

Invitation to acquire shares in QleanAir Holding AB



First North Premier Growth Market is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on First North Premier Growth Market are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies.

The risk in investing in a company on First North Premier Growth Market may therefore be higher than investing in a company on a regulated market. All companies with shares traded on First North Premier Growth Market have a Certified Adviser who monitors that the rules are followed. The exchange approves the application for admission to trading.

QleanAir Holding AB has appointed FNCA Sweden AB as Certified Adviser.

The validity of the Prospectus will expire on 2 December 2020. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

SOLE GLOBAL COORDINATOR & SOLE BOOKRUNNER

The logo for Pareto Securities, featuring a stylized blue arc above the word "Pareto" in a serif font, with "Securities" in a smaller, all-caps sans-serif font below it.

Important information to investors

This prospectus (the "**Prospectus**") has been prepared in connection with the offering to the general public in Sweden (the "**Offering**") of existing shares in QleanAir Holding AB, a Swedish public limited liability company (the "**Company**", "**QleanAir**" or the "**Group**"), in connection with the listing of the Company's shares on First North Premier Growth Market in Stockholm ("**First North Premier**"). For the meaning of the defined terms used in the Prospectus, please refer to section "Definitions".

The Prospectus has been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus is an English translation of the Swedish prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**"), which is the competent authority in accordance with the Prospectus Regulation. The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as specified in the Prospectus Regulation. This approval should not be regarded as any kind of support for the issuer or for the quality of the securities referred to in the Prospectus.

The Prospectus is available in electronic form on the Company's website (www.qleanair.com) and on Pareto Securities AB's website (www.paretosec.com), and will also be available on the SFSA's website (www.fi.se). Information on the Company's website does not constitute part of the Prospectus unless this information is incorporated by reference into the Prospectus. The Prospectus is also available in physical form (hard copy) at the Company's office (please refer to section "Addresses").

Any dispute arising from this Prospectus, the Offering or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with Swedish law without reference to any of its choice of law principles. The district court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus has been made in a Swedish and an English language version. In case of any discrepancy between the Swedish and English language versions of this Prospectus, the Swedish language version shall prevail. It should also be noted that an investor bringing court action in connection with the information disclosed in this Prospectus may be obliged to pay for a translation of the Prospectus.

The Offering is not directed to the general public in any jurisdiction other than Sweden. In member countries that are covered by the Prospectus Regulation, except for Sweden – an offering of securities can only be made in accordance with an exception in the Prospectus Regulation. The shares in the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States, and no shares in the Company may be offered, subscribed for, sold or transferred, directly or indirectly, to or within the United States, except pursuant to applicable exemptions from the registration requirements of the U.S. Securities Act of 1933 (in accordance with its most recent wording). Further, the Offering is not directed to investors in Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction where participation would require additional prospectuses, registrations or measures other than those prescribed by Swedish law. The Prospectus, the application form and/or other documents related to the Offering may not be distributed in or to any jurisdiction where the Offering requires action as set out above or would contravene applicable law. Applications to acquire shares in the Company that violate such rules may be deemed invalid. Persons into whose possession the Prospectus comes are required to inform themselves about, and to observe, such restrictions. Action in violation of such restrictions may constitute a violation of applicable securities law.

An investment in the Company's shares is associated with certain risks; please refer in particular to section "Risk factors". In making a decision to invest in the Company's shares, an investor must rely on his or her own assessment of the Company, the Group and the terms of the Offering, including the merits and risks involved, relying solely on the information contained in this Prospectus (and in any supplements to the Prospectus). Neither the publication nor the distribution of the Prospectus does mean that the information contained in the

Prospectus is up to date as of any time after the date of this Prospectus, or that the Company's business, results or financial position has remained unchanged after this date. In the event that there have been any material changes to the information contained in this Prospectus during the period after the Prospectus has been approved by the SFSA, such changes will be made public in accordance with applicable laws and regulations.

No person is or has been authorised by the Company to give any information or to make any representation or warranty on behalf of the Company in connection with the Offering other than contained in this Prospectus and, if given or made, such information, representation or warranty may not be relied upon as having been authorised by the Company and the Company accepts no liability with respect to any such information, representation or warranty. Further, no representation or warranty, expressed or implied, is made by any member of the board of directors of the Company or anybody else, except for what follows from applicable law and regulations, as to the correctness and/or completeness of any of the information contained in this Prospectus.

Forward-looking statements and business and market data

The Prospectus contains certain forward-looking statements that reflect the Company's current view of future events and financial and operational results. Such forward-looking statements are associated with both known and unknown risks and circumstances beyond the Company's control. All statements in this Prospectus except statements about historical or current facts or circumstances are forward-looking statements. Forward-looking statements are made in several sections of the Prospectus and can be identified by the use of terms and expressions such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or inflections of such expressions or similar expressions. The section "Risk Factors" contains a description of some, but not all, factors that may cause the Company's future earnings and development to differ materially from what is expressed or implied in any forward-looking statement.

Forward-looking statements only apply as of the date of this Prospectus. The Company has no intention or obligation to publish updated forward-looking statements or other information in this Prospectus based on new information, future events etc. except what is required by applicable law and regulations.

The Prospectus includes industry and market data pertaining to the Group's business and markets and its position in relation to its competitors which may be based on information from third parties as well as the Company's estimates based on information from third parties. Such third party information has been reproduced correctly and, to the extent that the Company knows and can ascertain from information published by the third party from which the information was obtained, no factual circumstances have been omitted that would render the information reproduced incorrect or misleading. However, the Company has not independently verified the accuracy or completeness of any third party information and therefore the Company cannot guarantee its accuracy or completeness.

Presentation of financial information

Some amounts and percentages stated in the Prospectus have been rounded off and may therefore not always correctly add up. Other than expressly stated, no information in the Prospectus has been examined or audited by the Company's auditors.

Stabilisation

In connection with the Offering and the listing on First North Premier, Pareto Securities may participate in transactions that stabilise, maintain or otherwise affect the price of the shares in order to keep the market price of the shares at levels above those which might otherwise prevail in the open market. For more information regarding the stabilisation measures, please refer to section "Legal considerations and supplementary information" under "Stabilisation".

Table of Contents

Summary	2	Capital structure, indebtedness, and other financial information.....	78
Risk factors	9	Board of directors, senior management and auditors	81
Invitation to acquire shares in QleanAir Holding AB	15	Corporate Governance	86
Background and reasons for the Offering.....	16	Share capital and ownership structure.....	89
Terms and conditions	17	Legal consideration and supplementary information	93
Market overview	21	Articles of association	98
Business description	33	Certain tax considerations in Sweden.....	99
Selected financial information	58	Definitions	101
Operational and financial review	66	Addresses	102
Pro forma financial statements.....	72		
Auditor's report on pro forma financial statements..	77		

Summary of the Offering

Offering price:	SEK 40 per share
Application period for the general public in Sweden:	3 – 10 December 2019
Application period for institutional investors:	3 – 11 December 2019
Preliminary first day of trading:	12 December 2019
Planned settlement date:	16 December 2019

Other

Market:	First North Premier Growth Market
Ticker symbol:	QAIR
ISIN code:	SE0013382066

Financial calendar

Year-end Report 1 January–31 December 2019	20 February 2020
Interim report 1 January–31 March 2019	13 May 2020

Summary

INTRODUCTION AND WARNINGS	
Securities	The Offering comprises existing shares in QleanAir Holding AB with ISIN code SE0013382066.
Issuer and offeror	<p>QleanAir Holding AB, reg. no. 556879-4548 and LEI code 5493007ZNANRSSHOK63. The Company's postal address is P.O. Box 1178, 171 23 Solna, Sweden, the visiting address is Torggatan 13, 171 54 Solna, Sweden and the telephone number is +46 (0)8 545 788 00.</p> <p>The Offering comprises existing shares in QleanAir Holding AB which are offered by the Principal Shareholder, i.e. Qevirp 41 Limited, reg. no. 109963 and LEI code 894500XH5769KLA9V619 (contact address Aztec Financial Services (Jersey) Limited, Aztec Group House 11-15 Seaton Place, St Helier JE4 0QH, Jersey).</p>
Competent authority	The Prospectus is an English translation of the Swedish prospectus that has been approved by the Swedish Financial Supervisory Authority (the "SFSA"), which is the competent authority. The SFSA's postal address is P.O. Box 7821, 103 97 Stockholm, Sweden, visiting address Brunnsgatan 3, 111 38 Stockholm, Sweden, telephone number +46 (0)8 408 980 00 and website (www).fi.se.
Approval date of the prospectus	The Swedish Prospectus was approved on 2 December 2019.
Warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Any decision to invest in securities entails risks and an investor may lose all or part of the invested capital. Where statements in respect of information contained in the Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in the securities.

KEY INFORMATION ON THE ISSUER

<p>Who is issuer of the securities?</p>	<p>Domicile, legal form, LEI code, law and country of incorporation This Prospectus regards the offer of existing shares in QleanAir Holding AB, reg. no. 556879-4548 and LEI code 5493007ZANR5SVHOK63. The Company is a Swedish public limited liability company with its registered office in Stockholm, Sweden. The Company has been incorporated in Sweden and conducts operations in accordance with Swedish law. The Company's form of association is governed by the Swedish Companies Act (Sw. <i>aktiebolagslagen</i> (2005:551)).</p> <p>Principal activities QleanAir is a niche provider of premium air cleaning solutions for indoor environments. QleanAir's solutions are used to protect people, processes and products from harmful particles and gases which are captured and filtered through the Company's products. The Company conducts business operations in EMEA, APAC and the Americas with its headquarters located in Solna, Sweden.</p> <p>Major shareholders At the date of this Prospectus, there are approximately 30 shareholders in the Company. The largest shareholder is Qevirp 41 Limited, with a holding of 90.2 percent of the total number of shares and votes in the Company. Qevirp 41 Limited is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). All individual holdings among other shareholders (mainly previous and current key employees in the Company and family members of such employees) are less than one (1) percent of the total number of shares and votes in the Company.</p> <p>The Company's senior management The Company's senior management consist of the CEO (Andreas Göth) and the CFO (Henrik Resmark) of the Company.</p> <p>Auditor In respect of the period of time covered by historical financial information in this Prospectus, Per-Göran Mattis from Grant Thornton Sweden AB has been the Company's auditor. At the extraordinary general meeting held on 7 October 2019 it was resolved to elect Grant Thornton Sweden AB as new auditor, with Anders Meyer as auditor-in-charge. The change of auditor was made due to the planned listing of the Company's shares on First North Premier. The auditor was appointed for the period until the end of the annual general meeting to be held in 2020.</p>																																																																						
<p>Key financial information regarding the issuer</p>	<p><i>The selected historical financial information presented in this section is derived from the Company's audited consolidated annual accounts for the financial years ending 31 December 2018, 2017 and 2016 and from the interim financial statement for the period 1 January 2019 up to and including 30 September 2019, which also includes comparison figures for the corresponding period of 2018. Additionally, information is derived from the pro forma financial statements which have been prepared and included in this Prospectus on a voluntary basis.</i></p> <p>Key financial information without consideration of the pro forma financial statements</p> <p>Consolidated income statement in brief</p> <table border="1" data-bbox="352 1464 1430 1682"> <thead> <tr> <th rowspan="2">SEK Thousands</th> <th colspan="3">Audited</th> <th colspan="2">Unaudited</th> </tr> <tr> <th>Jan-Dec 2018</th> <th>Jan-Dec 2017</th> <th>Jan-Dec 2016</th> <th>Jan-Sep 2019</th> <th>Jan-Sep 2018</th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td>400,813</td> <td>336,329</td> <td>318,877</td> <td>333,032</td> <td>297,664</td> </tr> <tr> <td>Operating profit</td> <td>61,792</td> <td>36,869</td> <td>37,718</td> <td>57,341</td> <td>53,666</td> </tr> <tr> <td>Net profit of the year</td> <td>21,002</td> <td>-1,939</td> <td>3,048</td> <td>20,731</td> <td>23,128</td> </tr> <tr> <td>Net sales growth, %</td> <td>19.2</td> <td>5.5</td> <td>10.9</td> <td>11.9</td> <td>-</td> </tr> <tr> <td>EBIT margin, %</td> <td>15.4</td> <td>11.0</td> <td>11.8</td> <td>17.2</td> <td>18.0</td> </tr> </tbody> </table> <p>Consolidated balance sheet in brief</p> <table border="1" data-bbox="352 1727 1430 1895"> <thead> <tr> <th rowspan="2">SEK Thousands</th> <th colspan="3">Audited</th> <th colspan="2">Unaudited</th> </tr> <tr> <th>31 Dec 2018</th> <th>31 Dec 2017</th> <th>31 Dec 2016</th> <th>30 Sep 2019</th> <th>30 Sep 2018</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>586,048</td> <td>548,414</td> <td>518,358</td> <td>652,148</td> <td>572,267</td> </tr> <tr> <td>Total equity</td> <td>63,975</td> <td>44,215</td> <td>47,527</td> <td>92,051</td> <td>67,445</td> </tr> <tr> <td>Interest-bearing net debt</td> <td>273,791</td> <td>313,593</td> <td>305,287</td> <td>250,660</td> <td>300,486</td> </tr> </tbody> </table>	SEK Thousands	Audited			Unaudited		Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018	Net sales	400,813	336,329	318,877	333,032	297,664	Operating profit	61,792	36,869	37,718	57,341	53,666	Net profit of the year	21,002	-1,939	3,048	20,731	23,128	Net sales growth, %	19.2	5.5	10.9	11.9	-	EBIT margin, %	15.4	11.0	11.8	17.2	18.0	SEK Thousands	Audited			Unaudited		31 Dec 2018	31 Dec 2017	31 Dec 2016	30 Sep 2019	30 Sep 2018	Total assets	586,048	548,414	518,358	652,148	572,267	Total equity	63,975	44,215	47,527	92,051	67,445	Interest-bearing net debt	273,791	313,593	305,287	250,660	300,486
SEK Thousands	Audited			Unaudited																																																																			
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018																																																																		
Net sales	400,813	336,329	318,877	333,032	297,664																																																																		
Operating profit	61,792	36,869	37,718	57,341	53,666																																																																		
Net profit of the year	21,002	-1,939	3,048	20,731	23,128																																																																		
Net sales growth, %	19.2	5.5	10.9	11.9	-																																																																		
EBIT margin, %	15.4	11.0	11.8	17.2	18.0																																																																		
SEK Thousands	Audited			Unaudited																																																																			
	31 Dec 2018	31 Dec 2017	31 Dec 2016	30 Sep 2019	30 Sep 2018																																																																		
Total assets	586,048	548,414	518,358	652,148	572,267																																																																		
Total equity	63,975	44,215	47,527	92,051	67,445																																																																		
Interest-bearing net debt	273,791	313,593	305,287	250,660	300,486																																																																		

