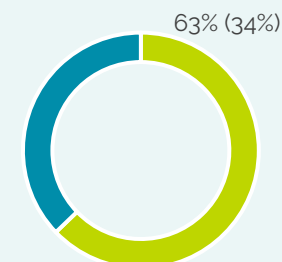
The order intake in Industrial Solutions for the third quarter totalled SEK 11 million (38). We are still experiencing a high level of activity and are fielding a large amount of customer inquiries. Customer activities are carried out primarily in the form of aftermarket business in the chlorate and chloralkali industry.

At the end of the quarter, the value of the order backlog in the segment was SEK 67 million (189). The lower order backlog was due primarily to deliveries of greenfield orders, which should be regarded as a one-off order and not a regular order trend.

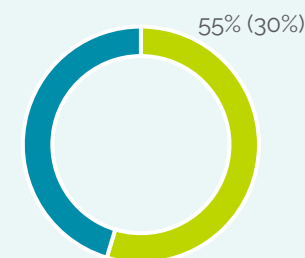
Revenue increased, totalling SEK 49 million (41), which thus made the segment the company's largest during the quarter in terms of sales with 63 per cent of total sales. The gross margin totalled 42 per cent, compared to 26 per cent in the comparative period. The increase in the gross margin since the beginning of the year was primarily a result of product mix in the segment for industry, with a shift from a large share of new sales to greenfield projects to a large share of deliveries for aftermarket business with higher margins.

SEK m	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Order backlog	67	189	67	189	178
Order intake	11	38	84	208	258
Sales	49	41	206	125	195
Gross profit	21	11	80	52	80
Gross margin	42%	26%	39%	41%	41%

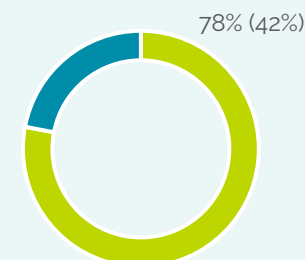
Share of Group sales Q3



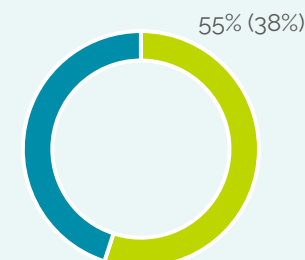
Share of Group sales LTM



Share of Group's gross profit Q3



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

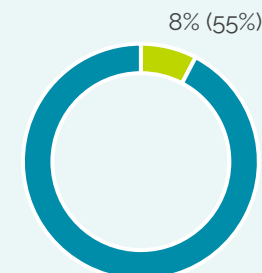
Water Treatment reported a low order intake of SEK 2 million (105) in the quarter. Order backlog totalled SEK 37 million compared with SEK 136 million in the year-earlier period. Revenue fell to SEK 6 million (66). Lower levels of order intake and revenue are due to a decrease in the global market linked to the installation cycle and stockpiling among customers.

The gross margin totalled 14 per cent, which is a decrease from 20 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 monitoring market developments for new construction and the attractive aftermarket business, but it is not expected to be any large delivery volumes until 2026, with an increase commencing as of 2025.

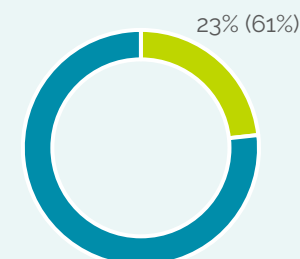
Of total sales in the quarter, Water Treatment comprised 8 per cent (55).

