

A man in a dark sweater is sitting in a blue armchair, looking out a large window with sheer curtains. A QleanAir air purifier stands to the left. A white dome-shaped pendant lamp hangs above him. The room has a modern, minimalist aesthetic with a dark floor and a circular rug.

First quarter
2023

ORGANIC GROWTH AND IMPROVED CASH FLOW

MSEK 121 Net revenue, +5%

MSEK 74 Recurring revenue, +8%

15.9% adjusted EBIT margin (15.2%)

"The priority is to reach our financial targets. January-March 2023 shows that we are on the right track and we will improve further. Japan continues to show high growth, increasing by 23% in the quarter. The US had a strong quarter with an 85% increase. Meanwhile, EMEA delivered unsatisfactory revenue in the first quarter. We are now increasing our focus on boosting EMEA's order intake and revenue. We are growing organically and revenue increased by 5%," CEO Sebastian Lindström remarks.

January–March 2023 in summary

- Net revenue MSEK 121.0 (115.4), currency-adjusted net revenue amounted to MSEK 118.2
- Recurring revenue MSEK 74.5 (69.0)
- Order intake MSEK 114.1 (117.0)
- EBITDA MSEK 24.8 (25.2)
- EBITDA margin 20.5% (21.8%)
- Operating income (EBIT) MSEK 16.6 (17.6)
- Operating margin 13.7% (15.2%)
- Adjusted operating profit MSEK 19.2 (17.6)
- Adjusted operating margin 15.9% (15.2%)
- Earnings per share SEK 0.68 (0.92)
- Cash flow from current operations MSEK 11.0 (-0.2)

Significant developments during the first quarter

- Study shows QleanAir air cleaners remove over 95% of virus particles in 10 minutes
- QleanAir made a preannouncement of results for the fourth quarter of 2022 as results deviate negatively from market expectations
- QleanAir launches a new quiet and energy efficient air cleaner, the FS 35, which meets tough quality requirements
- An extraordinary general meeting has been held in QleanAir AB where a long-term incentive program for the CEO was decided upon.

Significant events after the end of the period

- No significant events after the end of the period.

A WORD FROM THE CEO

The priority is to achieve our financial targets. January-March 2023 shows that we are on the right track and we will improve further. Japan continues to show high growth, increasing by 23% in the quarter. The US had a strong quarter with an 85% increase. Meanwhile, EMEA delivered unsatisfactory revenue in the first quarter. We are now increasing our focus on boosting EMEA's order intake and revenue. We are growing organically and revenue increased by 5%. The operating result was negatively affected by a completed organizational change in the first quarter with non-recurring costs of MSEK 2.6. Adjusted, the operating margin amounted to 15.9% (15.2%).



GROWTH AND PROFITABILITY

Growth and profitability are our goals and we will achieve this through our three priorities; Customer Focus, Sales Efficiency and Cost Control.

Customer focus

In March and April, we conducted workshops with customers and our own sales and service organization in all regions – APAC, EMEA and Americas – to lay the foundations for an updated strategic plan. During these workshops, we reviewed our customer offering in order to identify future opportunities on the product side and in our commercial approach. The meetings were extremely rewarding and appreciated and will lead to a greater involvement of both customers and employees in our strategic plan.

Sales efficiency

During the first quarter, we streamlined and systematized our follow-up of sales efforts and sales, starting the journey of simplifying and streamlining the sales process. The aim is to get more out of the existing salesforce. We have separated out our largest market in Europe, Germany, which now reports directly to me. This is to make room for increased focus from existing sales management on the other ten countries in Europe. All markets in Europe must deliver increased sales.

Cost control

In February, we made an adjustment to our central costs. On February 23, we gave notice to five positions. These notices exclusively affected our central organization. We took the cost of this reduction in the first quarter. Our objective with this reduction is to make room for regional investments in sales and marketing, closer to our customers in our markets. This shift will allow us to be more accurate in determining which activities actually contribute to increased sales.

BUSINESS MODEL

The foundation of our business, the installed base of products and solutions, delivered stable revenue of MSEK 121 (115) and a gross margin of 71% (72%). The installed base increased by 5%. Our recurring revenue increased by 8%.

We know where we are going. We have great opportunities to create value. Our business model is circular, i.e. our products have a long life with our customers through our strong service model, and at the end of the contract we recondition the product to give it a new life for the next customer.

We clean indoor air by reducing harmful particles. The working environment for people is improved. Furthermore, the quality of customers' products and the efficiency of their processes is improved. We will work systematically to return to profitable growth.

OUTLOOK

In Europe, we continue to see customer restraint due to the geopolitical situation and increased energy costs. Right now, many of our customers are mainly interested in energy efficiency. Our air cleaning solutions are energy efficient and contribute positively to the customer's overall energy consumption, and this is a message we need to get across by further adapting our sales arguments.

In Japan, we have a positive outlook for 2023 with a clear strategy to continue focusing on customer segments and prioritizing efforts to increase sales in Air Cleaners as well.

In the US, we see an increasingly strong sales pipeline being converted into order intakes and sales. Focus is on continuing this dedicated sales effort in order to contribute to the Group's financial development to a greater extent than before.

Finally, I would like to thank all our dedicated employees, our customers and suppliers for a great collaboration.

Solna, May 10, 2023

Sebastian Lindström, CEO QleanAir AB

FINANCIAL DEVELOPMENT

KEY RATIOS

	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Sales, TSEK	121 048	115 402	455 172	450 576
Installed units, at the end of the period	12 148	11 551	11 878	11 396
Recurring revenue, TSEK	74 476	69 026	276 790	261 975
Recurring revenue from units in own balance sheet, %	62%	60%	61%	58%
Order intake ¹ , TSEK	114 115	116 954	407 625	356 282
Gross profit, TSEK	86 377	83 634	311 018	321 811
Gross margin, %	71,4%	72,5%	68,3%	71,4%
Gross profit, TSEK, <u>adjusted</u>	86 377	83 634	324 218	321 811
Gross margin, %, <u>adjusted</u>	71,4%	72,5%	71,2%	71,4%
EBITDA ² , TSEK	24 790	25 154	59 781	112 437
EBITDA-margin, %	20,5%	21,8%	13,1%	25,0%
EBIT, TSEK	16 595	17 560	28 578	83 397
EBIT-margin, %	13,7%	15,2%	6,3%	18,5%
EBIT, TSEK, <u>adjusted</u>	19 195	17 560	49 778	83 397
EBIT-margin, %, <u>adjusted</u>	15,9%	15,2%	10,9%	18,5%
Result for the period, TSEK	10 038	13 701	13 291	59 258
Earnings per share ² , SEK	0,68	0,92	0,89	3,99
Earnings per share after full dilution, SEK	0,68	0,91	0,89	3,93
Cash flow from ongoing operations, TSEK	11 036	-243	29 731	104 153
Net working capital, TSEK	-31 643	-36 623	-38 804	-56 969
Equity/Asset ratio, %	29%	32%	28%	32%