Key financial information regarding the issuer	Consolidated cash flows in brief					
	SEK Thousands	Audited			Unaudited	
		Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
	Cash flow from operating activities	55,844	54,664	76,854	52,265	36,966
	Cash flow from investing activities	-16,009	-26,407	-37,899	-13,580	-13,774
	Cash flow from financing activities	-20,000	-15,863	-28,141	-38,718	-28,431
	Selected key performance indicators					
	The following key financial information is presented in addition to the information to be described in the summary of the Prospectus in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council.					
		Audited			Unaudited	
	SEK Thousands	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
	SALES MEASUREMENT					
	Net sales ¹	400,813	336,329	318,877	333,032	297,664
	Net sales growth, %	19.2	5.5	10.9	11.9	-
	Order intake ²	313,247	227,246	226,857	263,516	238,535
	Change in order intake, % ²	37.8	0.2	-	10.5	0.0
	PROFITABILITY MEASURES					
	Gross income	262,925	218,514	207,346	222,038	198,165
	EBITDA	72,898	45,483	44,781	73,175	61,146
	Adjusted EBITDA	84,197	48,218	43,388	80,275	64,946
	Operating income (EBIT)	61,792	36,869	37,718	57,341	53,666
	Adjusted EBIT	73,091	39,604	36,325	64,441	57,466
	MARGIN MEASURES					
	Gross margin, %	65.6	65.0	65.0	66.7	66.6
	EBITDA margin, %	18.2	13.5	14.0	22.0	20.5
	Adjusted EBITDA margin, %	21.0	14.3	13.6	24.1	21.8
	EBIT margin, %	15.4	11.0	11.8	17.2	18.0
	Adjusted EBIT margin, %	18.2	11.8	11.4	19.3	19.3
	CASH FLOW MEASURES					
	CAPEX ratio, %	4.0	4.8	3.5	4.1	4.6
	Adjusted operating cash flow	84,374	30,916	41,672	84,694	49,525
	Adjusted operating cash conversion, %	100.2	64.1	96.0	105.5	76.3
	CAPITAL STRUCTURE					
	Net debt relative to adjusted EBITDA, times	3.3	6.5	7.0	2.5	3.7
	Interest-bearing net debt	273,791	313,593	305,287	250,660	300,486
	Net working capital	-43,626	-27,440	-28,657	-43,343	-25,344
	Net working capital relative to net sales, %	-10.9	-8.2	-9.0	-9.9	-6.5
	Equity ratio, %	10.9	8.1	9.2	14.1	11.8
	Capital employed	347,787	355,311	357,380	340,238	362,870
	RETURN MEASURES					
	Adjusted return on average capital employed (ROCE), %	21.0	11.1	10.2	23.5	18.2
	EMPLOYEES					
	Average number of employees	87	80	74	94	82
	1) The key performance indicator is defined in accordance with IFRS.					
	2) Based on unaudited information derived from QleanAir's internal reporting system.					
	Key financial information with consideration of the pro forma financial statements					
	The tables below set forth selected historical key financial information from the Company's consolidated audited income statement and from SFS Finance's audited income statement for the period 1 January 2018 – 31 December 2018, including pro forma adjustments, from the Company's unaudited consolidated income statement and from SFS Finance's unaudited income statement for the period 1 January 2019 – 30 September 2019, including pro forma adjustments, and from the Company's consolidated unaudited balance sheet and from SFS Finance's unaudited balance sheet as of 30 September 2019, including pro forma adjustments. The presentation only shows the items that are affected by the pro forma financial statements. For a complete presentation, please also refer to "Key financial information without consideration of pro forma financial statements" above.					

**Pro forma financial statements' impact on the consolidated income statement in brief for the period
1 January 2018 - 31 December 2018**

SEK Thousands	QleanAir (IFRS)	SFS Finance (BFNAR 2016:10)	Pro forma adjustments	Pro forma income statement
	Jan-Dec 2018	Jan-Dec 2018	Jan-Dec 2018	jan-dec 2018
Net sales	400,813	48,498	-41,481	407,830
Operating profit	61,792	6,421	165	68,378
Net profit of the year	21,002	-1,408	13,759	33,353
EBIT margin, %	15.4	-	-	16.8

**Pro forma financial statements' impact on the consolidated income statement in brief for the period
1 January 2019 - 30 September 2019**

SEK Thousands	QleanAir (IFRS)	SFS Finance (BFNAR 2016:10)	Pro forma adjustments	Pro forma income statement
	Jan-Sep 2019	Jan-Sep 2019	Jan-Sep 2019	Jan-Sep 2019
Net sales	333,032	37,133	-26,094	344,071
Operating profit	57,341	-1,853	11,743	67,231
Net profit of the period	20,731	-6,450	19,843	34,124
EBIT margin, %	17.2	-	-	19.5

Pro forma financial statements' impact on the consolidated balance sheet in brief as of 30 September 2019

SEK Thousands	QleanAir (IFRS)	SFS Finance (BFNAR 2016:10)	Pro forma adjustments	Pro forma income statement
	30 Sep 2019	30 Sep 2019	30 Sep 2019	30 Sep 2019
Total assets	652,149	114,457	-147,363	619,244
Total equity	92,049	26,137	13,070	131,257
Interest-bearing net debt	250,660	46,004	-79,440	217,224

Pro forma financial statements' impact on the selected key performance indicators

The following key performance indicators which are affected by the pro forma financial statements, are presented as above (please refer to "Key financial information without consideration of the pro forma financial statements" under "Selected key performance indicators").

Please note that the tables and calculations have not been audited or reviewed by the Company's auditor and are not based on the applicable financial reporting framework (IFRS).

SEK Thousands **Pro forma Jan-Dec 2018**
SALES MEASURES

Net sales pro forma	407,830
Total income pro forma	407,973

PROFITABILITY MEASURES

Gross income pro forma	274,440
EBITDA pro forma	84,416
Operating income (EBIT) pro forma	68,378
Adjusted EBITDA pro forma	95,715
Adjusted EBIT pro forma	79,677

MARGIN MEASURES

Gross margin pro forma, %	67.3
EBITDA margin pro forma, %	20.7
EBIT margin pro forma, %	16.8
Adjusted EBITDA margin pro forma, %	23.5
Adjusted EBIT margin pro forma, %	19.5

SEK Thousands **Pro forma Jan-Sep 2019**
SALES MEASURES

Net sales pro forma	344,071
Total income pro forma	343,949

PROFITABILITY MEASURES

Gross income pro forma	236,121
EBITDA pro forma	86,553
Operating income (EBIT) pro forma	67,231
Adjusted EBITDA pro forma	93,653
Adjusted EBIT pro forma	74,331

MARGIN MEASURES

Gross margin pro forma, %	68.6
EBITDA margin pro forma, %	25.2
EBIT margin pro forma, %	19.5
Adjusted EBITDA margin pro forma, %	27.2
Adjusted EBIT margin pro forma, %	21.6

<p>Key risks that are specific to the issuer</p>	<p>QleanAir is dependent on third party suppliers for manufacturing, assembly and logistics, as well as installation, service and maintenance, and is subject to risks related thereto QleanAir is dependent on third party suppliers for manufacturing, assembly and logistics, as well as installation, service and maintenance of its products, and should these parties change their terms and/or fail to perform their obligations, or should the Company fail to maintain or find new suppliers when needed and/or fail to reach agreements with suppliers on acceptable terms, this might adversely affect the possibility to deliver products and/or services to end customers and, indirectly, the Company's net sales.</p> <p>QleanAir is dependent on recruiting and maintaining important personnel The Company is dependent on its key personnel within the management, development and sales organisations and on being able to recruit new skilled employees as needed. Should the Company fail to offer sufficient education and training, or fail to recruit new, or retain current, employees and/or key personnel possessing the right skills, this may have an adverse impact on the Company's business.</p> <p>QleanAir is exposed to risks related to technical development Should other companies launch competing technology which is superior to and/or cheaper than the Company's, this may result in a diminution or loss of the Company's competitiveness, which may lead to QleanAir losing customers and market shares.</p> <p>Loan agreements and interest rate risks Should QleanAir in the future not fulfil the terms of its financial agreements, these may be terminated and recourse be had to pledged securities consisting, <i>inter alia</i>, of floating charges and pledged shares. There is also a risk that financing might not be secured or renewed upon the expiry of the term of the loans, or that financing can only be secured or renewed at substantially increased costs. There is also a risk that changes in interest rates will affect the Company's interest expenses.</p> <p>QleanAir is exposed to risks related to legislation for protection against passive smoking There is a risk that due to applicable and/or future changes of legislation or regulations related to protection against passive smoking, the Company will need to expend significant resources on adapting its marketing and/or its products; that the Company's sales possibilities will be weakened significantly; that public authorities may impose restrictions on the Company; or that the Company will not be granted any necessary public authority approvals whatsoever.</p> <p>QleanAir is exposed to risks related to air quality regulations and standards Should QleanAir's products no longer satisfy requirements set forth in applicable regulations or standards related to air quality, or future changes of these, there is a risk that the Company will need to expend significant resources on adapting its marketing and/or its products; that the Company's sales possibilities will be weakened; that public authorities may impose restrictions on the Company; or that the Company will not be granted any necessary public authority approvals whatsoever.</p>
<p>KEY INFORMATION ON THE SECURITIES</p>	
<p>The main features of the securities</p>	<p>Type and class The Offering comprises existing shares in QleanAir Holding AB with ISIN code SE0013382066. The Company only has one class of shares.</p> <p>Currency, par value and number of securities The shares are denominated in Swedish krona SEK. As of the date of this Prospectus, the Company's share capital amounts to SEK 6,642,100 divided into 13,284,200 shares, giving each share a quotient (par) value of SEK 0.5. All shares are paid in full.</p> <p>Rights attached to the securities The Company only has one class of shares. Each share in the Company entitles the holder to one vote at general meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. All shares in the Company give equal rights to dividends and the Company's profits, assets and possible surpluses in the event of liquidation. The shares offered in connection with the Offering carry the right to dividend from the first dividend record date following the completion of the Offering. The shares in the Company are issued in accordance with Swedish law and rights associated with the shares can only be amended through changes in the articles of association in accordance with the procedures set out in the Swedish Companies Act (Sw. <i>aktiebolagslagen</i> (2005:551)). There are no restrictions on the free transferability of the Company's shares.</p> <p>Dividend policy The Company's goal is to distribute between 30-50 percent of the year's earnings as dividend. The dividend proposal must take into account QleanAir's long-term development potential, financial position and investment needs. No dividend has been paid during the period covered by the historical financial information.</p>

<p>Where will the securities be traded?</p>	<p>The Company's board of directors has applied for the shares to be admitted to trading on First North Premier. First North Premier is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on First North Premier are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. The exchange approves the application for admission to trading. The exchange has on 26 November 2019 assessed that the Company complies with the applicable listing requirements, provided that customary conditions, including the distribution requirement, are fulfilled no later than on the first day of trading. The Company's board of directors intends to complete the application for listing of the shares on First North Premier and the first day of trading is expected to be on 12 December 2019.</p>
<p>What are the key risks that are specific to the securities?</p>	<p>There is a risk that liquid trading in the shares will not develop or be permanent There is a risk that active and liquid trading will not develop or, if it develops, that it cannot be maintained. The Offering price will not necessarily reflect the price at which investors will be willing to buy and sell the shares after the Offering. Furthermore, from time to time there may be a significant spread between the buy and sell price, which will make it more difficult for a shareholder to sell the shares at a particular point in time and at a suitable price. Since an investment in shares can decline in value, there is a risk that an investor will not recover the capital invested.</p> <p>Shareholders with significant influence may have interests and promote decisions which conflict with the interests of other shareholders There is a risk that the interests of the Company's largest shareholder may differ from, or conflict with, those of other shareholders and that the largest shareholder may exercise its influence over the Company in a manner which is not in the interests of other shareholders.</p> <p>There is a risk that future dividends from QleanAir may vary or not be distributed The Company may, in the future, lack sufficient distributable funds and there is a risk that the Company's shareholders will decide not to distribute dividends in the future.</p>
<p>KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC</p>	
<p>Under which conditions and timetable can I invest in this security?</p>	<p>The Offering The Offering is directed to the general public in Sweden as well as institutional investors in Sweden and abroad. The Offering comprises the sale of up to between 6,250,000 and 7,500,000 shares in the Company (not taking into account the Over-allotment Option described below), which are offered by the Principal Shareholder (i.e. Qevirp 41 Limited).</p> <p>The Over-allotment Option In order to cover any over-allotment in connection with the Offering, the Offering may cover up to a maximum of 1,125,000 additional existing shares, corresponding to a maximum of 15 percent of the total number of shares in the Offering (the "Over-allotment Option"). The Over-allotment Option pertains to existing shares offered by the Principal Shareholder and may be exercised by Pareto Securities in full, or in part, during the 30 calendar days following the first day of trading of the Company's shares on First North Premier. The price of the shares in the Over-allotment Option will be the same as the Offering price. If the Offering is completed to the highest level and the Over-allotment Option is exercised in full, the Offering will comprise up to a maximum of 8,625,000 shares in the Company.</p> <p>Offering price The Offering price has been determined to SEK 40 per share. The Offering price is the same for institutional investors and the general public in Sweden. Brokerage commission will not be charged.</p> <p>Application period and application The application period starts on 3 December 2019 and closes on 10 December 2019 for the general public in Sweden and starts on 3 December 2019 and closes on 11 December 2019 for institutional investors. Any extension of the application period will be published by the Company through a press release before the end of the application period. Application to acquire shares in the Offering to the general public in Sweden must be for a minimum of 250 shares and a maximum of 25,000 shares, in even lots of 10 shares. The application is made to Pareto Securities, Aktieinvest or Avanza. Notice of interest from institutional investors is made to Pareto Securities (in accordance with special instructions).</p> <p>Allotment of shares Decision on allotment of shares will be made by the Principal Shareholder in consultation with Company's board of directors and Pareto Securities, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the shares on First North Premier.</p> <p>Settlement date Planned settlement date is on 16 December 2019.</p>