SEK m	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Order backlog	37	136	37	136	97
Order intake	2	105	8	151	160
Sales	6	66	66	268	320
Gross profit	1	13	11	79	95
Gross margin	14%	20%	17%	29%	30%

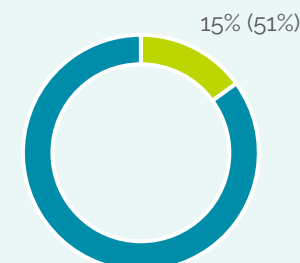
Share of Group Sales Q3



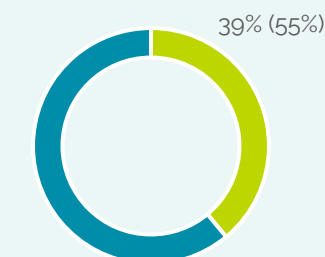
Share of Group sales LTM



Share of Group's gross profit Q3



Share of Group's gross profit LTM



Other

FINANCIAL CALENDAR

- **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 9 November 2023 at 7:45 a.m. CET.

Employees

On the balance sheet date, the Group had 118 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

On 25 October, Permascand announced that the company had signed a letter of intent with a leading green hydrogen technology provider concerning high-performance electrodes for advanced alkaline electrolysis.

On 2 November, Permascand announced a SEK 17 million order for advanced electrodes for hydrogen production.

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 2023 was SEK 9.00 per share, corresponding to a total market value of SEK 534 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.

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

Presentation of interim report

A teleconference and webcast will be held on 9 November 2023 at 10:30 a.m. CET.

Register via this link to participate via the teleconference: <https://conference.financialhearings.com/teleconference/?id=5003308>

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-q3-report-2023>

Consolidated statement of comprehensive income

SEK m	Note	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Sales	2	78	120	357	422	569
Cost of goods sold		-52	-94	-253	-283	-384
Gross profit		26	26	103	139	185
Sales expenses		-5	-4	-16	-12	-18
Administrative expenses	3	-9	-15	-36	-38	-50
Research and development expenses		-5	-6	-20	-20	-28
Other operating income/expenses		0	10	1	19	17
Operating income		7	11	33	87	105
Net financial items		-2	-1	-4	-4	-4
Profit/loss before tax		5	10	28	84	100
Income tax		-1	-2	-6	-17	-19
Net profit /loss for the period		4	8	23	66	81
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	-1	1	-3	-1
Tax attributable to changed value of cash flow hedging		0	0	0	1	0
Translation differences on foreign subsidiaries		0	0	0	0	0
Total other comprehensive income		1	-1	1	-2	-1
Total comprehensive income for the period		5	7	23	64	81
Comprehensive income for the period attributable to Parent Company shareholders		5	7	23	64	81
Earnings per share, calculated on profit for the period attributable to Parent Company shareholders						
Earnings per share before and after dilution, SEK		0,07	0,13	0,38	1,12	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 SEP 2023	30 SEP 2022	31 DEC 2022
Assets				
Fixed assets				
<i>Intangible fixed assets</i>				
Goodwill		56	56	56
Other intellectual property rights		17	16	16
Property plant and equipment		200	167	175
Right-of-use assets		1	2	2
Financial assets		11	0	0
Total non-current assets		285	240	248
Current assets				
Inventories		133	109	124
Current receivables		121	111	90
Cash and cash equivalents		36	91	71
Total current assets		290	311	285
Total assets		575	551	533
EQUITY AND LIABILITIES				
Equity		387	347	364
Non-current liabilities				
Liabilities to credit institutions		62	8	7
Deferred tax liabilities		12	11	13
Lease liabilities		0	1	0
Total non-current liabilities		74	20	20
Current liabilities				
Liabilities to credit institutions		1	3	3
Lease liabilities		1	1	1
Other current liabilities		112	181	145
Total current liabilities		114	185	150
TOTAL LIABILITIES		188	204	170
TOTAL EQUITY AND LIABILITIES		575	551	533

Condensed consolidated statement of changes in equity

SEK m	Note	30 SEP 2023	30 SEP 2022	31 DEC 2022
Opening balance		364	283	283
Net profit /loss for the period		23	66	81
Other comprehensive income		1	-2	-1
Total comprehensive income		23	64	81
Warrant premiums received		0	0	0
Total transactions with shareholders		0	0	0
Equity attributable to Parent Company shareholders		387	347	364
Closing balance		387	347	364