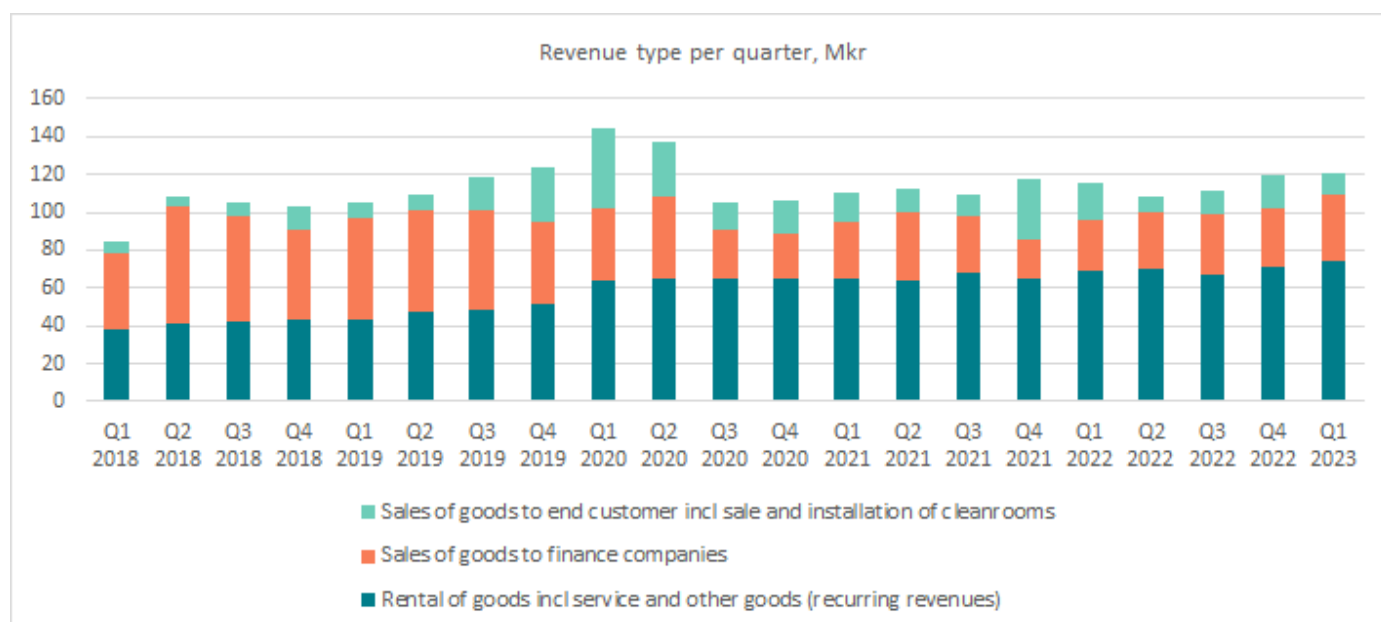
¹Definition of key figures appears from page 21.²Explanation for EBITDA and operating profit can be found on page 9.

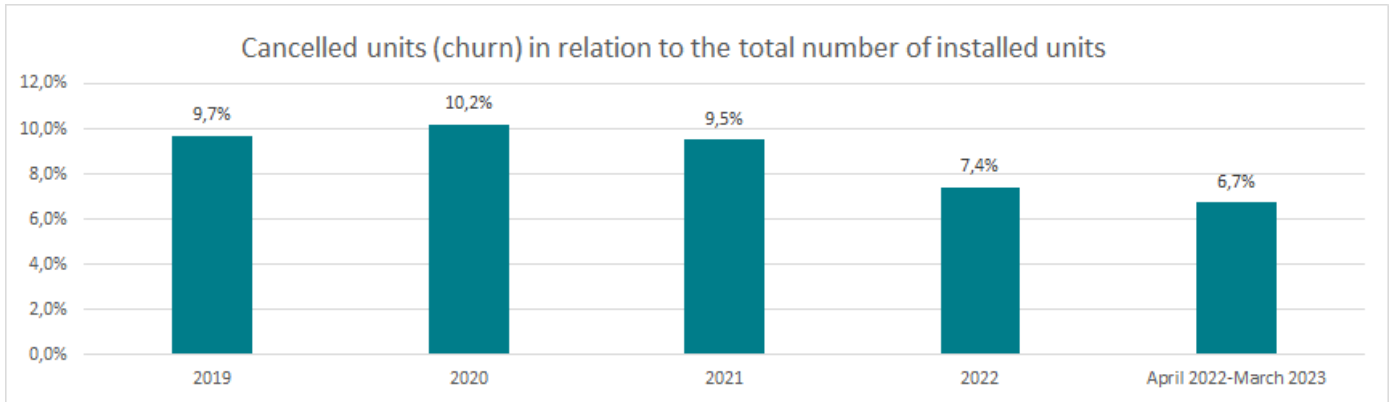
RECURRING REVENUE AND TYPES OF REVENUE

The Group's revenue comes from the Rental of goods including service and other (recurring revenue), Sale of goods to financing companies and Sale of goods including sale and installation of cleanrooms. When selling directly to customers, QleanAir always signs separate service agreements that run for three years.

Recurring income increased by 8% during the first quarter and amounted to MSEK 74.5 (69.0). The recurring income comes from the rental of units on own balance sheet, service and other and amounted to 62% (60) of the total turnover in the first quarter of 2023.

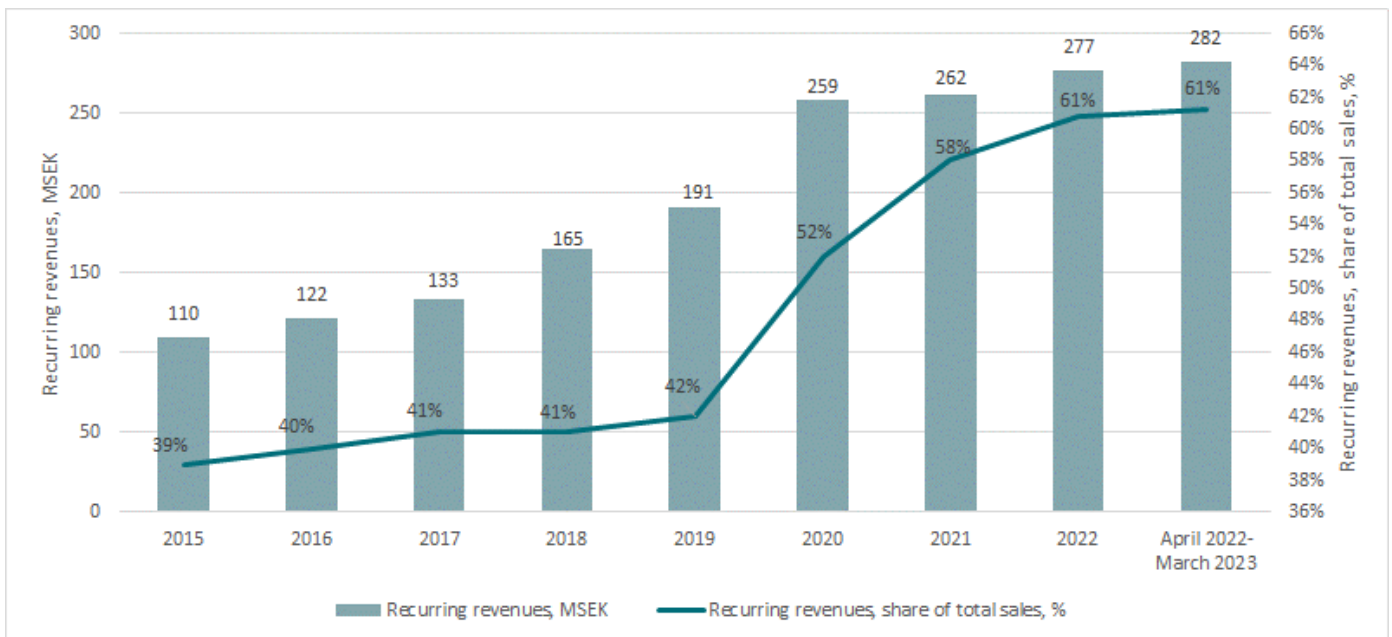
Relative to the total number of installed units, the number of terminations of installed units, often referred to as churn, amounted to just under 7% for the period April 2022-March 2023.