<p>Under which conditions and timetable can I invest in this security?</p>	<p>Terms and conditions for completion of the Offering</p> <p>The Company, the Principal Shareholder and Pareto Securities intend to enter into an agreement on the placing of shares in the Company around 11 December 2019. The Offering is conditional upon the conclusion of the placing agreement and that certain conditions in the agreement are fulfilled and that the agreement is not terminated, which can be done until the settlement date which is expected to be on 16 December 2019.</p> <p>Dilution in connection with the Offering</p> <p>No new shares are issued by the Company as part of the Offering. The Offering will therefore not result in any dilution on the share capital or the number of shares and votes in the Company. In connection with the completion of the Offering, however, 1,575,000 new shares will be issued by the Company and will be subscribed by the Principal Shareholder, whereby payment for such new shares will be paid through set-off at a subscription price corresponding to the Offering price. Through the set-off issue, the share capital will increase from SEK 6,642,100 to SEK 7,429,600 and the number of shares in the Company will increase from 13,284,200 to 14,859,200, corresponding to approximately 11.9 percent of the share capital and the number of shares and votes in the Company before the set-off issue, resulting in a dilution of about 10.6 percent (calculated as share capital and number of shares and votes generated by the set-off issue divided by the total share capital and number of shares and votes after the set-off issue). If the Offering is fully subscribed and completed to the highest level, and the Over-allotment Option is exercised in full, the Offering will comprise a total of 8,625,000 existing shares in the Company, corresponding to approximately 58 percent of the total number of shares and votes in the Company after the Offering (including the 1,575,000 new shares that will be issued to and subscribed by the Principal Shareholder in the set-off issue described above).</p> <p>Costs</p> <p>The Company's costs attributable to the Offering and the admission of the Company's shares to trading on First North Premier are estimated to amount to approximately SEK 15 million. Such costs are mainly attributable to costs for refinancing, auditors, legal and other advisors, printing of the Prospectus, costs related to presentations and the like.</p>
<p>Who is the offeror?</p>	<p>The Offering comprises existing shares in the Company which are offered by the Principal Shareholder, <i>i.e.</i> Qevirp 41 Limited, reg. no. 109963 and LEI code 894500XH5769KLA9V619. Qevirp 41 Limited is a registered private company, is incorporated and domiciled in Jersey, and conducts operations in accordance with the laws of Jersey. Qevirp 41 Limited is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).</p>
<p>Why is this prospectus being produced?</p>	<p>Sale of existing shares and set-off share issue in connection with the Offering</p> <p>This Prospectus has been prepared in connection with the offer to the general public in Sweden of existing shares in the Company, which are offered by the Principal Shareholder (<i>i.e.</i> Qevirp 41 Limited). No new shares are issued by the Company as part of the Offering, why the Company will not receive any proceeds from the Offering as such. The set-off issue mentioned above under "Dilution in connection with the Offering" will result in SEK 63 million of existing shareholder loan being set-off against 1,575,000 new shares in the Company in connection with the completion of the Offering, which will result in a corresponding reduction in the Company's debt.</p> <p>Share acquisition intentions (anchor investors)</p> <p>Prior to the Offering, a group of new investors (the "Anchor Investors") submitted acquisition intentions and placed orders to acquire shares in the Offering at a total value of SEK 200 million, corresponding to a total of approximately 66.67 percent of the maximum amount of shares in the Offering, or a total of approximately 57.97 percent of the maximum amount of shares in the Offering, assuming a full exercise of the Over-allotment Option. The Anchor Investors may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. The Anchor Investors do not receive any compensation for their respective submitted acquisition intentions, which are made under the framework of the institutional Offering, and to the extent that they are allotted shares, the investments will be made on the same terms as for other investors. The submitted acquisition intentions by the Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements.</p> <p>Conflicts of interest</p> <p>Pareto Securities is the Sole Global Coordinator and Sole Bookrunner in the Offering, and provides financial advice and other services to the Company and the Principal Shareholder in connection with the Offering and the planned listing on First North Premier. The size of the advisory fee to Pareto Securities will, in part, be based on the outcome of the Offering, why Pareto Securities has an interest in the Offering as such.</p> <p>Upon completion of the Offering, special compensation will be paid to the chairman of the board of directors, the CEO and the CFO of the Company. The compensation will be financed by the Company's principal shareholder, Qevirp 41 Limited (which will thus bear the costs for the compensation).</p> <p>In addition to the interests described above, there are no significant conflicts of interest regarding the Offering.</p>

Risk factors

This section describes the risk factors and important circumstances that are deemed material for QleanAir and the future performance of the share. The risks relate to QleanAir's business and industry, financial risks, legal and regulatory risks, as well as risks related to the share and the Offering, some of which are beyond QleanAir's control. The assessment of the materiality of the risk factors has been made based on the likelihood that they will materialise and the anticipated scope of their adverse effects. Pursuant to the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation"), the risk factors stated below are limited to such risks as are specific to the Company and/or the securities and are important for making a well-founded investment decision. The materiality of the risk factors is assessed based on the likelihood that they will materialise and the anticipated scope of their adverse effects, and is described by applying a qualitative scale with the designations low, medium or high. The following risks and uncertainty factors may have a material adverse effect on QleanAir's business, financial position and/or earnings. They may also result in a decline in value of the Company's shares, as a consequence of which shareholders in the Company might lose all or parts of their invested capital. The presentation below is based on available information as of the date of this Prospectus. For natural reasons, it is not possible to foresee all factors. Accordingly, an overall assessment should also include other information in this Prospectus.

Business and industry-related risks

QleanAir is dependent on third-party suppliers for manufacturing, assembly and logistics, as well as installation, service and maintenance, and is subject to risks related thereto

QleanAir outsources manufacturing, assembly and logistics as well as installation, service and maintenance of its products to third party suppliers. Manufacturing, assembly and logistics are outsourced to suppliers and partners in Sweden, Germany, Poland and China. Installation, service and maintenance are outsourced to external service partners on the local markets, who represent QleanAir *vis-à-vis* the customers.

In 2018, the ten largest suppliers accounted for 61 percent of QleanAir's total purchases.¹ Approximately five to ten of QleanAir's suppliers are deemed to be critical and needed for purchases of larger volumes or strategic components. The components that are particularly critical for the Company's products are aluminium, electronic components and filters. As of the date of this Prospectus, the Company has two suppliers that are deemed critical regarding aluminium, electronic components and filters respectively (*i.e.* two suppliers for each of the aforementioned components). There is a risk that the suppliers will change their terms or increase their prices, which would result in weakened margins for the Company. There is also a risk of the Company being wrong in its assessment and evaluation of suppliers, or failing to maintain or find new suppliers when needed, or that the Company will fail to reach agreements with suppliers on acceptable terms. There is also a risk that the Company's suppliers will encounter difficulties in providing products and/or services due to a shortage of raw materials, strikes, damage, financial difficulties or other circumstances that affect the supplier. If the suppliers fail to perform their obligations or to meet the expectations of the Company and the end customers with respect to quality, or pursuant to applicable laws and regulations, this may have a material adverse impact on the Company's reputation and business and lead to claims in damages being brought against QleanAir and/or sanctions being imposed on it. Furthermore, replacing these suppliers is expected to be particularly costly and time-consuming and would also lead to a certain period of adjustment.

If the aforementioned risks would actualise, this may adversely affect the Company's possibility to deliver products and/or services to end customers and lead to increased costs as well as delays and/or non-delivery, which could have an adverse impact on the Company's operations and, indirectly, on the Company's net sales.

In light of the limited number of suppliers for the delivery of critical components, the Company makes the assessment that there

is a medium-high likelihood of the above risks occurring insofar as relates to manufacturing, assembly and logistics, while there is a low likelihood as regards installation, service and maintenance. Were the risks to materialise, in an initial stage this would have a medium-high impact on the Company's business but, in the longer term, it would have a low impact on the Company's business.

QleanAir is dependent on recruiting and maintaining important personnel

The Company is dependent on its key personnel within the management, development and sales organisations and on being able to recruit new skilled employees as needed. QleanAir's management and key individuals are 12 in number who possess, on average, over nine years' of experience at the Company, of which nine are domiciled in Sweden, while others are domiciled in Japan, Germany and the US. As of 30 September 2019, QleanAir had 97 full-time employees, of whom 33 are domiciled in Sweden, while others are primarily domiciled in Japan, Germany and the US. On the same date, QleanAir had two full-time employees within the development organisation, both of whom are domiciled in Sweden, and 45 full-time employees within sales, of whom 22 in Japan, nine in Germany, five in Sweden, four in the US, two in Denmark, two in the Netherlands, and one in Belgium.

Should any of the Company's key personnel leave the Company, this may have an adverse impact on company management, the development of products, sales or other parts of the business. There is also a risk that the Company will fail to recruit new, or retain current, employees possessing the right skills, which in the long term may have an adverse impact on the Company's business and net sales.

QleanAir intends to expand the sales organisation by recruiting new sales representatives who will primarily focus on the current key markets within Facility Solutions och Room Solutions. In 2018, these product categories accounted for 10 percent and 12 percent respectively of the Company's total net sales and the Company is actively working to increase sales within these product categories.² Should the Company fail to recruit new sales representatives, or to retain the right sales representatives, this may have an adverse impact on the possibilities to increase net sales within the stated markets.

QleanAir considers the training of employees to be a key part of the Company's business. Should the Company fail to offer sufficient education and training regarding, for example, product knowledge, sales skills and personal development, this may have an adverse impact on the Company's business.

The Company makes the assessment that there is a medium-high

1) Based on unaudited information derived from QleanAir's internal reporting system.

2) Based on unaudited information derived from QleanAir's internal reporting system.

likelihood of the above risks materialising. If the risks were to materialise, in an initial stage this would have a low to medium-high impact on the Company's business, but in the longer term it would have a high impact on the Company's growth possibilities.

QleanAir is exposed to risks related to external sales partners

The Company's sales take place through the Company's own sales representatives and external market partners who are tasked, in exchange for remuneration, with placing products in specific markets. QleanAir signs contracts with the customers, while the Company's partners act as resellers against commission. In 2018, external market partners accounted for approximately one-third of QleanAir's total sales.¹ On certain smaller markets and markets that are geographically difficult to access, where QleanAir has no representation of its own, external distributors are used instead. These distributors purchase the products on their own behalf and provide product-related services in their own name (with exclusivity within a specifically defined geographic area). As of the date of this Prospectus, the Company collaborates with seven external distributors, including in South Korea, Morocco, Israel and the United Arab Emirates. In 2018, external distributors accounted for approximately 2 percent of QleanAir's total sales.² On the Japanese market, there is also a special distribution arrangement whereby the distributors lease cabin products from QleanAir and in turn are entitled to lease them to third parties.

Should QleanAir's assessment and evaluation of sales partners be incorrect, this may have an adverse impact on the Company's reputation and net sales. There is no guarantee that the parties with whom the Company collaborates will perform their obligations or generate anticipated sales. Should QleanAir be forced to replace or commence cooperation with new parties, there is a risk that this might result in substantial work and costs. It may also be difficult to find new cooperation parties with corresponding ability to secure sales.

The Company makes the assessment that there is a medium-high likelihood of the above risks materialising, since several alternative sales partners are usually available, and that the impact of the risks, if materialised, would be low.

QleanAir is exposed to risks related to technical development

QleanAir has competitors in all markets that the Company operates within, and is dependent on being able to offer competitive technical solutions in order to maintain its market position.

The markets within QleanAir's different product categories differ significantly, mainly geographically but also with regards to maturity, which means that the competitive situation varies within the different product categories. The market for Cabin Solutions is relatively mature compared to the other markets within which the Company operates, while the markets for Room Solutions and Facility Solutions are newer markets, within which the Company does not have an equally established market position. These markets are thus more sensitive to competition from other players. There is a risk that other companies will launch competing technology which is superior to and/or cheaper than the Company's. Delays in the Company's development work or its inability to keep up with technical developments, including but not limited to the Company being unable to bear the necessary development costs, may result in a diminution or loss of the Company's competitiveness. In such case, QleanAir risks losing customers and market shares, which might have a material adverse impact on the Company's net sales and also on its business over time.