Condensed consolidated cash flow statement

SEK m	Note	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Operating income		7	11	33	87	105
Depreciation and amortisation of tangible and intangible assets		5	4	14	13	17
Other items not affecting cash flow		0	1	2	1	2
Interest paid		-2	-1	-4	-2	-3
Income tax paid		-1	-2	-10	-15	-10
Cash flow from operating activities before changes in working capital		9	13	34	85	112
Cash flow from change in working capital		34	26	-68	34	2
Cash flow from operating activities		43	39	-34	119	113
Investments in tangible and intangible assets		-13	-13	-40	-32	-45
Investments in financial assets		0	0	-11	0	0
Cash flow from investing activities		-13	-13	-52	-32	-45
New borrowings		0	0	25	0	0
Increase/decrease in bank loans		-1	-2	39	-5	-7
Repayment of non-current liabilities		-8	0	-12	-24	-24
Lease payments		0	0	-1	-1	-2
Cash flow from financing activities		-10	-2	51	-31	-33
Cash flow for the period		21	23	-35	55	35
Cash and cash equivalents at the beginning of period		16	68	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		36	91	36	91	71

Condensed Parent Company income statement

SEK m	Note	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Sales		0	1	4	4	5
Administrative expenses		-2	-3	-12	-11	-14
Operating profit (EBIT)		-2	-2	-8	-7	-10
Inter-comapny interest income		0	6	0	18	0
Interest expenses		-1	0	-2	0	-2
Income after financial items		-2	4	-9	11	-12
Received Group contributions		0	0	0	0	34
Profit before tax (EBT)		-2	4	-9	11	22
Income tax		0	0	0	0	-3
Net profit /loss for the period		-2	4	-9	11	19

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

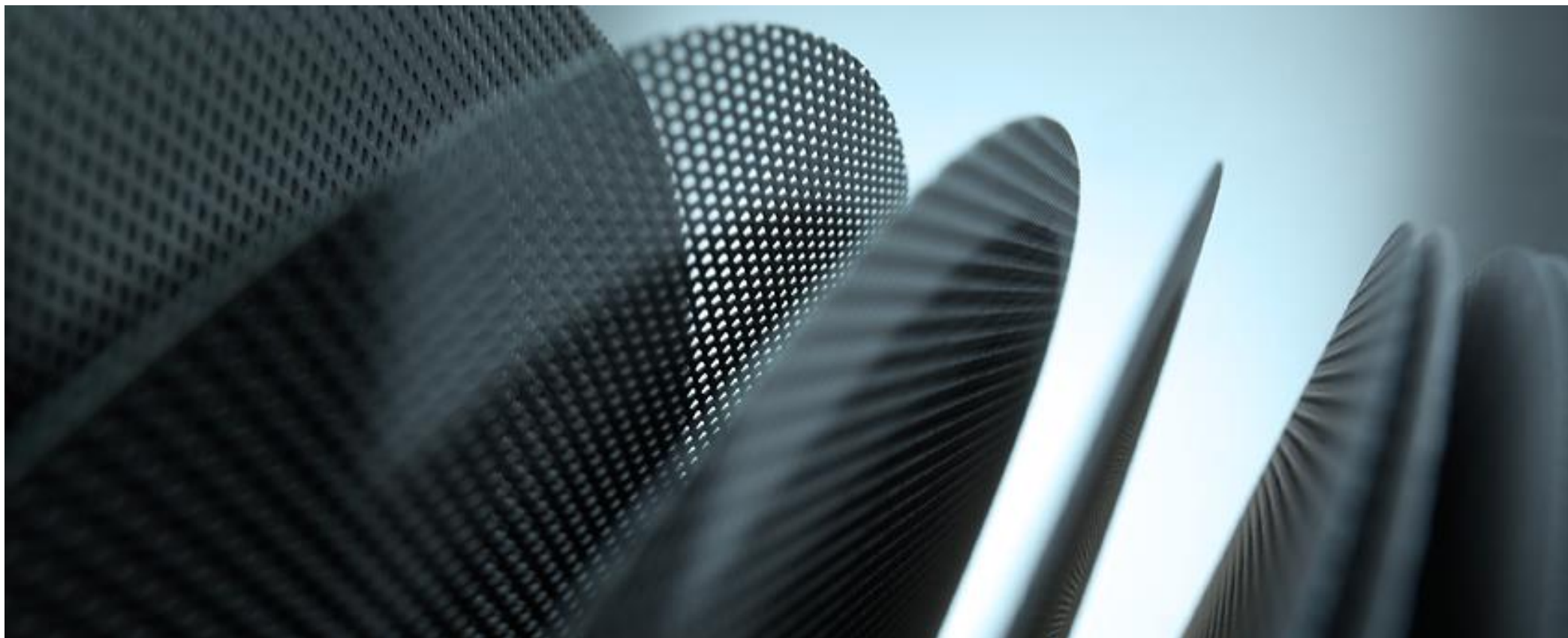
SEK m	Note	30 SEP 2023	30 SEP 2022	31 DEC 2022
Assets				
Non-current assets				
Shares in subsidiaries		690	0	690
Non-current receivables from Group companies		22	732	22
Other long-term securities holdings		11	0	0
Total non-current assets		722	732	711
Current assets				
Current receivables from Group companies		66	90	67
Current receivables		1	0	2
Cash and cash equivalents		1	5	4
Total current assets		67	95	72
Total assets		790	827	784
EQUITY AND LIABILITIES				
Restricted equity		2	2	2
Non-restricted equity		762	818	772
Total equity		764	820	774
Current liabilities		25	7	10
TOTAL EQUITY AND LIABILITIES		790	827	784