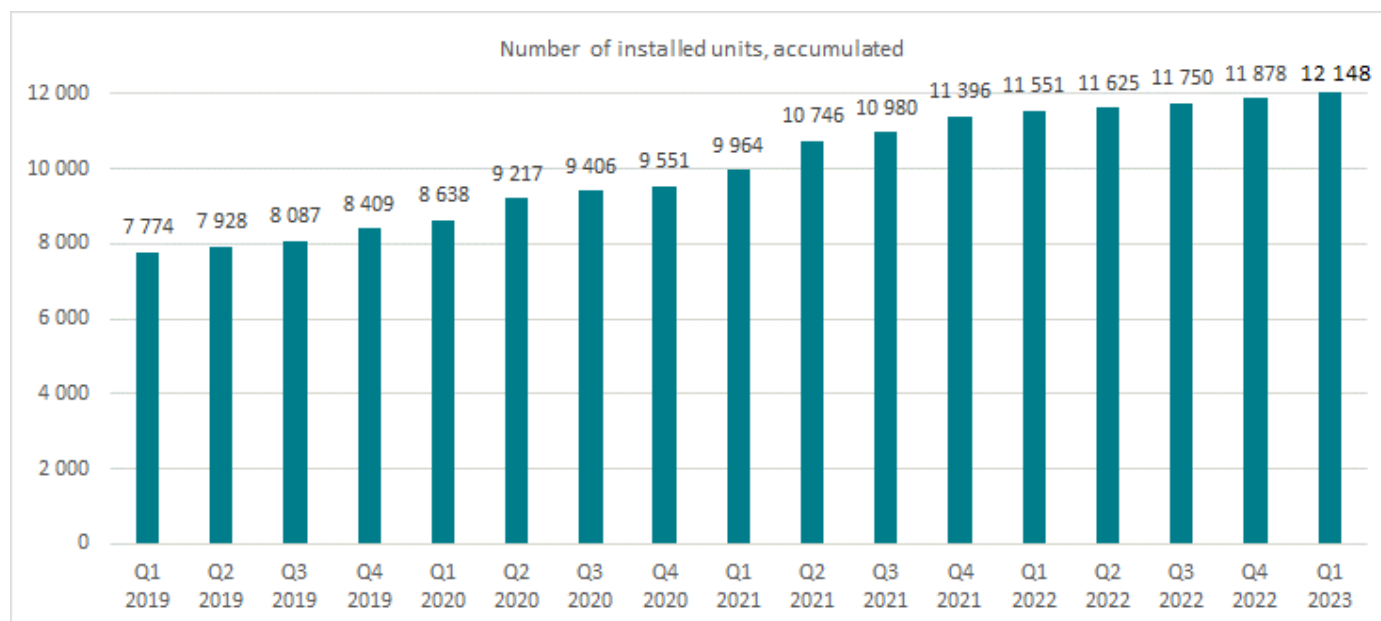
TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Rental of goods incl service and other goods (recurring revenues)	74 476	69 026	276 790	261 975
Sales of goods to finance companies	34 710	27 300	120 459	116 172
Sales of goods to end customer incl sale and installation of cleanrooms	11 862	19 077	57 924	72 429
Total	121 048	115 402	455 172	450 576

Recurring revenue per year



INSTALLED UNITS

The number of installed units increased by 5% from March 2022 to March 2023, with Cabin Solutions in particular growing in Japan and Europe and Air Cleaners showing growth in Germany and Sweden. The total number of installed units at the end of the period was 12,148 (11,551), of which 5,283 (4,588) units were on own balance sheet.



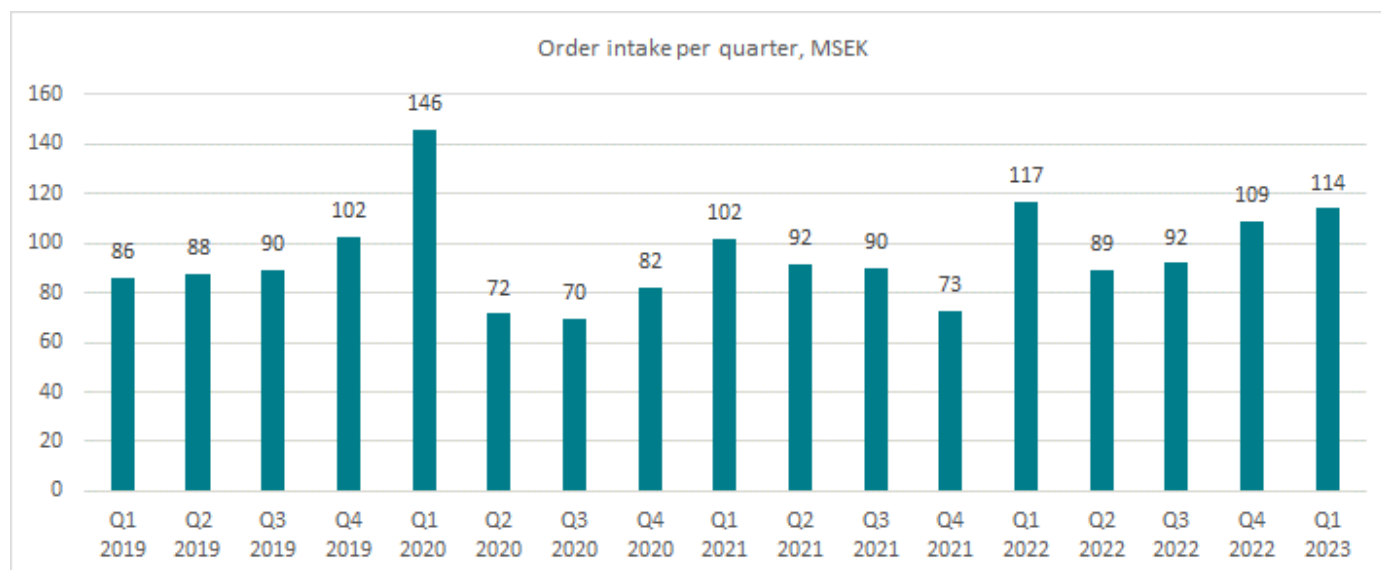
	March 2023	March 2022
Accounted value installed units, TSEK (accounted for in tangible fixed assets)	54 801	48 812
Installed units in balance sheet rented out, number	5 283	4 588
Installed units sold to finance companies, number	1 877	2 332
Sold units with service agreement, number	4 988	4 631
Total installed units, number	12 148	11 551

ORDER INTAKE BY GEOGRAPHY

Order intake in the first quarter of 2023 amounted to MSEK 114.1 (117.0), a decrease of 2%. APAC increased order intake by 41% in the quarter, while Americas increased order intake by 106%. EMEA's order intake was -39%. Work is underway to streamline sales in EMEA to increase order intake and thereby increase EMEA's contribution to the Group's order intake and revenue.

EMEA accounted for 37% (59) of the order intake in the first quarter. APAC accounted for 51% (35) and Americas 12% (6) of the order intake.

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
EMEA	41 669	68 854	195 717	209 934
APAC	58 433	41 307	160 432	122 887
Americas	14 013	6 793	51 476	23 460
Total	114 115	116 954	407 625	356 282



REVENUE

January–March 2023

Sales in the first quarter amounted to MSEK 121.0 (115.4), an increase of 4,9% compared with the previous year. Currency adjusted, an increase of 2.4%. By geography, sales for the first quarter amounted to MSEK 53.9 (63.1) for EMEA, MSEK 58.5 (47.6) for APAC and MSEK 8.7 (4.7) for the Americas. Revenue by product category amounted to MSEK 89.6 (78.5) for Cabin Solutions, MSEK 22.3 (23.8) for Air Cleaners and MSEK 9.1 (13.1) for Cleanrooms.