The Company makes the assessment that there is a low likelihood of the above risks materialising with respect to the Cabin Solutions product category and that the risks, if they were to mate-

rialise, would have a medium-high impact. The Company makes the assessment that there is a medium-high likelihood of the risks materialising with respect to the Room Solutions and Facility Solutions product categories, since these are newer markets and taking into consideration QleanAir's market position, and that the risks, if they were to materialise, would have a medium-high impact.

Financial risks

Loan agreements and interest rate risks

In addition to equity, the Company's business is primarily financed through bank financing in the form of a facility agreement with Swedbank AB (publ) ("Swedbank") totalling SEK 170 million (nominal amount) and a shareholder loan from the Company's principal shareholder, Qevirp 41 Limited, which on 30 September 2019 amounted to approximately SEK 251 million, including accrued interest, and as of the date of the Prospectus, amounted to approximately SEK 255 million, including accrued interest. Upon completion of the Offering, the shareholder loan will be repaid and the current facility agreement will be replaced by a new facility agreement with Swedbank totalling SEK 335 million (nominal amount).

Under the current facility agreements, extensive security has been provided to Swedbank in the form of pledging of the shares in QleanAir Scandinavia AB and a floating charge over QleanAir Scandinavia AB. Under the New Financing Arrangement, any significant intra-group loans will be subordinated to Swedbank's receivable and are pledged to the benefit of Swedbank. Furthermore, the Company will provide security to the benefit of Swedbank, *inter alia*, in the form of first priority pledging of the shares in QleanAir Scandinavia AB and SFS Finance, and floating charges in QleanAir Scandinavia AB and SFS Finance of SEK 40 million and SEK 100 million respectively. In the event the Company is unable to meet important obligations in accordance with the facility agreements, Swedbank is entitled to have recourse to pledged security under certain conditions. The current facility agreement includes, and the new facility agreement may include, restrictions whereby the Company and/or its subsidiaries may not issue dividends unless certain conditions are fulfilled. Following completion of the Offering, the set-off issue and the transition to the new financing arrangement with Swedbank, the Company's debt ratio will amount to 190.8% (calculated based on a net debt amounting to SEK 250 million (please refer to section "Capital structure, indebtedness, and other financial information") divided by equity amounting to SEK 131 million (please refer to section "Pro forma financial statements"). Loan repayments and interest payments may affect the possibilities to distribute dividends to the shareholders and result in the Company encountering financial difficulties. The current facility agreement includes, and the new facility agreement will include, customary covenants to maintain certain financial key ratios, *inter alia*, with respect to debt/equity ratio (the relationship between net debt and EBITDA) and interest coverage ratio (the relationship between financial costs and EBITDA). If these obligations are not met, under certain circumstances Swedbank is entitled to terminate the facility agreements.

The Company may, in the future, breach financial covenants and other commitments in credit and loan agreements, thereby providing a basis for termination. There is also a risk that financing might not be secured or renewed upon the expiry of the term of the loans, or that financing can only be secured or renewed at substantially increased costs. Should the Company fail to refinance its loan agreements or is able to secure refinancing of its loan agreements only at substantially higher costs, this might have a material adverse impact on the Company's business and financial position.

'Interest rate risk' is described as the risk that changes in interest rates will affect the Company's interest expenses. In addition to the size of the interest-bearing liabilities, interest expenses are influenced primarily by current market rates, credit institutions' margins and the

1) Based on unaudited information derived from QleanAir's internal reporting system.

2) Based on unaudited information derived from QleanAir's internal reporting system.

Company's strategy regarding fixed interest periods. The Swedish interest market is influenced primarily by the anticipated rate of inflation and the Central Bank of Sweden's (Sw. *Riksbanken*) repo rate. The interest rate risks may lead to changes in market values and cash flows, as well as fluctuations in the Company's earnings. After the current facility agreement has been replaced by a new facility agreement, and the outstanding shareholder loan has been repaid in connection with this, the Company will have long-term liabilities of SEK 275 million at an average rate of interest of 3.5 percent. The interest rate sensitivity upon +/- 1 percentage change in the rates on the loans will thus amount to SEK 2.75 million.

The Company makes the assessment that there is a low likelihood of the risks materialising, with exception of the interest rate risk which is assessed as medium-high, and that the risks, if they were to materialise, would have a high impact except with respect to the interest rate risk, the effect of which is evident from the figures reported above and is deemed to be low.

QleanAir is exposed to risks related to currency fluctuations

The Company is domiciled in Sweden and Swedish kronor (SEK) constitute the reporting currency in the Company's accounts. The Company has expenses and revenues related to its business primarily in EUR, JPY, SEK and USD. Consequently, the Company may be exposed to risks related to currency flows within and outside Sweden and the EU area. Furthermore, through its subsidiaries QleanAir is exposed to the translation risk which arises in conjunction with the translation of the income statements and balance sheets of subsidiaries to SEK. EUR and JPY are the most sensitive currencies with respect to the Company's operating profit. For the financial year 2018, all else being equal, if EUR had weakened by 10 percent against SEK net sales would have been SEK 14.8 million lower. For the financial year 2018, all else being equal, if JPY had weakened by 10 percent against SEK net sales would have been SEK 14.2 million lower. The Company is unable to foresee any currency losses or gains, and currency losses may have a material adverse impact on the Company's earnings.

The Company makes the assessment that there is a medium-high likelihood of the above risks materialising, since the global nature of the business results in a natural spreading of risk, and that should they materialise the impact would be medium-high.

QleanAir is dependent on external financing companies in order to maintain a low level of tied up capital, and is subject to risks related thereto

In order to maintain a low level of tied up capital and generate cash flows when the solution is delivered to the customer, while at the same time maintaining oversight of its solutions, the Company sells a large part of its contracts to external financing companies. In 2018, the number of units sold to finance companies represented approximately 44 percent of the Company's installed base. There is a risk that the financing companies will change their terms or raise their fees, which would entail reduced profit-margins for the Company. Furthermore, there is a risk that the Company will not succeed in finding new financing companies if needed, or that the Company will not succeed in reaching agreements with financing companies with acceptable terms. There is also a risk that customers will not accept the financing model with external financing companies. If these risks are actualized, it may have an adverse impact on the Company's ability to maintain a high growth rate in combination with low level of tied up capital, which may lead to an increased need for working capital, which in turn may require alternative financing. There is a risk that such alternative financing will not be obtained or can only be obtained or renewed at significantly increased costs. If the Company fails to find alternative financing, or can only obtain

such financing at significantly higher costs, it could have a material adverse effect on the Company's operations and financial position.

The Company makes the assessment that there is a medium-high likelihood of the above risks materialising, and that should they materialise the impact would be medium-high in the short term and low in the longer term.

Legal and regulatory risks

QleanAir is exposed to risks related to legislation for protection against passive smoking

QleanAir's solutions are used, among other things, to protect humans against passive smoking by capturing and filtering the particles and gases that are released in connection with smoking. The jurisdictions within which QleanAir conducts its business have different levels of legislation and regulations regarding protection against passive smoking. Consequently, conditions vary for the Company's marketing and sale of its products on the respective markets.

In 2018, Cabin Solutions accounted for approximately 78 percent of the Company's net sales, and all of the Company's products within the area are intended to capture and filter the particles and gases that are released in connection with smoking. The Company's largest markets within Cabin Solutions comprise Germany and Austria as well as Japan, which in 2018 accounted for 32 percent and 45 percent respectively of the Company's net sales within Cabin Solutions.¹

On the Japanese market, the Company's entire sales of air cleaning products are intended to provide protection against passive smoking. At present, Japan is implementing amendments to the "Health Promotion Act" which are aimed at protecting humans from passive smoking in public areas. The revision enters into force on 1 April 2020 and prohibits all indoor smoking in public areas and at workplaces, with exception of designated spaces where exposure to passive smoking can be controlled. Adjacent to public authority offices, schools and hospitals, only the establishment of outdoor smoking areas is permitted. When the revision enters into full force, indoor smoking at offices and restaurants will be permitted only if measures to counter passive smoking are taken, e.g. through the establishment of smoking areas which satisfy new requirements whereby walls, ceilings and other barriers are constructed to prevent the outward flow of tobacco smoke; that the inflow of input air exceeds a certain threshold; and that the area ventilates tobacco smoke to an outdoor environment. During a five-year period, less rigorous requirements will be imposed on parties that have difficulties in establishing necessary smoking areas due to circumstances beyond their control; such parties will have a possibility to comply with the legislation by setting up cabins, which satisfy certain requirements regarding air cleaning. However, cabins as a solution will only be possible as regards properties that are completed before 1 April 2020. The legislation will be evaluated after a five-year trial period, after which further amendments may be made. Should QleanAir's interpretation of applicable legislation or practice differ from that of relevant authorities, if QleanAir's products fail to satisfy the new legislative requirements and if QleanAir fails to adapt the products in accordance with such requirements, or if there were to be further changes to legislation or practice, there is a risk that the Company may need to expend significant resources on adapting its marketing and/or products, that the Company's sales possibilities on the Japanese market will be significantly weakened, that public authorities may impose restrictions on the Company; or that the Company will not be granted any necessary public authority approvals whatsoever. Furthermore, such a change to the legislation on one or more of the Company's other current markets, or on markets which the Company considers it has the potential of reaching in the future, would have a corresponding adverse impact on the Company's operations in those markets.

¹) Based on unaudited information derived from QleanAir's internal reporting system. For more information, please refer to the section entitled "Selected financial information" under "Definitions of key performance indicators".

The Company makes the assessment that there is a medium-high likelihood that the above risks will materialise and that, should they materialise, the impact would be high.

QleanAir is exposed to risks related to air quality regulations and standards

QleanAir's solutions are used, among other things, to protect processes and products, as well as humans, from dangerous particles and gases that are captured in, and filtered out, through the Company's products. The Company must comply with a number of different regulations and standards that govern air quality, as well as future changes thereto, in several different jurisdictions. In recent years, the importance of air quality in society has been emphasized by authorities throughout the world and, as a consequence, a number of regulatory changes have strengthened clean air requirements.

The Room Solutions product category is used in environments that are particularly subject to regulatory changes involving stricter clean air requirements. The majority of QleanAir's solutions within Room Solutions are modular cleanrooms that are primarily sold to hospital pharmacies, compound pharmacies and biomedicine labs, with the US being the largest market within this product category. Within these industries, US authorities impose high demands that the working environments be free of airborne particles. It is anticipated that these requirements will be made even more rigorous going forward, for example with demands for fully sterile environments in connection with pharmaceuticals compounding.

The regulations regarding these industries in the US comprises, among other things, Chapter 797 of the USP regulations which relate to the preparation of compounded, sterile pharmaceuticals in order to ensure that the patient's needs are fulfilled and risks such as impurities, infections and incorrect dosage are reduced. USP 797 is expected to be updated with adjusted classifications regarding sterile working conditions, a new beyond-use dating system (preferred sterilization method via terminal sterilization) and greater focus on investigations, certifications and qualifications of equipment in the classified areas. The update of USP 797 was expected to enter into force on 1 December 2019. However, the change in the regulatory framework has been appealed, which has led to the postponement of the entry into force. United States Pharmacopeia has not announced a new date for expected entry into force.

Additionally, a new chapter, USP 800, is expected to enter into force and will apply to all healthcare and medical staff who receive, prepare, administer, transport or have other contact with hazardous chemicals. USP 800 focuses on the compounding of hazardous chemicals, which the Company considers highly relevant to QleanAir's solutions in the Room Solutions product category. USP 800 will only be published for informational purposes on 1 December 2019, and as long as the appeal of USP 797 is ongoing, USP 800 will not be directly applicable. However, state and other regulatory authorities can independently decide to apply USP 800.

Should QleanAir's products no longer satisfy requirements set forth in applicable regulations or standards and QleanAir is unsuccessful in adapting the products in accordance therewith, or if regulations or standards are changed further, there is a risk that the Company might need to expend significant resources on adapting its products, with a risk that the Company's sales possibilities will be significantly weakened.

The Company makes the assessment that there is a low likelihood that the above risks will materialise and that, should they do so, the impact thereof would be medium-high.

QleanAir is exposed to risks related to compliance

Since QleanAir's business is global and compliance matters are not centralised within the Group, and since parts of the business are outsourced with suppliers and partners acting in QleanAir's name,

it is complex and time-consuming to fully monitor and control compliance by all parties with applicable laws and regulations, as well as internal governance documents and policies. Should QleanAir's employees, suppliers or partners seriously violate governing laws and regulations, or internal governance documents and policies, or otherwise fail to comply with the expected level of business ethics and integrity, this might have a material adverse impact on QleanAir's reputation and lead to the imposition of sanctions or fines.

QleanAir is subject to regulatory requirements with respect to protection, handling and processing of personal data in the various jurisdictions in which the Group operates, for example as regards circumstances relating to suppliers, customers and employees. QleanAir also intends to launch solutions with integration of Internet of Things ("IoT"). IoT technology allows for a greater volume of compiled data and, insofar as such data includes personal data, this will result in increased demands on the business to ensure regulatory compliance. Should the Group or its cooperation partners fail to handle and process personal data in accordance with applicable law and other regulations, this might have a material adverse impact on QleanAir's reputation and lead to the imposition of sanctions or fines.

The Company makes the assessment that there is a low likelihood that the above risks will materialise and that, should they do so, the impact thereof would be medium-high.