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 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:

JUL-SEP 2023	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	49	23	6		78
Cost of goods sold	-28	-19	-5		-52
Gross profit	21	5	1		26
Gross margin	42%	20%	14%		33%
Operating profit (EBIT)				-19	7
Net financial items				-2	-2
Profit before tax (EBT)					5

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

JAN-DEC 2022	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	195	54	320		569
Cost of goods sold	-115	-44	-225		-384
Gross profit	80	10	95		185
Gross margin	41%	18%	30%		32%
Operating profit (EBIT)				-80	105
Net financial items				-4	-4
Profit before tax (EBT)					100

JAN-SEP 2023	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group cost	Total Permascand
Sales	206	85	66		357
Cost of goods sold	-126	-73	-54		-253
Gross profit	80	12	11		103
Gross margin	39%	14%	17%		29%
Operating profit (EBIT)				-70	33
Net financial items				-4	-4
Profit before tax (EBT)					28

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

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

JUL-SEP 2023	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	49	6	6	61
At a point in time	0	17	0	17
Total	49	23	6	78

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

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

JAN-SEP 2023	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	206	33	65	304
At a point in time	0	52	1	53
Total	206	85	66	357

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

Notes to the financial statements

Not 3. Items affecting comparability

The company had items affecting comparability totalling SEK -2 million (-5) for the quarter and SEK -2 million (-5) for the full-year. The items are related to insurance claims.

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, the value of the derivatives amounted to SEK -0.5 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 Electrification & Renewables and Industrial Solutions segments.

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

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
SEK m					
Operating income	7	11	33	87	105
Items affecting comparability	-2	-5	-2	-5	-9
Adjusted operating profit	5	6	31	82	95

Operating margin

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
SEK m					
Operating income	7	11	33	87	105
Sales	78	120	357	422	569
%	9%	9%	9%	21%	18%

Adjusted operating margin

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
SEK m					
Adjusted operating profit	5	6	31	82	95
Sales	78	120	357	422	569
%	7%	5%	9%	19%	17%

Alternative performance measures cont.