Revenue decreased by 15% in EMEA in the first quarter, increased by 23% in APAC and increased by 85% in the Americas. Cabin Solutions increased by 14%, Air Cleaners decreased by 7% and Cleanrooms decreased by 30%.

Japan continues to grow from relatively high levels, with a focus on the premium Tokyo office segment, but with a clear strategy to broaden the offering and reach more customers, including outside Tokyo. Furthermore, Japan has continued to yield a high proportion of renewed contracts, which is a contributing factor to the group's high gross margin. In EMEA, QleanAir has a strong position in Cabin Solutions and focus is on growing Cabin Solutions here too.

During the first quarter, the aim in Cleanrooms in EMEA was to complete delayed Nordic customer projects. The projects are yet to be completed. This affected new sales negatively as the delayed projects took more time. The increased level of activity and order intake in the Americas is now starting to be reflected in revenue.

The development in EMEA for Air Cleaners remains disappointing and focus will be on returning to growth in this product category. Japan grew in Air Cleaners in the first quarter, albeit from low levels.

Sales January-March 2023 were positively affected by currency effects of MSEK 2.8 (2.9) and currency-adjusted organic sales growth amounted to 2.4% (1.8).

Revenue by geography, TSEK

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
EMEA	53 861	63 093	216 003	226 866
APAC	58 459	47 600	206 844	190 298
Americas	8 727	4 709	32 326	33 412
Total	121 048	115 402	455 172	450 576

Revenue by product category, TSEK

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Cabin Solutions	89 650	78 529	327 527	302 178
Air Cleaners	22 261	23 813	82 663	92 528
Cleanrooms	9 137	13 060	44 982	55 870
Total	121 048	115 402	455 172	450 576

SEASONAL VARIATIONS

Historical revenues and costs have not significantly been affected by seasonal variations for QleanAir. Thanks to the company's revenue model, of which a relatively large proportion is recurring revenue from rental of goods including service and others, QleanAir has historically shown relatively undramatic changes in both revenue and operating income between quarters.

GROSS PROFIT AND OPERATING PROFIT

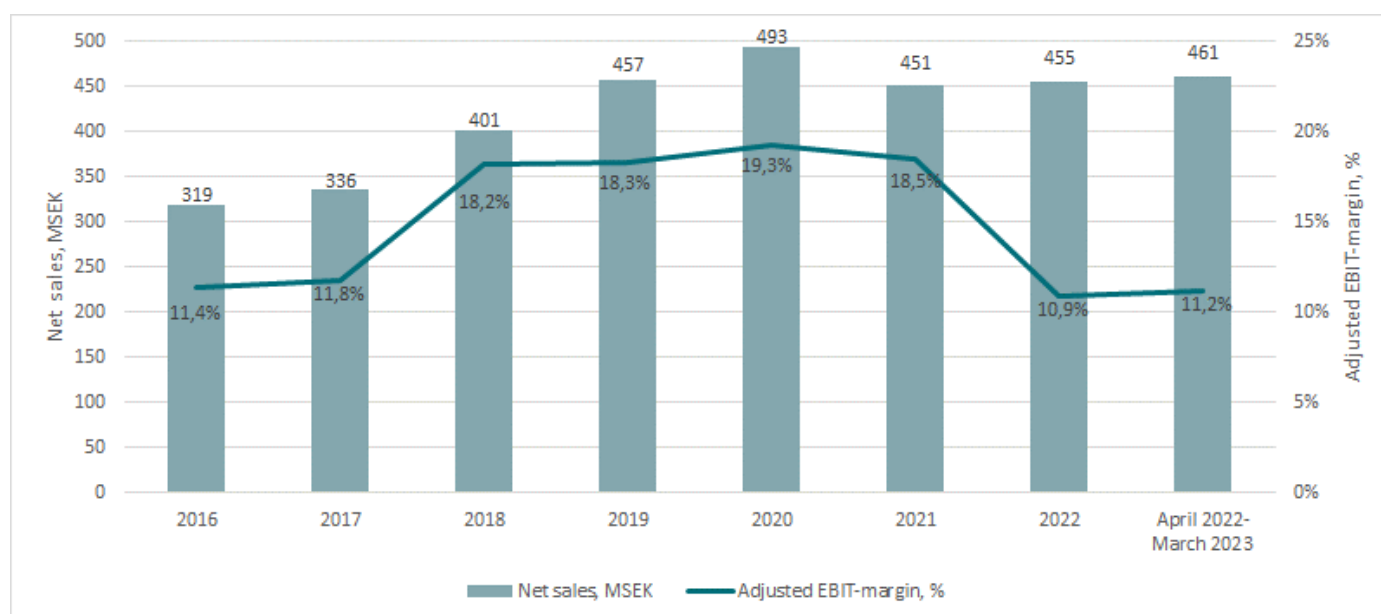
During the first quarter, gross profit amounted to MSEK 86.4 (83.6), corresponding to a gross margin of 71.4% (72.5). It is within Air Cleaners and Cleanrooms that QleanAir is losing on the gross margin. Stable gross margins in Cabin Solutions.

An important part of QleanAir's business model is that customers renew their leases. We continue to see a high proportion of renewed contracts within our more mature product category Cabin Solutions. This contributes to our high gross margins. In Air Cleaners, we are also renewing more and more rental contracts as we have been established in the market for a longer period of time and as the population grows.

In the first quarter of 2023, operating profit totaled MSEK 16.6 (17.6), and the operating margin was 13.7% (15.2). The deterioration is due to an organizational change implemented in the first quarter.

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Operating income (EBIT)	16 595	17 560	28 578	83 397
Adjustments for one off items	2 600	0	21 200	0
Operating income (EBIT), adjusted	19 195	17 560	49 778	83 397
Depreciations fixed assets	8 195	7 594	31 202	29 039
EBITDA, adjusted	27 390	25 154	80 981	112 437

Net revenue in MSEK and adjusted EBIT margin, outcome 12 months



OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, sales commission to market partners/sales agents, rents, travel expenses and consulting costs. In the first quarter of 2023, other external costs amounted to MSEK 25.1 (28.7). The reduction is a combination of cost control and priorities such as marketing and promotional activities.

PERSONNEL COSTS AND EMPLOYEES

In the first quarter of 2023, personnel costs amounted to MSEK 36.5 (29.8). QleanAir has made provisions for non-recurring costs of MSEK 2.6 related to organizational changes at the Corporate Office during the first quarter. A redundancy notice was issued in February and five employees will leave QleanAir. Four out of five have been released from duty since mid-April, and one person since mid-May.

The average number of employees in the group was 113 (109). The distribution between men and women in the Group was 74 (73) men and 39 (36) women. The number of employees at the end of the period was 111 (111).

NET FINANCIAL ITEMS

Net financial items in the first quarter of 2023 amounted to MSEK -2.5 (0.5). The decrease is due to an increased use of the overdraft facility and higher interest rates.

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

The first quarter's profit before tax amounted to MSEK 14.0 (18.0). Reported tax for the period was MSEK -4.0 (-4.3). For January – March 2023, the Group's tax expense as a percentage amounted to 28.5% (24.0).

Net profit for the first quarter was MSEK 10.0 (13.7). Earnings per share were SEK 0.68 (0.92) and after full dilution, SEK 0.68 (0.91).

CASH FLOW FROM CURRENT OPERATIONS AND INVESTMENTS

Cash flow from operating activities, operating cash flow, for the first quarter amounted to MSEK 11.0 (-0.2). The improvement in operating cash flow is mainly due to some improved working capital items in the quarter.