QleanAir's business operations are exposed to risks related to warranty liabilities, product liability and product quality

QleanAir's business operations are exposed to various liability risks associated with sales of products for partially sensitive environments with special safety and health regulations, such as airports and hospitals, where the Company may incur liability in the event of injury, damage or loss due to shortcomings in any of its products or services. QleanAir sells certain of its products through template agreements that do not contain contractual limitations of liability. Even in those agreements where there are contractual limitations of liability, such limitations may prove to be meaningless. The Company offers a functional warranty in conjunction with the sale or leasing of each product whereby the Company guarantees the system's functionality provided that each solution is used in accordance with instructions and includes QleanAir's service. QleanAir may be subject to other liability or warranty claims, for example from customers or third parties. QleanAir's products include, for example, electronic components, and its air cleaning solutions linked to smoking include the handling of ash and cigarette ends that lead to fire risk, which might trigger liability claims in the event of fire caused by a defect in a product. There is also a risk that customers or other parties use, modify or adapt the Company's products without authority and in such a way as might result in the Company being exposed to liability claims. Furthermore, there is a risk that product quality shortcomings will lead to reduced demand for the Company's products and lost sales.

The Company makes the assessment that there is a low likelihood that the above risks will materialise and that, should they do so, the impact thereof would be medium-high.

QleanAir is exposed to tax risks

QleanAir is the parent company in the Group, with subsidiaries in Sweden, the Netherlands, Japan, Germany, the US and China. The Group also has branches in Norway, Denmark, Finland, Belgium and France, and sells its products in 21 countries. As a result, QleanAir's business is subject to the tax legislation of a number of countries. The tax considerations that QleanAir makes are based on interpretations of current tax legislation, tax treaties and other tax provisions, as well as demands from relevant tax authorities. For the fiscal year

2018, the total tax expense for the Group was SEK 19 million and its effective tax rate was 47.6 percent. In the event the Company's interpretation or application of tax legislation, tax treaties or other tax provisions is incorrect, or if one or more authorities are successful in a revised upward tax assessment of the Company, or if applicable tax legislation, tax treaties, provisions or interpretations thereof by public authorities or administrative practice in relation thereto is changed, including with retroactive effect, the Company's previous and current tax position might become subject to review. Should a tax authority be successful with such a review, there may be increased additional tax expenses, including charges and interest expenses.

Within the Group, transactions in the Company's products take place between different jurisdictions, which give rise to transfer pricing issues. QleanAir applies a transfer pricing policy and, in QleanAir's assessment, the transactions have been carried out on market terms. There is, however, a risk that tax authorities in relevant jurisdictions may be of a different opinion, which might lead to the Company's previous and current tax position being subject to review. Should a tax authority be successful with such a review, there may be increased additional tax expenses, including charges and interest expenses.

Legislation, tax treaties and other tax rules have historically been subject to repeated changes, and future changes may have a significant impact on the Company's tax burden and have a significant adverse impact on the Company's financial position and earnings.

The Company makes the assessment that there is a low likelihood that the above risks will materialise and that, should they do so, the impact thereof would be medium-high.

QleanAir is exposed to risks related to intellectual property rights

QleanAir invests time and financial resources in protecting its products against unlawful use by third parties. The Company's intellectual property rights are protected primarily through patents, trademarks and/or agreements. The Company is also dependent on know-how and trade secrets which are difficult to protect through intellectual property legislation. Should the products that QleanAir develops fail to be granted requisite intellectual property protection, or if existing intellectual property protection cannot be maintained or proves to be insufficient to protect the Company's rights and market position, the Company's business may be adversely affected. Furthermore, QleanAir's business may be adversely affected if the Company's intellectual property rights are infringed or if its products and know how cannot be appropriately protected. Furthermore, competitors and other parties may independently develop similar know-how, which may be detrimental to QleanAir's business.

If the combination of intellectual property rights, know-how and trade secrets on which the Company depends proves to be insufficient, this may have an adverse impact on the Company's business. Should the Company's intellectual property rights or other ownership rights be lost or restricted, or if the Company is otherwise unable to maintain sufficient protection, this may have an adverse impact on the Company's business.

The Company makes the assessment that there is a low likelihood that the above risks will materialise and that, should they do so, the impact thereof would be medium-high.

Risks related to the shares and the offering

There is a risk that liquid trading in the shares will not develop or be permanent

Prior to the planned listing on First North Premier, there has been no organised trading in the Company's shares. The Company is unable to predict investor interest in the Company and there is thus a risk that active and liquid trading will not develop or, if it develops, that

it cannot be maintained. Furthermore, following the completion of the Offering and assuming that the Over-allotment Option is fully exercised, 40 percent of the Company's shares will be subject to lock-up, which may have an adverse impact on the liquidity of the shares and may result in lower trading volume. For further information on lock-up, please refer to risk factor "The Company's share price may be adversely affected if board members, senior management and/or major shareholders carry out large sales of shares in the Company or if the market in general anticipates additional sales of the share". The Offering price has been established primarily based on a customary tender procedure whereby certain institutional investors have been invited to indicate interest and submit tenders regarding the price level at which they are interested in acquiring shares in the Company. In light thereof, the assessment is made that the Offering price is on market terms. The Offering price will not, however, necessarily reflect the price at which investors will be willing to buy and sell the shares after the Offering. Furthermore, from time to time there may be a significant spread between the buy and sell price, which will make it more difficult for a shareholder to sell the shares at a particular point in time and at a suitable price. Since an investment in shares can decline in value, there is a risk that an investor will not recover the capital invested.

Shareholders with significant influence may have interests and promote decisions which conflict with the interests of other shareholders

As of the date of this Prospectus, the Company has around 30 shareholders. The largest shareholder is Qevirp 41 Limited, with a holding corresponding to 90.2 percent of the total number of shares and votes in the Company. In the event of full subscription in the Offering and provided the Over-allotment Option is exercised in its entirety, Qevirp 41 Limited will own approximately 33 percent of the shares and votes in the Company after the Offering (including the 1,575,000 new shares which will be issued to and subscribed by Qevirp 41 Limited in the set-off issue which will be completed in connection with the completion of the Offering. This means that the Company's largest shareholder will continue to have a significant influence over the Company and most of the matters which are the subject of resolutions at the general meeting. Such matters include, for example, election of a board of directors, issuance of additional shares and share-related securities which may result in dilution for existing shareholders, as well as resolutions regarding any dividends or the sale of all or a significant part of the Company's assets. There is thus a risk that the ability of other shareholders to exercise influence in the Company through their voting rights may be limited or that they will not be able to exercise any influence at all. There is a risk that the interests of the Company's largest shareholder may differ from, or conflict with, those of other shareholders and that the largest shareholder may exercise its influence over the Company in a manner which is not in the interests of other shareholders.

There is a risk that conflicts may arise between shareholders due to differing interests, which may lead to a negative development of the Company's operations due to restrictiveness and delayed decisions and that minority protection rules may be actualized, which may lead to increased costs for the Company. Furthermore, there is a risk that the share price may be adversely affected if investors would regard it as disadvantageous to own shares in companies with strong ownership concentration.

There is a risk that future dividends from QleanAir may vary or not be distributed

Investors who participate in the Offering will be entitled to any future dividends decided upon after the completion of the Offering. The size of possible future dividends, if any, depends on the Company's future earnings, financial position, cash flows, working

capital requirements, compliance with loan terms, legal and financial restrictions and other factors. No dividend has been paid out during the period covered by the historical financial information in the Prospectus. The Company may, in the future, lack sufficient distributable funds and there is a risk that the Company's shareholders will decide not to distribute dividends in the future.

The Company's share price may be adversely affected if board members, senior management and/or major shareholders carry out large sales of shares in the Company or if the market in general anticipates additional sales of the share

Future sales of large volumes of the Company's shares, as well as a general market expectation that additional sales will take place, particularly as regards sales by the Company's board members, senior management or major shareholders, may have an adverse impact on the share price.

In connection with the Offering, certain existing shareholders will provide an undertaking to Pareto Securities that they will not sell or otherwise transfer their shares in the Company, or support increases in the share capital of the Company, during a certain period of time following the commencement of trading in the Company's shares on First North Premier. This so called lock-up period will be 180 days for the Principal Shareholder and comprise the shares already held and the new shares which in connection with the completion of the Offering will be issued by the Company and subscribed by the Principal Shareholder against payment through set-off (please refer to section "Share capital and ownership structure" under "Set-off issue in connection with the Offering and authorization for the board of directors"), but not the shares that are sold through the Offering or Over-allotment Option respectively. The period will be 360 days, and comprise all shares which are held prior to the Offering, for the Company's board members and senior management with shareholdings in the Company (and to them affiliated natural persons) and for Calandrella Ltd. (Calandrella Ltd. is owned and controlled by Dan Pitulia, former member of the board of directors and before that CEO of the Company, and to him related natural person (family member)). For shareholding members of the board of directors and senior management, also the shares acquired in the Offering in accordance with an agreement on special compensation, will be comprised (please refer to section "Board of directors, senior management and auditors" under "Agreement on special compensation in connection with the planned listing of the Company's shares on First North Premier"). The period will be 360 days, and comprise 90 percent of the shares held prior to the Offering, for shareholders with a total holding of 620,000 shares. For shareholders with a total holding of 160,000 shares the period will be 180 days and comprise 50 percent of the shares held prior to the Offering. The shareholders who are not comprised by the undertaking described above, have a total shareholding of 190,000 shares, corresponding to approximately 1.43 percent of the total amount of shares in the Company before the set-off issue, and approximately 1.29 percent of the total amount of shares in the Company including the set-off issue. The restrictions on transfer are subject to customary exceptions. Additionally, where Pareto Securities deems appropriate from case to case Pareto Securities may grant exemptions from the commitments in question as to situations in which the shares may be offered for sale. Following expiry of the respective lock-up period, the shareholders affected by the lock-up will be free to sell their shares, and there is no guarantee that these shareholders will retain their shareholding after the lock-up period. Sales of large volumes of shares by relevant shareholders, as well as a general market expectation that such sales might be carried out, may have an adverse impact on the share price.

Share acquisition intentions regarding shares in the Offering are not secured and may not be honoured

Prior to the Offering, a group of new investors (the "Anchor Investors") submitted acquisition intentions and placed orders to acquire shares in the Offering at a total value of SEK 200 million, corresponding to a total of approximately 66.67 percent of the maximum amount of shares in the Offering, or a total of approximately 57.97 percent of the maximum amount of shares in the Offering, assuming a full exercise of the Over-allotment Option. The Anchor Investors may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. The Anchor Investors do not receive any compensation for their respective submissions of acquisition intentions, which are made under the framework of the institutional Offering, and to the extent that they are allotted shares, the investments will be made on the same terms as for other investors. The submitted acquisition intentions by the Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements, why there is a risk that the Anchor Investors may not honour these, which might have an adverse impact on completion of the Offering.

Shareholders outside Sweden may suffer a decrease in the value of their holdings in QleanAir due to currency fluctuations

The Company's shares will be traded in Swedish kronor (SEK). Any future dividends will be paid in SEK. In the event SEK declines in value against foreign currencies, this may have adverse consequences for the value of the holdings of foreign investors in the Company as well as any future dividends. Furthermore, such investors may also incur transaction costs in connection with conversion from SEK to another currency.

Shareholders outside Sweden may be subject to restrictions which prevent them from participating, or otherwise render it difficult for them to participate, in future new issues

In the event the Company issues new shares or other securities in exchange for cash payment or through set-off, the shareholders generally enjoy preferential rights to subscribe for new shares in proportion to the number of shares held prior to the new issue. However, shareholders in jurisdictions other than Sweden may be subject to restrictions whereby they are unable to participate in such rights issues, or participation is otherwise impeded or restricted. QleanAir has shareholders in, among other places, the US and Japan, where securities laws impose such restrictions. For example, shareholders in the US may be prevented from exercising such preferential rights if the securities and the subscription rights are not registered pursuant to the U.S. Securities Act of 1933 (the "Securities Act") and if no exemption from registration requirements under the Securities Act is applicable. Shareholders in other jurisdictions outside Sweden may be affected correspondingly if the securities and the subscription rights are not registered or approved by competent authorities in those jurisdictions. The Company is under no obligation to apply for registration under the Securities Act or to apply for corresponding approval pursuant to the legislation in any other jurisdiction outside Sweden with respect to securities or subscription rights, and doing so may be impractical and costly in the future. Insofar as the Company's shareholders outside Sweden are unable to exercise their rights subscribe for new securities in any rights issue, their proportionate ownership stakes in the Company will be reduced.

Invitation to acquire shares in QleanAir Holding AB

The Principal Shareholder¹ and the Company's board of directors have decided to carry out a spread of ownership of the shares in the Company through an offering to acquire existing shares, which are addressed to the general public² in Sweden and institutional investors³ in Sweden and abroad (the "Offering"). The Company has also applied for admission to trading of the Company's shares on First North Premier. On 26 November 2019, Nasdaq Stockholm AB assessed that the Company complies with the applicable listing requirements, provided that customary conditions, including the distribution requirement, are fulfilled no later than on the first day of trading. The Company's board of directors intends to complete the application for listing of the shares on First North Premier and the first day of trading is expected to be on 12 December 2019.

Investors are hereby invited, in accordance with the terms and conditions set out in this Prospectus, to acquire up to between 6,250,000 and 7,500,000 shares in the Company, which are offered by the Principal Shareholder. The Offering price has been determined to SEK 40 per share. The Offering price is the same for institutional investors and for the general public in Sweden. No commission is payable.