EBITDA

SEK m	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Net profit /loss for the period	4	8	23	66	81
Income tax	1	2	6	17	19
Net financial items	2	1	4	4	4
Depreciation	5	4	14	13	17
EBITDA	12	15	47	100	122

Net debt

SEK m	30 SEP 2023	30 SEP 2022	31 DEC 2022
Non-current liabilities to credit institutions	62	8	7
Non-current lease liability	0	1	0
Current liabilities to credit institutions	1	3	3
Current lease liability	1	1	1
Cash and cash equivalents	-36	-91	-71
Net debt	27	-79	-59

Equity/assets ratio

SEK m	30 SEP 2023	30 SEP 2022	31 DEC 2022
Equity	387	347	364
Total assets	575	551	533
Equity/assets ratio, %	67%	63%	68%

Net debt/EBITDA

SEK m	30 SEP 2023	30 SEP 2022	31 DEC 2022
EBITDA, LTM	69	133	122
Net debt	27	-79	-59
Net debt/EBITDA	0,40	-0,59	-0,49

Return on equity

SEK m	30 SEP 2023	30 SEP 2022	31 DEC 2022
Earnings for the period, LTM	38	87	81
Opening equity	347	262	283
Closing equity	387	347	364
Average equity, LTM	367	305	323
Return on equity, %	10,2%	28,6%	25,1%

Return on assets

SEK m	30 SEP 2023	30 SEP 2022	31 DEC 2022
Operating profit, LTM	50	117	105
Financial income, LTM	0	0	0
Opening total assets	551	438	455
Closing total assets	575	551	533
Average total assets, LTM	563	495	494
Return on assets, %	8,9%	23,6%	21,2%

Assurance

Permascand Top Holding AB
Folkets Husvägen 50
SE-841 99 Ljungavärk
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 9 November 2023 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, 9 November 2023

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 2023 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, 9 November 2023

KPMG AB

Helena Nilsson

Authorised Public Accountant

Consolidated quarterly data

SEK m	2023			2022				2021			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	154	154	31	107	143	4	191	74	202	41	57
Income statement											
Sales	78	167	111	147	120	163	139	130	76	123	75
Gross profit	26	45	32	45	26	62	52	47	27	31	18
Operating income	7	17	8	18	11	45	31	30	14	-3	-3
Adjusted operating profit	5	17	8	14	6	45	31	32	14	12	2
EBITDA	12	22	13	22	15	49	35	34	18	1	1
Profit/loss before tax	5	16	8	17	10	44	30	28	13	-7	-7
Gross profit/loss, % of sales	33%	27%	29%	31%	22%	38%	37%	36%	35%	25%	24%
Operating profit/loss, % of sales	9%	10%	8%	12%	9%	28%	22%	23%	18%	-2%	-4%
Adjusted operating profit*, % of sales	7%	10%	8%	9%	5%	28%	22%	25%	18%	9%	3%
Balance sheet											
Property plant and equipment	200	194	182	175	167	157	148	146	145	146	143
Tangible assets	575	562	502	533	551	562	519	455	438	440	408
Cash and cash equivalents	36	16	28	71	91	68	48	36	24	16	13
Non-current interest-bearing liabilities	62	70	15	7	9	9	34	36	47	64	293
Cash flow											
Operating activities	43	-40	-37	-5	39	58	22	33	32	-39	-14
Investing activities	-13	-27	-12	-13	-13	-13	-6	-9	-6	-7	-2
Financing activities	-10	55	6	-2	-2	-25	-3	-12	-18	49	10
Cash flow for the period	21	-12	-43	-20	23	20	13	12	8	3	-6
Capital structure											
Net debt	27	57	-10	-59	-79	-54	-9	6	30	55	287
Per share data, SEK											
Earnings per share before and after dilution	0,07	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	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	59 313 529	59 318 361	53 206 569	50 490 000

Definitions of key performance indicators

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

Glossary

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



 **PERMASCAND**

www.permascand.com