Cash flow from investing activities in the first quarter amounted to MSEK -7.7 (-5.6). The investments relate mainly to units (Cabin Solutions, Air Cleaners) that are rented out to customers and where QleanAir thus owns the units.

CASH AND FINANCIAL POSITION

Cash at the end of the period, excluding available overdraft facilities, amounted to MSEK 59.3 (53.8). Interest-bearing net debt, i.e., liabilities to credit institutions with a deduction for cash and cash equivalents, amounted to MSEK 184.0 (162.6). Loans raised in the first quarter relate to a change in the utilized overdraft facility. QleanAir continues to amortize quarterly according to plan. The Group's total assets amounted to MSEK 665.3 (628.6).

Non-current assets amounted to MSEK 419.7 (418.3) and are mainly attributable to goodwill MSEK 343.7 (343.7). The book value of inventories and installed units amounted to MSEK 54.8 (48.8). Inventories have increased from MSEK 53.4 to MSEK 64.8. The increase is attributable in equal parts to the US, Japan and EMEA, in order to deliver to customers and ensure customer deliveries. Reported values for financial assets and liabilities correspond in all material respects to fair value.

QleanAir has covenants to be achieved according to the financing agreement with Swedbank. The covenants are interest coverage ratio, 3.0, and net debt/EBITDA, 2.5. The covenants were achieved for Q1 2023.



FOLLOW-UP ON FINANCIAL OBJECTIVES

The Group's strategic goal is an average annual growth of approx. 10% over time. During the first quarter of 2022, QleanAir achieved currency-adjusted growth of 2.4%. QleanAir aims to achieve a 15-20% EBIT margin. Adjusted outcome was 15.9%. The Board has proposed a dividend of 0 SEK per share (1.50) for 2022. The dividend policy is 30–50% of net profits.

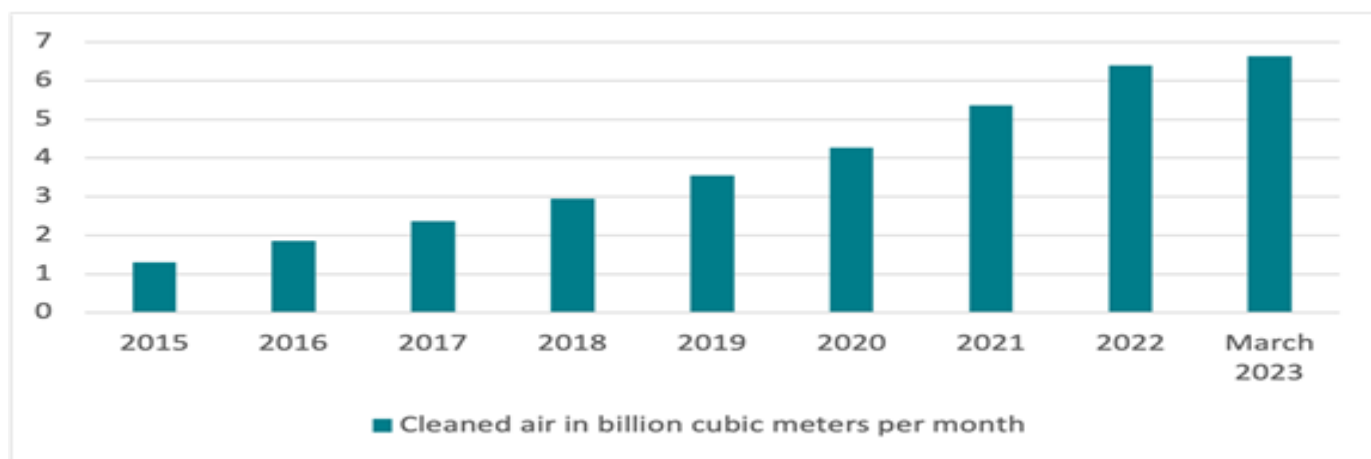
GOODWILL

Goodwill is attributable in its entirety to QleanAir AB's acquisition of the operating subsidiary QleanAir Scandinavia AB and can be derived from the change of ownership that took place in 2012. Goodwill is assessed for impairment annually by comparing its value in use, based on the discounted value of future cash flows, with its carrying value. The impairment test prepared for the 2022 financial statements showed no need for impairment, despite the changed global situation. There is no indication of impairments being necessary as of 31 March 2023.

SUSTAINABILITY

QleanAir has been developing solutions that protect people from indoor air pollution for 30 years. Environmental issues, corporate social responsibility and working environment issues have been focus areas for QleanAir since its inception. Our air cleaning solutions create a healthy and safe working environment, ensure product quality and durability and contribute to more efficient processes and increased productivity by, for example, extending the life of mechanical equipment. QleanAir's operating subsidiary, QleanAir Scandinavia AB, has been ISO-certified to quality standard ISO 9001 and environmental standard ISO 14001. QleanAir's circular business model is based on renting out modular units with a performance guarantee. The equipment can be recycled and reused. Large parts of the business are based on subcontractors who undertake to comply with QleanAir's Code of Conduct. The Code of Conduct is linked to the sustainability policy, the quality and environmental policy, the marketing policy and the work environment policy. Since 2015, the Group has quantified the amount of cleaned air per month on an ongoing basis. The amount of delivered, cleaned air continues to rise every quarter. A voluntary sustainability report is produced annually and is available at www.qleanair.com.

At the end of March 2023, 6.63 (5.66) billion cubic meters of clean indoor air were delivered per month, an increase of 17% compared to Q1 2022.



RISKS

There is a risk that the war in Ukraine and its consequences on the global economy will continue to impact the market situation and supply chains for QleanAir. Furthermore, the current situation regarding energy supply and the development in energy prices may affect QleanAir. QleanAir is exposed to market risks and especially currency risks, interest risk and other price risks as part of its ongoing operations and investment activities. One market risk is regulation concerning tobacco smoke. This market risk applies to EMEA and APAC. QleanAir is exposed to different financial risks on financial instruments, mainly market risk, credit risk and liquidity risk. Risk management is focused on the management of financial risks via a centralized finance department. For more information about company risks, see QleanAir's 2022 annual report, available at www.qleanair.com.

PARENT COMPANY

In 2023, Q1 sales for the parent company amounted to MSEK 2.6 (2.6). Profits for the first quarter amounted to MSEK -7.6 (-5.6). QleanAir AB delivers management services to QleanAir Scandinavia AB. Amounts owed to group companies relate to the subsidiary QleanAir Scandinavia AB, which pays for QleanAir AB's current expenses including interest and amortization. QleanAir AB, with company registration number 556879-4548, is a Swedish limited liability company with its registered office in Solna, Sweden.

DISPUTES

The Group had no pending disputes.

TRANSACTIONS WITH RELATED PARTIES

Sebastian Lindström, CEO, acquired warrants during the first quarter based on a decision from the Extraordinary General Meeting on March 9, 2023. No other significant transactions have taken place with related parties, other than remuneration to the CEO, during the first quarter of 2023.

SHARE CAPITAL, THE SHARES AND OWNERS

The total number of shares as of March 31, 2023, amounted to 14,859,200 and the share capital to MSEK 7.4. After full dilution, the number of shares amounts to 15,721,816 shares. The dilution consists of a maximum of 862,616 warrants issued to employees in senior positions. The maximum dilution effect of the warrants issued in relation to the number of shares amounts to 5.8%.

The decision to issue 222,888 warrants was made on June 26, 2020, and 222,888 warrants have been subscribed. Subscription of new shares under the warrants shall be possible during the period from July 1, 2023 to January 31, 2024. The subscription price is SEK 41.83/share.