In order to cover any over-allotment in connection with the Offering, the Offering may cover up to a maximum of 1,125,000 additional existing shares, corresponding to a maximum of 15 percent of the total number of shares in the Offering (the "Over-allotment Option"). The Over-allotment Option pertains to existing shares offered by the Principal Shareholder and may be exercised for by Pareto Securities in full, or in part, during the 30 calendar days following the first day of trading of the Company's shares on First North Premier. The price of the shares in the Over-allotment Option will be the same as the Offering price.

No new shares are issued by the Company as part of the Offering. In connection with the completion of the Offering, however, 1,575,000 new shares will be issued by the Company and will be subscribed by the Principal Shareholder (i.e. Qevirp 41 Limited), whereby payment for such new shares will be paid through set-off at a subscription price corresponding to the Offering price. The total set-off amount thus amounts to SEK 63 million, which is part of the claim the Principal Shareholder has against the Company under the existing shareholder loan of a total of approximately SEK 255 million (for more information regarding existing shareholder loan, please refer to section "Capital structure, indebtedness and other financial information" under "Shareholder loan"). The remaining part of the shareholder loan will be repaid by the Company in cash in connection with the completion of the Offering.

The Offering price has mainly been determined through a customary book building procedure which took place during October – November 2019. During this book building procedure, certain institutional investors were offered to indicate interest to acquire to shares in the Company and to tender for the price level at which they were interested in acquiring shares in the Company. The result of this book building procedure was that a number of Swedish and international institutional investors (the "Anchor Investors"), submitted acquisition interests and placed orders to acquire shares within the framework of the institutional Offering corresponding to a total of SEK 200 million. In light of this, the Offering price is deemed to reflect the market value. The acquisition intentions are not secured by bank guarantee, blocked funds, pledges

or similar arrangements. Please refer to section "Legal considerations and supplementary information" under "Acquisition intentions (Anchor Investors)" for additional information. In addition to this book building procedure, the Offering price is to some extent based on discussions between the Principal Shareholder, the Company's board of directors and the Sole Global Coordinator regarding the current market conditions, the operations' historical development and an assessment of the Company's business potential and future prospects, where a certain comparison with the market value of listed shares in comparable companies listed on regulated markets and alternative trading venues has been made.

No new shares are issued by the Company as part of the Offering, why the Company will not receive any proceeds from the Offering as such. As mentioned above, SEK 63 million of the existing shareholder loan will be set-off against 1,575,000 new shares in the Company in connection with the completion of the Offering, which will result in a corresponding reduction in the Company's debt.

The Offering will not result in any dilution of the share capital or the number of shares and votes in the Company. Through the above described set-off issue, the share capital will increase from SEK 6,642,100 to SEK 7,429,600, and the number of shares in the Company will increase from 13,284,200 to 14,859,200, corresponding to approximately 11.9 percent of the share capital and number of shares and votes in the Company prior to the set-off issue, resulting in a dilution of approximately 10.6 percent (calculated as share capital and number of shares and votes generated by the set-off issue divided by the total share capital and number of shares and votes after the set-off issue).

If the Offering is fully subscribed and completed to the highest level, and the Over-allotment Option is exercised in full, the Offering will include a total of 8,625,000 existing shares in the Company, corresponding to approximately 58 percent of the total number of shares and votes in the Company after the Offering (including the 1,575,000 new shares which will be issued to and subscribed by the Principal Shareholder in the above described set-off issue). The total value of the Offering amounts to between SEK 250 million and SEK 300 million and to SEK 345 million should the Offering be completed to the highest level and the Over-allotment Option be fully exercised.

The Company's costs attributable to the Offering and the admission of the Company's shares to trading on First North Premier are estimated to amount to approximately SEK 15 million. Such costs are mainly attributable to costs for refinancing, auditors, legal and other advisors, printing of the Prospectus, costs related to presentations and the like.

The Company, the Principal Shareholder and Pareto Securities intend to enter into an agreement on the placing of shares in the Company around 11 December 2019. The Offering is conditional upon entering into the placing agreement and that certain conditions in the agreement are fulfilled and that the agreement is not terminated, which can be done until the settlement date which is expected to be on 16 December 2019. For more information on the terms and conditions of the completion of the Offering and the aforementioned placing agreement, please refer to sections "Terms and conditions" under "Conditions for the completion of the Offering" and "Legal considerations and supplementary information" under "Placing agreement".

Investors are hereby invited to acquire shares in QleanAir in accordance with the terms and conditions in this Prospectus, which has been prepared by the board of directors of the Company in connection with the Offering.

Stockholm, 2 December 2019

QleanAir Holding AB
The board of directors

Principal Shareholder⁴

1) Refers to Qevirp 41 Limited which is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).

2) The general public includes private individuals and legal entities in Sweden that apply to acquire a maximum of 25,000 shares.

3) Institutional investors include private individuals and legal entities that apply to acquire a minimum of 25,000 shares.

4) Refers to Qevirp 41 Limited which is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).

Background and reasons for the Offering

QleanAir is a niche provider of premium solutions in the global market for air cleaning in indoor environments. The Company has more than 25 years of experience and offers solutions developed based on filter technology which captures, filters and recycles indoor air. The Company's business model is based on the leasing of modular solutions with a full-service offering. As of the date of this Prospectus, the Company has installed approximately 8,100 units¹ to more than 2,500 customers within the markets for EMEA, Americas and APAC.

For the full year of 2018, the Company had net sales of SEK 401 million and an adjusted EBIT margin of 18.3 percent. The Company's annual average net sales growth was 13.5 percent between 2013 and 2018.² The Company's operations are divided into three product categories: Facility Solutions ("FS"), Room Solutions ("RS") and Cabin Solutions ("CS"). CS focuses on cabin solutions which reduce exposure to dangerous tobacco smoke through filtration of particles and gases, and is normally placed in office landscapes, industrial premises and public spaces. In recent years, QleanAir has expanded its offering of solutions to include standalone air cleaners that are intended for industrial premises (FS), as well as clean rooms for healthcare environments (RS). A large part of the Company's growth is attributable to the establishment within FS and RS.

The underlying markets for standalone air cleaners and clean rooms are expected to show continued high growth. In Europe, the need for improved work environments and demands for cleaner processes in areas such as logistics, production and food handling are driving demand for standalone air cleaners. In the United States, the new regulatory framework for the safe handling of certain drugs is driving demand for clean rooms at hospital pharmacies. At the same time, the market for cabin solutions is expected to be

stable as increased demands for protection against indirect tobacco smoke in workplaces and the public environment are expected to be implemented globally.

Qevirp 41 Limited, which is owned by Priveq Investment and Calandrella,³ has been the principal shareholder of QleanAir since 2012 and owns about 90 percent of the Company. Since the investment, Priveq Investment has been actively working to develop the Company's operations and establish structures for continued profitable growth. Priveq Investment manages over SEK 5 billion today and has successfully created value through long-term investments and active ownership in unlisted growth companies for over 30 years. As part of Priveq Investment's investment strategy, it includes divesting the acquired companies when set goals have been achieved. Against this background, Priveq Investment and the board of directors believe that now is the right time to broaden the Company's ownership base and apply for a listing on First North Premier.

QleanAir's board of directors and management are of the opinion that the Offering, together with an ownership distribution of the Company's shares, will promote the Company's continued growth and development, among other things by broadening the Company's financing options and providing access to Swedish and international capital markets. As a result, more sources of funding will be made available to support the Company's continued expansion. An ownership distribution of the Company's shares means increased credibility and awareness, as well as a quality stamp that the Company believes may be advantageous in customer relationships, in order to attract and retain personnel and strengthen the relationship with suppliers.

The Prospectus is an English translation of the Swedish prospectus that has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA"), which is the competent authority in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation"). The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as specified in the Prospectus Regulation. This approval should not be regarded as any kind of support for the issuer or for the quality of the securities referred to in the Prospectus. Investors should make their own assessment as to the suitability of investing in these securities.

The board of directors of QleanAir Holding AB is responsible for the contents of this Prospectus. It is hereby assured that, to the best of the board of directors' knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

The Principal Shareholder confirms its commitment to the terms and conditions of the Offering in accordance with what is set out in sections "Invitation to acquire shares in QleanAir Holding AB" and "Terms and conditions".

Stockholm, 2 December 2019

QleanAir Holding AB
The board of directors

Principal Shareholder⁴

1) Based on unaudited information derived from QleanAir's internal reporting system. Of which, as of the date of the Prospectus, approximately 650 units have been sold on export markets which do not generate major recurring revenues. Within QleanAir's installed base one clean room corresponds to 5–25 installed units, depending on the order value of the clean room.

2) Please refer to section "Selected financial information" under "Selected key performance indicators" for reconciliation of net sales growth, and section "Selected financial information" under "Definitions of key performance indicators" for definitions and explanations.

3) Qevirp 41 Limited is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent).

4) Refers to Qevirp 41 Limited which is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).

Terms and conditions

The Offering

The Offering is directed to the general public in Sweden as well as institutional investors in Sweden and abroad. The Offering comprises the sale of up to between 6,250,000 and 7,500,000 shares in the Company which are offered by the Principal Shareholder (not taking into account the over-allotment option described below). All shares in the Offering have the ISIN code SE0013382066 and will have the ticker symbol QAIR on First North Premier.

The Offering is divided into two parts:

- (1) The offer to the general public in Sweden;¹ and
- (2) The offer to institutional investors in Sweden and abroad.²

The outcome of the Offering is expected to be announced by the Company through a press release on or around 12 December 2019.

The Over-allotment Option

In order to cover any over-allotment in connection with the Offering, the Offering may cover up to a maximum of 1,125,000 additional existing shares, corresponding to a maximum of 15 percent of the total number of shares in the Offering (the "Over-allotment Option"). The Over-allotment Option pertains to existing shares offered by the Principal Shareholder and may be exercised for by Pareto Securities in full, or in part, during the 30 calendar days following the first day of trading of the Company's shares on First North Premier. The price of the shares in the Over-allotment Option will be the same as the Offering price. If the Offering is completed to the highest level and the Over-allotment Option is exercised in full, the Offering will comprise up to a maximum of 8,625,000 shares in the Company.

The Offering price

The Offering price has been determined to SEK 40 per share. The Offering price is the same for institutional investors and the general public in Sweden. Brokerage commission will not be charged.

The Offering price has mainly been determined through a customary book building procedure which took place in during October – November 2019. During this book building procedure, certain institutional investors were offered to indicate interest to acquire shares in the Company and to tender for the price level at which they were interested in acquiring shares in the Company. The result of this book building procedure was that a number of Swedish and international institutional investors (the "Anchor Investors"), submitted acquisition interests and placed orders to acquire shares within the framework of the institutional Offering corresponding to a total of SEK 200 million. In light of this, the Offering price is deemed to reflect the market value. The acquisition intentions are not secured by bank guarantee, blocked funds, pledges or similar arrangements, why there is a risk that Cornerstone Investors will not be able to fulfill their obligations. Please refer to section "Legal considerations and supplementary information" under "Acquisition intentions (Anchor Investors)" for additional information. In addition to this book building procedure, the Offering price is to some extent based on discussions between the Principal Shareholder, the Company's board of directors and Pareto Securities regarding the current market conditions, the operations' historical development and an assessment of the Company's business potential and future prospects, where a certain comparison with the market value of listed shares in comparable companies listed on regulated markets and alternative trading venues has been made.

Offer to the general public in Sweden

Applications for acquisitions of shares are to be made during the period 3 December 2019 to 10 December 2019. An application to acquire shares must be for a minimum of 250 shares and a maximum

of 25,000 shares, in even lots of 10 shares. The application is made on a specific application form which can be obtained through the Company or Aktieinvest FK AB. The application form is also available on the Company's website: (www.qleanair.com) and on Aktieinvest's website: (www.aktieinvest.se). The application can also be done electronically using "BankID" on (www.aktieinvest.se/QleanAir2019).

The application must be delivered to Aktieinvest no later than at 17:00 CET on 10 December 2019. No changes or additions may be made in printed text. Incomplete or incorrectly completed application forms may be disregarded. Only one application per person may be made. If several application forms are submitted, only the most recently received will be considered. Please note that the application is binding. Completed and signed application form must be sent or delivered to:

Aktieinvest FK AB
Emittentservice
P.O. Box 7415
103 91 Stockholm, Sweden
Telephone: +46 (0)8-5065 1795
E-mail: emittentservice@aktieinvest.se

Those who do not have a securities account or securities deposit, must open a securities account or securities deposit before the application form is submitted. Note that opening a securities account or securities deposit may take some time with some managers.

If an application refers to an amount in excess of EUR 15,000, if you are a PEP or related party to a PEP, or if you reside outside the EU/EEA, a customer identification form and a certified copy of a valid identification document must be included in order for the application form to be valid. For legal entities, a customer information form, a certified copy of a valid identification document for the authorized signatory and a current certificate of registration proving the authorized signatory must be attached to the application form in order for it to be valid.

Investors who have an account with specific rules for securities transactions, such as IPS depository, ISK depository or depository with endowment insurance, must check with their custodian bank or trustee if and how they can acquire shares in the Offering. The Company, in consultation with Pareto Securities, reserves the right to prolong the application period. Such a prolongation will be published through a press release before the end of the application period.

Application via Pareto Securities

Custody account holders at Pareto Securities can apply for the acquisition of shares via Aktieinvest's online services during the period 3 December 2019 up to and including 10 December 2019 at 17:00 CET. In order not to risk losing the right to any allotment, custody account holders at Pareto Securities must have sufficient cash available in the depository at the latest on the settlement date which is expected to on 16 December 2019. More information on the application procedure via Pareto Securities can be found at (www.paretosec.se/aktuellt/qleanair).