The decision to issue 166,784 warrants was made on May 12, 2021, and 88 604 warrants have been subscribed. Subscription of new shares supported by the warrants may take place during the period from June 1, 2024, to December 31, 2024. The subscription price is SEK 81.99/share.

The decision to issue 145,384 warrants was made on May 12, 2022, and 105 348 warrants have been subscribed. Subscription of new shares supported by the warrants may take place during the period from June 1, 2025, to December 31, 2025. The subscription price is SEK 43.24/share.

The decision to issue 445,776 warrants was taken on March 9, 2023 and 445,776 warrants have been subscribed. Subscription of new shares under the warrants will be possible during the period from April 1, 2026 up to and including October 31, 2026. The subscription price is SEK 40.00/share.

The average number of shares in January–March 2023 was 14,859,200 shares before dilution and 15,424,632 after full dilution. All shares are ordinary shares with equal voting rights. The shares have a quota value of SEK 0.5 per share. QleanAir AB is listed on the Nasdaq First North Premier Growth Market.

FNCA (First North Certified Advisor) is the certified advisor. To contact, e-mail: info@fnca.se.

2023-03-31	
Shareholder	% , capital and votes
Qevirp 41 Ltd	23,0%
BankInvest	10,0%
Avanza Pension	8,5%
Calandrella Ltd	6,6%
Livförsäkringsbolaget Skandia	4,6%
Nordnet Pension	3,5%
LGT Bank Ltd	2,7%
Clearstream Banking, Luxemburg	2,4%
CB LDN Citibank	2,1%
Sensor Select	2,0%
Ten largest shareholders	65,4%
Other shareholders	34,6%
Total	100,0%

CALENDAR

- August 10, 2023: Second quarter 2023
- November 9, 2023: Third quarter 2023
- February 9, 2024: Fourth Quarter and Year-end Report 2023

OTHER INFORMATION

The quarterly report January – March 2023 provides a true and fair account of the group's operations, financial position and performance. If there are discrepancies between the Swedish and English versions of the report, the Swedish version shall prevail.

The undersigned declares that this interim report provides a true and fair account of the parent company's and the group's operations, position and results and describes the significant risks and uncertainties faced by the parent company and the companies included in the group.

This information is information that QleanAir AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on May 10, 2023.

GENERAL REVIEW

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

PRESENTATION

QleanAir invites you to a webcast/teleconference on May 10, 2023 at 10.00. The company's CEO, Sebastian Lindström and CFO, Henrik Resmark, will present the company's quarterly report in English.

Link to watch the presentation online:

<https://ir.financialhearings.com/qleanair-q1-2023>

Telephone number to dial-in and follow the presentation and ask questions:

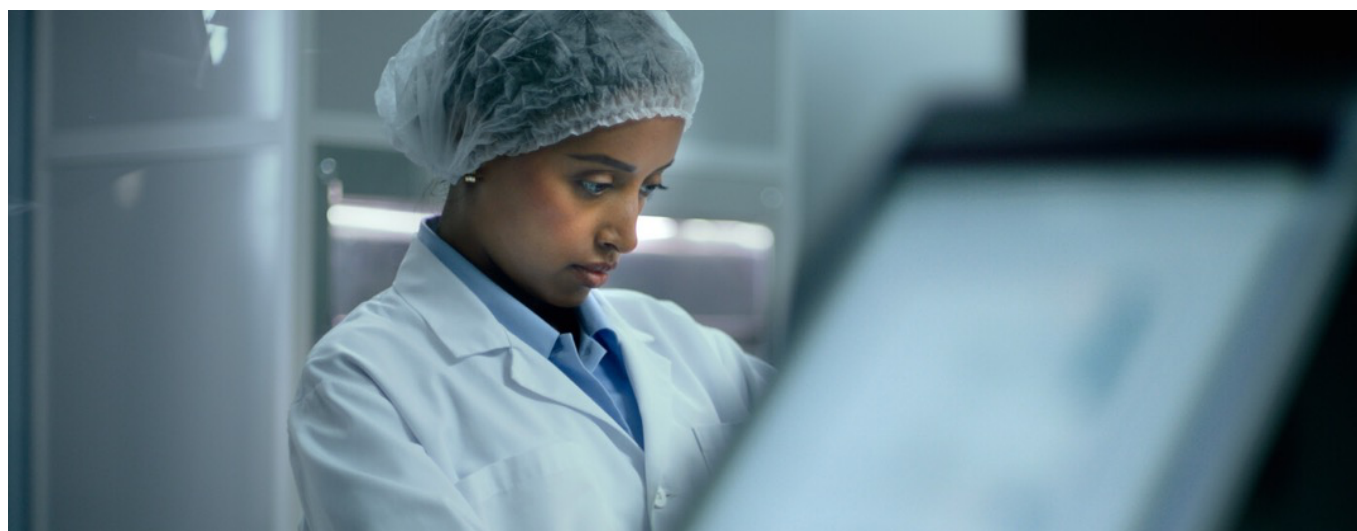
<https://conference.financialhearings.com/teleconference/?id=2001169>

For more information, please contact

Sebastian Lindström, CEO, on +46 70-308 94 51 or Henrik Resmark CFO, on +46 70-260 09 17.

Board of Directors of QleanAir AB
Solna, May 10, 2023

Bengt Engström, Chair
Mats Hjerpe
Towe Resson
Johan Ryrberg
Johan Westman
Sebastian Lindström, CEO



THE GROUP'S CONSOLIDATED BALANCE SHEET IN SUMMARY

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Net sales	121 048	115 402	455 172	450 576
Other income	0	0	0	3 768
Sales	121 048	115 402	455 172	454 345
Cost of goods sold	-34 671	-31 768	-144 154	-132 533
Gross profit	86 377	83 634	311 018	321 811
Other external costs	-25 129	-28 702	-119 188	-92 814
Personnel costs	-36 458	-29 779	-132 049	-116 560
Depreciation of tangible and intangible assets	-8 195	-7 594	-31 202	-29 039
Operating income	16 595	17 560	28 578	83 397
Financial income	1 390	2 625	3 606	1 617
Financial expenses	-3 940	-2 158	-11 403	-9 472
Income before tax	14 046	18 027	20 781	75 543
Deferred tax	-182	-310	-3 864	-4 129
Tax on result for the period	-3 826	-4 016	-3 626	-12 156
Net result for the period	10 038	13 701	13 291	59 258
Profit/Loss attributable to:				
Shareholders parent company	10 038	13 701	13 291	59 258
Non-controlling interest	0	0	0	0
Net result for the period	10 038	13 701	13 291	59 258
Earnings per share basic, SEK	0,68	0,92	0,89	3,99
Earnings per share basic, after dilution, SEK	0,68	0,91	0,89	3,93
Net result for the period	10 038	13 701	13 291	59 258
Currency translation differences foreign subsidiaries	-1 804	-3 634	-607	-2 469
Total result for the period	8 234	10 067	12 684	56 788
Profit/loss attributable to:				
Shareholders parent company	8 234	10 067	12 684	56 788
Non-controlling interest	0	0	0	0
Total net result for the period	8 234	10 067	12 684	56 788