Application via Aktieinvest

Custody account holders at Aktieinvest can apply for the acquisition of shares via Aktieinvest's online services during the period 3 December 2019 up to and including 10 December 2019 at 23:59 CET. In order not to risk losing the right to any allotment, custody account holders at Aktieinvest must have sufficient cash available in the depository from 10 December 2019 at 23:59 CET, up to the settlement date, which is expected to be on 16 December 2019. More information on the application procedure via Aktieinvest can be found at (www.aktieinvest.se/qleanair).

1) The general public includes private individuals and legal entities in Sweden that apply to acquire a maximum of 25,000 shares.

2) Institutional investors include private individuals and legal entities that apply to acquire a minimum of 25,000 shares.

Application via Avanza

Custody account holders at Avanza can apply for the acquisition of shares via Avanza's online services during the period 3 December 2019 up to and including 10 December 2019 at 23:59 CET. In order not to risk losing the right to any allotment, custody account holders at Avanza must have sufficient cash available in the depository from 10 December 2019 at 23:59 CET, up to the settlement date, which is expected to be on 16 December 2019. More information on the application procedure via Avanza can be found at (www.avanza.se).

Allotment

As soon as possible after a decision regarding allotment has been made, a contract note will be sent to those who have been allotted shares in the Offering. Those who were not allotted any shares will receive no notification.

A decision regarding the allotment of shares will be made by the Principal Shareholder in consultation with the board of directors and Pareto Securities, the goal being to achieve a good institutional shareholder base and a broad distribution of the shares among the general public so as to facilitate regular and liquid trading in the Company's shares on First North Premier. The allocation does not depend on when the application is received during the application period. In the event of over-subscription, the allotment may be withheld or made with a smaller number of shares than specified in the application, whereby the allotment may be made wholly or in part by random selection. Applications from employees, business partners, existing shareholders and other related parties to QleanAir as well as certain customers to Pareto Securities, Aktieinvest and Avanza may be given special consideration at the allotment. Allotment may also be made to employees at Pareto Securities, Aktieinvest, and Avanza, without these being prioritised. In such a case, the allotment is carried out in accordance with the Swedish Securities Dealers Association's rules and the regulations issued by the Swedish Financial Supervisory Authority.

Via Pareto Securities

Those applying via Pareto Securities' internet service receive notification of allotment through a notification of the acquisition of shares against a simultaneous debiting of cash on the specified depository, which is expected to take place on or around 12 December 2019.

Via Aktieinvest

Those applying via Aktieinvest's internet service receive notification of allotment through a notification of the acquisition of shares against a simultaneous debiting of cash on the specified depository, which is expected to take place on or around 12 December 2019.

Via Avanza

Those applying via Avanza's internet service receive notification of allotment through a notification of the acquisition of shares against a simultaneous debiting of cash on the specified depository, which is expected to take place on or around 12 December 2019.

Payment

Full payment for allotted shares shall be paid in cash no later than the date stated on the contract note. Please note that if full payment is not made in due time, allotted shares may be transferred to another party. Should the selling price in the event of such a transfer be less than the price in accordance with the Offering, the person who received allotment of the shares in the Offering may be liable for the difference. Please note that those who have applied in the Offering ("Acquirer") belonging to the general public who pays allotted shares in accordance with instructions on the contract note to the specified bank giro account, will receive the acquired shares to the specified securities account or securities deposit only when

full payment has been received. This may, depending on where, how, and at what time of day payment is made, take two to three business days from the time of payment, which may affect the possibility of trading.

Via Pareto Securities

For those who are custody account holders at Pareto Securities, allotted shares will be booked against debiting of cash at the specified depository on or around 12 December 2019, when notification of allotment is sent, and at the latest on the settlement date which is expected to be on 16 December 2019. Note that funds for the payment of allotted shares must be available in the depository at the latest on the settlement date which is expected to be on 16 December 2019.

Via Aktieinvest

For those who are custody account holders at Aktieinvest, allotted shares will be booked against debiting of cash at the specified depository on or around 12 December 2019, when notification of allotment is sent, and at the latest on the settlement date which is expected to be on 16 December 2019. Note that funds for the payment of allotted shares must be available in the depository from the final application date which is expected to be on 10 December 2019 through the settlement date which is expected to be on 16 December 2019.

Via Avanza

For those who are custody account holders at Avanza, allotted shares will be booked against debiting of cash at the specified depository on or around 12 December 2019, when notification of allotment is sent, and at the latest on the settlement date which is expected to be on 16 December 2019. Note that funds for the payment of allotted shares must be available in the depository from the final application date of 10 December 2019 through the settlement date which is expected to be on 16 December 2019.

Inadequate or incorrect payment

If sufficient funds are not available in the bank account, securities deposit or investment savings account on the settlement date, or if full payment is not made at the correct time, allotted shares can be assigned or sold to another party. Should the selling price during such a transfer be less than the Offering price according to the Offering, the party originally allotted these shares may be responsible for the difference.

Offering to institutional investors Application

For institutional investors in Sweden and abroad the application period is 3 December 2019 – 11 December 2019. The application shall be made to Pareto Securities in accordance with specific instructions. QleanAir retains the right to shorten or prolong the application period for the institutional offering. Such a shortening or prolongation of the application period will be publicised by the Company in the form of a press release prior to the expiration of the application period.

Allotment

A decision regarding the allotment of shares will be made by the Principal Shareholder in consultation with the Company's board of directors and Pareto Securities, the goal being to achieve a good institutional shareholder base and a broad distribution of the shares among the general public so as to facilitate regular and liquid trading in the Company's shares on First North Premier. The allotment decision will be entirely discretionary and there will be no guarantee for allotment. The Anchor Investors may come to be especially

taken into account in the allotment process, but no guarantee of allotment in the Offering is provided. Please refer to section "Legal considerations and supplementary information" under "Acquisition intentions (Anchor Investors)" for further information.

Notification of allotment

Institutional investors are expected to be notified about the allotment in a specific order on or around 12 December 2019 and the contract note is sent thereafter.

Payment

Full payment for allotted shares shall be made in cash against the delivery of shares no later than 16 December 2019 in accordance with instructions on the issued contract note.

Inadequate or insufficient payment

Note that if full payment is not received within the prescribed time, allotted shares may be assigned to another party. Should the selling price during such a transfer be less than the Offering price according to the Offering, the party originally allotted these shares may be responsible for the difference.

Registration and accounting of allotted and paid shares

For both institutional investors and the general public in Sweden, registration of allotted and paid shares with Euroclear Sweden AB is expected to take place on or around 16 December 2019, after which Euroclear will send a securities notice, indicating the number of shares in QleanAir registered on the recipient's securities account. Notification to shareholders whose shares are nominee-registered takes place in accordance with the respective nominee's procedures.

Announcement of the outcome of the Offering

The final outcome of the Offering will be published in the form of a press release which will also be available on the Company's website, (www.qleanair.com), on or around 12 December 2019.

Listing of the shares on First North Premier

QleanAir's board of directors has applied for the listing of the Company's shares on First North Premier. First North Premier is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on First North Premier are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. The exchange approves the application for admission to trading. The exchange has on 26 November 2019 assessed that the Company complies with the applicable listing requirements, provided that customary conditions, including the distribution requirement, are fulfilled no later than on the first day of trading. The Company's board of directors intends to complete the application for listing of the shares on First North Premier and the first day of trading is expected to be on 12 December 2019.

The shares will be traded under the short name (ticker) QAIR and with the ISIN code SE0013382066.

Trading in shares

Trading in shares will commence before the conditions for the completion of the Offering are fulfilled. The Offering is conditional upon (i) that the placing agreement between the Company, the Principal Shareholder and Pareto Securities is entered into, (ii) that certain conditions under the placing agreement are fulfilled, (iii) that the placing agreement is not terminated, (iv) that interest in the Offering according to Pareto Securities is considered great enough for

satisfactory trading in the share, and (v) that no events take place that have such a negative impact on the Company that completing the Offering is considered unfeasible. If these conditions are not met, the Offering may be cancelled, which can happen until the settlement date which is expected to be on 16 December 2019 (please refer to heading "Conditions for the completion of the Offering" for more information).

Trading will be conditional upon the fulfilment of the conditions for the completion of the Offering. If the Offering is not completed, any delivered shares shall be returned and any payments refunded.

Stabilisation

In connection with the Offering, Pareto Securities may conduct transactions to support the share price or market price of the shares or otherwise affect the price of shares for up to 30 calendar days from the first day of trading of the Company's shares on First North Premier. Pareto Securities is not obliged to take such stabilisation measures, and such stabilisation measures, if they occur, may be discontinued at any time without prior notice. Please refer to section "Legal considerations and supplementary information" under "Stabilisation" for more information.

Entitlement to dividends

The shares offered in connection with the Offering carry the right to dividend from the first dividend record date following the completion of the Offering. If provided, dividends are paid on the basis of a decision taken at the general meeting. Payment will be administered by Euroclear Sweden AB or, for nominee-registered share ownership, in accordance with the respective nominee's procedures.

Important information regarding the possibility of selling allotted shares

Notification about the allotment to the general public in Sweden is made by the sending of a contract note, which is expected to take place on or around 12 December 2019. After payment for allotted shares are handled by Aktieinvest, paid shares will be transferred to the securities deposit or securities account specified by the acquirer. The time required for transfer and registration of payment and transfer of paid shares to the acquirers of shares in QleanAir may mean that these acquirers will not have acquired shares available on the designated securities deposit or securities account until at the earliest on or around 16 December 2019. Trade in QleanAir's shares on First North Premier is expected to commence on or around 12 December 2019. Investors are advised that shares may not be available on the acquirer's securities account or securities deposit until at the earliest on or around 16 December 2019, which may entail that the acquirer does not have the opportunity to sell these shares on the trading venue from the date the trading in the share commenced, but only when the shares are available on the securities account or the securities deposit.

Important information regarding LEI and NID when acquiring shares

According to the Directive 2011/61/EU of the European Parliament and of the Council (MiFID II) all investors need a global identification code to be able to carry out securities transactions from 3 January 2018.

These requirements call for all legal entities to apply for registration of a LEI-code (Legal Entity Identifier), and all physical persons to learn their NID-number (National Client Identifier), in order to be able to acquire shares in QleanAir. Observe that it is the investor's legal status that determines whether a LEI-code or NID-number is required, and that Aktieinvest may not be able to execute the transaction for the person in question if a LEI-code or NID-number (as applicable) is not presented. Legal entities needing to acquire a

LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on (www.gleif.org). For physical persons with only a Swedish citizenship, the NID-number is "SE" followed by the personal identity number. If the person in question has multiple citizenships or another citizenship than Swedish, the NID-number can be any other type of number.

Differences in tax legislation can affect the income of the securities

The tax legislation in the investor's country and the Company's country of registration may affect any income received from the securities. The taxation of each individual investor depends on their particular circumstances. Each investor should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign tax rules and tax treaties. For more information regarding tax on dividends, please refer to section "Certain tax considerations in Sweden".

Conditions for the completion of the Offering and the possibility to complete the Offering to a lower level

The Company, Principal Shareholder and Pareto Securities intend to enter into an agreement on the placing of shares in the Company around 11 December 2019 (for further information regarding the agreement please refer to section "Legal considerations and supplementary information" under "Placing agreement").

The Offering is conditional upon (i) that the placing agreement is entered into, (ii) that certain conditions under the placing agreement are fulfilled, (iii) that the placing agreement is not terminated, (iv) that interest in the Offering according to Pareto Securities is considered great enough for satisfactory trading in the share, and (v) that no events take place that have such a negative impact on the Company that completing the Offering is considered unfeasible ("Material Adverse Events"). Such Material Adverse Events may, for example, be economic, financial or political in nature and may relate to Material Adverse Events in Sweden or abroad. When determining if the interest in the Offering is sufficient for a satisfactory trading in the Company's shares, factors such as the number of received applications and the aggregated amount applied for will be considered. This assessment is made by Pareto Securities. If the conditions described above are not met, the Offering may be cancelled, which can happen until the settlement date which is expected to be on 16 December 2019. In that case, neither delivery nor payment for shares will be completed in conjunction with the Offering. Any payments will be refunded in the event that the Offering is not completed. If the Offering is cancelled it will be announced by the Company by way of a press release no later than 16 December 2019 and received applications will be disregarded. The intention is that the Offering will comprise between 6,250,000 and 7,500,000 shares in the Company, corresponding to between SEK 250 million and SEK 300 million (excluding the Over-allotment Option). However, the Offering may also be completed to a lower level, meaning that the acquisition of 6,250,000 shares should not be regarded as a minimum level for the completion of the Offering.

Information on handling personal data

Anyone applying to acquire shares in the Offering will submit personal data to Aktieinvest FK AB. Personal data submitted to Aktieinvest will be processed in data systems to the extent required to provide services and manage customer arrangements. Personal data obtained from sources other than the applicant may also be processed. The personal data may also be processed in the data systems of companies or organisations with whom Aktieinvest

cooperates. Information pertaining to the handling of personal data is provided by Aktieinvest, which is the data controller for the handling of personal data. Aktieinvest accepts requests for the correction or deletion of personal data at the address specified in section "Addresses".

Other information

In the event that a larger amount than required has been paid by an applicant for the acquisition of shares, Aktieinvest FK AB will arrange for the excess amount to be refunded. However, amounts less than SEK 100 will not be refunded. Incomplete or incorrectly completed application forms may be disregarded. If the acquisition payment is made too late or is insufficient the application for acquisition of shares may be disregarded. The acquisition payment will in such case be refunded.