THE GROUP'S FINANCIAL POSITION IN SUMMARY

TSEK	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Capitalized development cost	13 470	11 018	13 485
Goodwill	343 704	343 704	343 704
Intangible fixed assets	357 173	354 721	357 189
Leasing	7 638	14 553	9 523
Tangible fixed assets	54 801	48 812	53 452
Tangible fixed assets	62 439	63 365	62 975
Deferred tax	77	185	619
Fixed assets	419 689	418 272	420 783
Inventories	64 843	53 409	59 947
Account receivables	39 145	35 579	26 921
Tax receivables	3 643	0	16
Other receivables	5 800	7 437	8 170
Prepaid costs and accrued income	72 969	60 095	64 931
Cash and bank	59 259	53 779	66 956
Current assets	245 659	210 299	226 942
TOTAL ASSETS	665 348	628 570	647 724
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	7 430	7 430	7 430
Additional paid in capital	115 062	121 116	120 603
Translation differences	-1 803	-8 939	-5 911
Balanced result	61 855	70 852	48 564
Result for the period	10 038	13 701	13 291
Shareholders' Equity	192 581	204 160	183 976
Long term interest bearing liabilities	164 003	190 174	170 546
Deferred tax liability	3 628	0	3 987
Other liabilities	2 587	2 689	2 723
Long term liabilities	170 218	192 864	177 256
Short term interest bearing liabilities	79 263	26 171	80 644
Accounts payable	40 480	33 648	35 842
Tax liabilities	0	6 209	1 204
Other short term liabilities	23 321	18 234	21 698
Other liabilities	5 242	12 233	7 057
Accrued expenses and deferred income	154 242	135 052	140 046
Current liabilities	302 549	231 547	286 491
Liabilities	472 767	424 410	463 748
TOTAL EQUITY AND LIABILITIES	665 348	628 570	647 724

THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY

2023, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance 2023-01-01	7 430	120 603	-5 911	61 855	183 976
Warrants, re-purchase		370			370
Net result for the period				10 038	10 038
Other result			-1 803		-1 803
Closing balance 2023-03-31	7 430	120 973	-7 714	71 893	192 581

2022, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance 2022-01-01	7 430	121 116	-5 304	70 853	194 095
Net result for the period				13 701	13 701
Other result			-3 635		-3 635
Closing balance 2022-03-31	7 430	121 116	-8 939	84 554	204 161

THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Operating activities				
Operating income	16 595	17 560	28 578	83 397
Adjustment for non-cash items	9 462	8 315	26 908	22 598
Net finance effect	-3 531	-1 731	-9 207	-8 059
Tax paid	-8 672	-3 573	-8 094	1 588
Total	13 854	20 571	38 184	99 525
Decrease (+)/Increase (-) inventories	-5 334	-10 109	-14 619	-16 686
Decrease (+)/Increase (-) account receivables	-11 966	-8 588	3 291	8 932
Decrease (+)/Increase (-) current assets	-5 979	-14 339	-16 885	-9 068
Decrease (-)/Increase (+) account payables	4 764	-1 407	-1 047	8 550
Decrease (-)/Increase (+) current liabilities	15 696	13 628	20 807	12 900
Cash-flow from ongoing operations	11 036	-243	29 731	104 153
Investing activities				
Investments in intangible assets	-1 019	-405	-5 670	-2 705
Investments in tangible assets	-6 697	-5 167	-22 623	-25 592
Cash flow from investing activities	-7 716	-5 572	-28 294	-28 297
Financing activities				
Increase in loan	0	0	54 473	0
Paid dividend	0	0	-22 289	-19 317
Amortization of loan	-11 002	-9 490	-38 233	-39 599
Payment of warrants, net	370	0	-513	-285
Cash flow from financing activities	-10 632	-9 490	-6 563	-59 200
Cash flow for the period	-7 313	-15 305	-5 126	16 656
Opening cash balance	66 956	69 662	69 662	52 600
Exchange rate differences on financial items	-384	-578	2 420	406
Closing cash balance	59 259	53 779	66 956	69 662

THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

TSEK	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Net sales	2 550	2 550	10 200	10 200
Other external costs	-2 374	-2 119	-8 701	-7 639
Personnel costs	-2 802	-2 032	-11 481	-7 558
Depreciation on intangible assets	-2 063	-2 063	-8 254	-8 254
Operating profit	-4 689	-3 665	-18 236	-13 251
Interest costs and similar profit/loss items	-2 918	-1 983	-15 368	-13 418
Result after financial items	-7 607	-5 648	-33 604	-26 670
Group contribution	0	0	13 400	52 000
Tax on result for the period	0	0	-1 220	-7 517
Net result for the period	-7 607	-5 648	-21 424	17 814

THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY

TSEK	2023-03-31	2022-03-31	2022-12-31
<i>Intangible assets</i>			
Goodwill	31 639	39 892	33 702
<i>Financial assets</i>			
Shares in Group companies	429 000	429 000	429 000
Total fixed assets	460 639	468 892	462 702
Current tax receivables	220	606	26
Other receivables	79	0	0
Prepaid expenses and accrued income	2 495	3 914	2 745
Cash and bank	526	12	511
Total current assets	3 320	4 532	3 282
Total assets	463 958	473 424	465 984
Shareholders' equity	7 430	7 430	7 430
Premium reserve	55 166	99 022	76 220
Profit/loss for the period	-7 607	-5 648	-21 424
Total equity	54 988	100 804	62 225
Long term interest bearing liabilities	164 003	193 829	171 875
Total long term liabilities	164 003	193 829	171 875
Short term interest bearing liabilities	28 497	26 171	27 500
Accounts payable	202	654	415
Liabilities to Group companies	208 010	141 777	188 494
Tax liabilities	0	6 960	7 109
Other current liabilities	107	34	339
Accrued expenses and prepaid income	8 150	3 195	8 027
Total current liabilities	244 967	178 791	231 884
Total equity and liabilities	463 958	473 424	465 984

ACCOUNTING PRINCIPLES

QleanAir applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and RFR2 Accounting for legal entities, issued by the Swedish Financial Reporting Board.

The accounting policies applied correspond to those of the previous financial year, as described in the 2022 Annual Report.

New or revised IFRS and interpretative statements from IFRIC with effect from January 1, 2023, have not had a material impact on the Group's financial statements.

Segment

QleanAir has a segment that reflects the Group's operations, financial governance and management structure.

Financial instruments and currency exposure

The majority of the Group's transactions are denominated in euros and Japanese yen. Exposure to changes in foreign exchange rates is related to group sales and purchases from other countries.

Basis of valuations applied in preparing financial statements

Assets and liabilities are recognized at historical cost, with the exception of currency derivatives which are measured on fair value.

Assessments and estimates in financial statements

Preparation of the financial statements in compliance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. Actual outcomes may deviate from such estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognized in the period when the change is made if the change affects only that period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

Impairment testing of goodwill and shares in subsidiaries

To assess the need for impairment, management calculates the recoverable amount of each cash-generating unit, based on expected future cash flows, and uses an appropriate interest rate to discount the cash flows. Uncertainties lie in the assumptions about future operating profit and the determination of an appropriate discount rate.

Adjustments, rounded

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

NOTES

Distribution of revenue

QleanAir's geographic markets are EMEA, which includes Germany, Austria, Switzerland, the Netherlands, Belgium, France, Poland and the Nordic countries, along with the Middle East, APAC with Japan and the Americas with the US. QleanAir's solutions can be divided into three product categories; cabin solutions, stand-alone air cleaners and cleanrooms. Net revenue by geography and product category, as well as revenue types, appears on pages 5,6, 8 and 9.

Sales of goods as well as the sale of goods to financial companies are reported once. Regarding the sale of goods to finance companies, revenue is recognized in accordance with the rules in IFRS 16 for manufacturer lessors, which means that the profit or loss is recognized at the start date of the leasing agreement. Revenue is therefore recognized in accordance with the same principle as for sales of goods directly to customers to which IFRS 15 applies and is therefore recognized at a specific point in time. Rental of goods including service and other (recurring revenue) and installation of cleanrooms are reported over time.

Currency effect and organic growth

	Jan-March 2023	Jan-March 2022	Full year 2022	Full year 2021
Net sales, TSEK	121 048	115 402	455 172	450 576
Growth Net sales, %	4,9%	4,4%	1,0%	-8,6%
Currency exchange variances, TSEK	2 818	2 905	11 100	-27 073
Currency exchange variances, %	2,4%	2,6%	2,5%	-5,5%
Organic growth Net sales, TSEK	2 827	2 004	-6 503	-15 321
Organic growth Net sales, %	2,4%	1,8%	-1,4%	-3,1%

Alternative key ratios

The company complies with ESMA (European Securities and Markets Authority) guidelines on alternative key ratios. Alternative key ratios refer to financial measures that cannot be directly read or derived from financial statements. These financial measures are intended to help management and investors analyze the Group's performance. Investors should consider these alternative key ratios as a complement to financial reporting prepared in accordance with IFRS. As not all companies calculate financial ratios in the same way, these are not always comparable with ratios used by other companies.

Key ratios	Definition and purpose
Order intake	The definition of Order intake has been revised from 2021-01-01. All customer contracts are included in the order intake. Previously, short-term leases and extensions were not included in the order intake. These contracts are now also included in the order intake. Comparative figures for 2020 have been recalculated for comparability.
Revenue	Revenue, including other operating revenue. The ratio shows the company's total revenue.
Gross profit	Revenue less cost of sold goods.
Gross margin	Gross profit as percentage of revenue.
EBITDA	Earnings before depreciation and write-downs. The ratio is used to show the company's profitability before depreciations and write-downs.
EBITDA margin	Operating profit before depreciation and write-downs as a percentage of revenue. This ratio is used to measure operating profitability before depreciation and write-downs.
Operating result (EBIT)	Profit before financial items and tax. The measure shows the operational profitability of the company.
EBIT margin	Operating profit as a percentage of revenue. The measure is used to measure operating profitability after depreciation and write-downs.
Operating cash flow	EBITDA and adjustment for cash flow from changes in working capital. Operating cash-flow is stated to track the cash flow generated by operating activities.
Working capital	Current assets excluding cash and cash equivalents minus current liabilities (non-interest-bearing).
Average capital employed	Average equity and interest-bearing liabilities for the period. This ratio is used to analyze how much capital is employed in the business during the period.
Net interest-bearing debt	Interest-bearing short- and long-term liabilities minus cash and cash equivalents. Does not include IFRS 16 items. The ratio shows the financial position of the company.
Equity/asset ratio	Equity as a percentage of the company's total assets. The ratio is used to assess the financial stability of the company.
Net debt/equity ratio	Interest-bearing liabilities minus cash and cash equivalents divided by equity. Does not include IFRS 16 items. Net debt/equity ratio is stated because the Company believes that the ratio contributes to investors' understanding of the company's financial position.
Return on average capital employed	Adjusted EBIT rolling twelve months as a percentage of average capital employed. This ratio has been included to help investors understand the company's profitability relative to the capital employed in the business during the year.
Recurring revenue	Recurring revenue is defined as revenue from rental of goods incl. services and other.
Earnings per share	Earnings per share have been adjusted for the 2019 stock split for comparability.

Renaming of product categories	Facility Solutions has changed its name to Air Cleaners. Room Solutions has changed its name to Cleanrooms. Cabin Solutions is still called Cabin Solutions.
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Quarterly information

	Jan-March 2023	Oct-Dec 2022	July-Sept 2022	April-June 2022	Jan-March 2022	Oct-Dec 2021	July-Sept 2021	April-June 2021	Jan-March 2021
Sales, TSEK	121 048	120 075	111 422	108 273	115 402	118 055	109 741	112 286	110 494
Installed units	12 148	11 878	11 750	11 625	11 551	11 396	10 980	10 746	9 964
Recurring revenues, TSEK	74 476	70 809	67 172	69 783	69 026	65 210	67 901	64 022	64 841
Order intake, TSEK	114 115	109 161	92 180	89 331	116 954	72 890	89 921	91 571	101 911
Gross profit, TSEK	86 377	68 202	81 452	77 729	83 634	81 225	82 353	80 417	77 816
Gross-margin, %	71,4%	56,8%	73,1%	71,8%	72,5%	68,8%	75,0%	71,6%	70,4%
EBITDA, TSEK	24 790	-9 642	25 376	18 892	25 154	25 434	32 194	27 952	26 856
EBITDA-margin, %	20,5%	-8,0%	22,8%	17,4%	21,8%	21,5%	29,3%	24,9%	24,3%
EBIT, TSEK	16 595	-17 713	17 466	11 265	17 560	17 887	24 775	20 809	19 927
EBIT-margin, %	13,7%	-14,8%	15,7%	10,4%	15,2%	15,2%	22,6%	18,5%	18,0%
Operating cash-flow, TSEK	11 036	9 581	11 389	9 004	-243	22 076	21 550	36 181	24 346
Working capital, TSEK	-31 643	-38 804	-24 790	-32 051	-36 623	-56 969	-53 928	-57 515	-46 581
Average Capital Employed, TSEK	435 507	438 719	435 690	424 807	418 744	416 716	413 767	414 678	413 214
Net debt, excl. IFRS16, TSEK	184 008	184 234	184 185	185 013	162 567	153 227	166 555	172 824	183 199
Equity/Asset ratio, %	28,9%	28,4%	30,1%	29,2%	32,5%	31,8%	30,8%	28,9%	29,6%
Net debt/Equity ratio, %	1,0	1,0	0,9	1,0	0,8	0,8	0,9	1,0	1,0
Adjusted return on Capital employed (ROCE), %	6,3%	6,5%	14,7%	17,6%	19,4%	20,0%	20,8%	19,1%	20,2%
Key figures per share									
Shareholders' equity per share, SEK	12,96	12,38	13,43	12,59	13,74	13,06	12,59	11,40	11,83
Operating cash-flow per share, SEK	0,74	0,64	0,77	0,61	-0,02	1,49	1,45	2,43	1,64
Earnings per share, SEK	0,68	-1,26	0,71	0,51	0,92	0,49	1,10	1,00	1,40
Earnings per share after full dilution, SEK	0,68	-1,26	0,71	0,49	0,91	0,49	1,06	0,99	1,38
QleanAir-share, last day in each quarter	19,8	22,3	22,9	33,3	39,6	65,8	64,6	66,0	65,0
Adjusted key figures									
Gross profit, TSEK, <u>adjusted</u>		81 402							
Gross margin, %, <u>adjusted</u>		67,8%							
EBIT, TSEK, <u>adjusted</u>	19 195	3 487							
EBIT-margin, %, <u>adjusted</u>	15,9%	2,9%							

ABOUT QLEANAIR

QleanAir is a premium supplier in the market for air cleaning in professional and public indoor environments. The company's business model is based on rental contracts for modular solutions with a full-service offer. QleanAir's solutions are developed from filter technology that captures, clean up and recirculates indoor air. QleanAir's corporate office is in Solna, Sweden.

BUSINESS IDEA

QleanAir offers modular solutions for indoor air cleaning to protect people, products and processes.

VISION

QleanAir aims to be a world-class supplier of standalone solutions for air cleaning in indoor environments within the product categories the company chooses to operate in.

MISSION

QleanAir seeks to create healthy indoor environments that help protect and enhance the productivity of people, products and processes.

VALUES

For health and safety with quality and trust.

FINANCIAL GOALS

Growth

QleanAir's objective is to achieve an average annual organic revenue growth of approximately 10 percent in the medium term.

Profitability

QleanAir's objective is to achieve an EBIT margin of 15–20% in the medium term.

Dividend policy

QleanAir's objective is to distribute between 30–50% of profits for the year. The dividend proposal shall consider QleanAir's long-term development potential.

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