Aktieinvest acts as issuing agent for the Company. Prior to the Offering, Aktieinvest holds no shares in QleanAir. The fact that Aktieinvest acts as issuing agent does not imply that Aktieinvest regards any party that applies for an acquisition in the Offering ("the acquirer of shares") as a client of Aktieinvest for the investment. The consequence of Aktieinvest not regarding the acquirer of shares as a client for the investment is that the rules for protecting investors under the Securities Market Act (Sw. lagen om värdepappersmarknaden (2007:528)) will not apply. Among other things, this means that neither client classification nor suitability assessment will be applied in connection with the investment. As a result, the acquirers of shares are themselves responsible for having adequate experience and knowledge to understand the risks associated with the investment.

Market overview

The Prospectus contains certain information regarding the market and industry where the Group conducts its operations and regarding its position in relation to its competitors which may be based on information obtained from third parties as well as the Company's estimates based on information obtained from third parties. This type of third-party information consists, among other sources, of a market report produced by L.E.K. Consulting GmbH on behalf of the Company in 2019.¹ The Company has correctly restated such third-party information and, as far as the Company knows or can ascertain through other information made public by the third party from which the information was obtained, no facts have been omitted which would render the information restated erroneous or misleading. The Company has, however, not independently verified the correctness or completeness of any third-party information and the Company can therefore not guarantee its correctness or completeness.

Introduction

QleanAir is a niche provider of premium air cleaning solutions for indoor environments. QleanAir's solutions are used to protect people, processes and products from harmful particles and gases which are captured and filtered through the Company's products. The Company conducts business operations in EMEA², APAC³ and the Americas⁴ with its headquarters located in Solna, Sweden. The Company's primary markets are Japan, Germany, the United States and Sweden, but it also operates in other European and Asian countries and a number of smaller export markets. Over the past few years, the importance of air quality in society has been emphasized by governmental authorities throughout the world and, as a consequence, a series of regulatory changes have increased the requirements on air purity. QleanAir offers air quality improving solutions for offices, industry and public spaces.

Exposure to air pollution has very negative health effects on people. For example, air pollution increases the risk of cardiovascular and pulmonary diseases which can have serious health consequences.⁵ Injuries to health, vegetation and materials thus leads to greater costs for society in the form of, for example, healthcare, decreased harvests and repair work.

Air pollution is currently at harmfully high levels in several parts of the world. A report published by the World Health Organization ("WHO") demonstrates that 9 out of 10 people are breathing in air with high air pollution levels.⁶ The same study demonstrates that more countries address the poor air quality by measuring air quality and are commencing various initiatives to improve it. A similar report published by the same organization in 2015 estimates that approximately 600,000 people in Europe die each year as a result of inadequate air quality. In addition, research from 2018 demonstrates that air pollution causes approximately 7,600 premature deaths in Sweden each year.⁷ According to a report published by the Danish consulting company Ramboll, the socio-economic costs from bad air are estimated at SEK 56 billion annually in Sweden alone.⁸ People spend between 80 and 90 percent of their time indoors and indoor air quality is often worse than outdoor air quality. In addition, the World Health Organization study demonstrates that employees who work under healthy working conditions are more productive at work and have fewer sick days which in turn increases overall productivity. QleanAir and its solutions contribute to a society with less human exposure to air pollution.

Driving forces

The Company believes that the primary forces which drive the market development for air cleaning in indoor environments are stricter air quality legislation, increased requirements and focus on occupational safety and health, and an increased demand for Clean Air as a Service. Set forth below is a description of each of these driving forces.

Stricter air quality legislation

Exposure to air pollution is harmful to human health and nature. The growing threat to human health has received greater attention in the media and from healthcare organizations, thus increasing the pressure on federal and global governmental authorities to enact stricter legislation in the area. The new US legal standards regarding sterile working conditions in the compounding of pharmaceuticals⁹ has led to significant growth in the market for clean rooms which satisfy these requirements, contributing to a strong performance by the Company's product category Room Solutions. During the period 2016 – 2018, net sales for Room Solutions reported a compound annual growth rate ("CAGR") of 75%.¹⁰ In 2018, EU legislation governing non-financial reporting entered into force which requires that companies with over 500 employees report their environmental impact, an area which includes air quality.¹¹ Increased awareness of the impact of air quality on health has thus increased the requirements imposed both on society at large but also on companies to achieve the established goals.

Stricter requirements and focus on occupational safety and health

In addition to stricter legislation, companies are becoming more conscious of the importance of maintaining a higher level of air quality at and in connection to the workplace. Since research has shed light on the importance of air purity at workplaces at the same time as air filtering solutions are improving air quality, companies are now inclined to pay for solutions to protect their employees, processes and products against air pollution.

Increased demand for Clean Air as a Service

Evermore customers are demanding Clean Air as a Service, i.e. comprehensive systems which do not require supplementation with other products or services, and which do not require internal

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) EMEA refers here, and throughout the Prospectus, to Europe, the Middle East and Africa.

3) APAC refers here, and throughout the Prospectus, to Asia (excl. the Middle East) and Oceania.

4) Americas refers here, and throughout the Prospectus, to North and South America.

5) The Swedish Environmental Protection Agency - The air must be clean enough not to represent a risk to human health or to animals, plants or cultural assets, 2018.

6) The World Health Organization (WHO) - 9 out of 10 people worldwide breathe polluted air, but more countries are taking action, 2018.

7) Gustafsson et al. - Quantification of population exposure to NO₂, PM_{2.5} and PM₁₀ and estimated health impacts, 2018.

8) Dagens Industri - Luften i 30 svenska städer sämre än målet.

9) USP - USP Publishes New and Revised Compounding Standards, 2019.

10) Based on unaudited information obtained from QleanAir's internal reporting system. For more information, please refer to section "Selected financial information" and "Definitions of key performance indicators".

11) European Commission - Non-financial reporting - EU rules require large companies to publish regular reports on the social and environmental impacts of their activities, 2018.

expertise in order to install, repair, or maintain them. By employing comprehensive solutions, customers do not have to worry about air quality at the workplace and can instead focus on their main business. In addition, solutions which measure air quality indoors are expected to increase as this issue receives more attention. Moreover, a growing number of companies prefer Clean Air as a Service solutions that provide financial and functional flexibility in order to avoid large initial investment costs and to maintain flexibility in an increasingly changing market climate.¹

Market per product category

QleanAir's operations are broken down into three product categories: Facility Solutions ("FS"), Room Solutions ("RS") and Cabin Solutions ("CS"). The Company's addressable market in each product category can be broken down into three primary markets:

- Facility Solutions: Standalone air cleaners
- Room Solutions: Clean rooms
- Cabin Solutions: Cabin solutions

The various product categories have clearly niched end markets in different geographical regions based on corporate climate and legal, cultural and political trends. Within each product category, the Company has a number of geographic regions which constitute focus markets: Germany, Austria and the Nordic region for standalone air cleaners; the United States for clean rooms; and Japan, Germany and Austria for cabin solutions. The table below presents QleanAir's geographic presence based on the Company's net sales and installed base in 2018. The geographic market Others in the table below refers to units sold through distributors to export markets, which as of date of the Prospectus totalled approximately 650 units. These units generate a small portion recurring revenue. In order to facilitate comparability in the Company's installed base, QleanAir recalculates clean rooms in its installed base as one unit per SEK 100,000 in order value. According to the Company, the market-based order value per clean room amounts to between SEK 500,000 and 2,500,000, which in the Company's installed base represents between 5 and 25 installed units, depending on the order value of the clean room.

QleanAir's geographic presence²

Geographic market	% of revenue 2018	% of installed base 2018	Focus
Japan	35.4%	21.0%	CS
Germany	23.9%	29.5%	FS/CS
USA	8.7%	4.6%	RS
Sweden	8.1%	12.3%	FS
Austria	4.9%	4.8%	FS/CS
Switzerland	4.7%	4.7%	
Netherlands	2.7%	3.1%	
Finland	2.1%	2.2%	FS
Others	2.0%	8.1%	
Denmark	1.9%	1.6%	FS
France	1.8%	2.0%	
Belgium	1.5%	1.5%	
Poland	1.4%	2.3%	
Norway	0.9%	1.2%	FS
China	0.0%	0.9%	
Total (MSEK, units)	400.8	7,598	

- Marknader som har fokus i prospektets marknadsavsnitt

The following section describes the Company's selected focus markets. The addressable market that is described within each product category is broken down by the Company's focus markets based on geography and end customers. Thus, the following section does only describe the market for the specific geographic region and the niche end market that has been analysed and not the total global market for the Company's respective product category. Addressable markets within each product category are described in the following section as the total number of units which can potentially be installed within each end market. The total installed base constitutes the estimated total number of existing units which are installed in each end market. Within the market for clean rooms, the number of clean rooms is stated.³

Standalone air cleaners

The standalone air cleaner market covers independent air cleaning solutions which eliminate airborne pollutants (often in the form of dust and biological contamination) which arise in, among other things, industrial and logistics premises. The increased public awareness of air pollution as a critical health risk has accelerated the demand for solutions which improve air quality at workplaces within these industries. The growth is also driven by increased demands by workers' councils for improved work environments in order to protect employees against health risks which are avoidable.

In Sweden, the logistics industry has historically been the largest customer group for standalone air cleaner products. QleanAir's work to broaden the appeal of its products has resulted in the Company's products also becoming attractive to other industries such as the food products and automotive industries which, together with the logistics industry, represent the Company's main industries for standalone air cleaners. All of the graphs and market figures set forth below cover only these three industries, which represent a limited part of the market for standalone air cleaning solutions. As standalone air cleaners become established within the current end markets, the Company plans to broaden its focus to a greater number of end markets. In the future, the Company believes that an end market expansion can be supported by regulatory changes in the form of stricter requirements on air quality in indoor environments.

Air cleaning solutions in the aforementioned industries are expected to achieve strong growth in the future since the market's degree of penetration is relatively low compared to the addressable market within these market niches. Increased awareness of health risks and the cost implications from air pollution in combination with the advantages of standalone air cleaners are expected to drive growth in the future.¹ The Company also believes that there are additional growth possibilities through educating the customer base about the advantages of air cleaning solutions.

The market for standalone air cleaners is dominated by two types of solutions: standalone units and ceiling mounted units. QleanAir focuses on midsize and large multinational companies in the European market in the logistics, food products and automotive industries as well as lighter manufacturing; a strategy which has historically been profitable for the Company. Only a fraction of the Company's net sales in Facility Solutions derives from customers outside of Europe – a share which is anticipated to increase as the importance of air quality at workplaces gains more attention throughout the world. As of the date of the Prospectus, QleanAir's primary target markets for standalone air cleaners consist of the Nordic region, Germany and Austria, but the Company also has sales in other European countries, Japan and on smaller export markets.

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) Based on unaudited information obtained from QleanAir's internal reporting system.

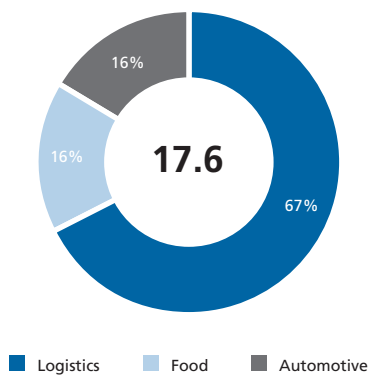
3) However, the Company calculates its own installed base in Clean Rooms as one unit per SEK 100,000 in order value.

The addressable market for standalone air cleaners in the Nordic region, Germany and Austria towards end customers in the industries of logistics, automotive and food was approximately 17,600 units in 2018, of which over 8,000 units in the Nordic region and 9,600 units in Germany and Austria.¹ The logistics industry comprised the majority of the addressable market in 2018 (67 percent) followed by the food products and automotive industries (16 percent each).¹

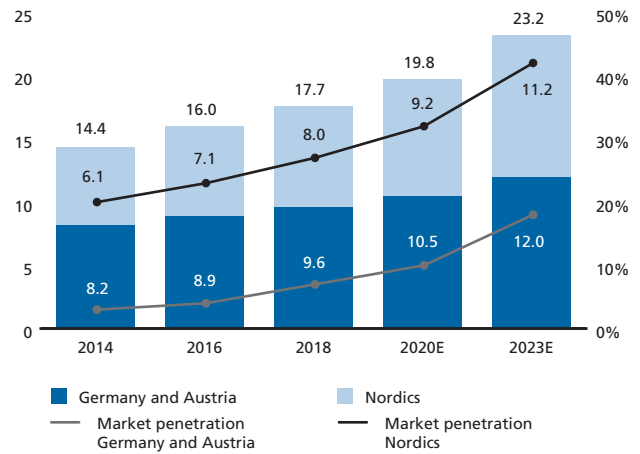
In 2018, the total installed base amounted to approximately 2,800 units, of which approximately 2,100 units were installed in the Nordic region.¹ The total installed base in the Nordic region is anticipated to be 4,700 units in 2023, which corresponds to a CAGR of approximately 17 percent during the period 2018 – 2023.¹ In 2023, the market's degree of penetration in the Nordic region is expected to amount to approximately 42 percent, compared to approximately 26 percent in 2018.¹ In Germany and Austria, the total installed base is expected to be 2,100 units in 2023, which corresponds to a CAGR of approximately 27 percent during the period 2018 – 2023.¹ In 2023, the market's degree of penetration in Germany and Austria is expected to reach approximately 18 percent, as compared to approximately 7 percent in 2018.¹

Both the addressable market as well as the market's degree of penetration is expected to increase in the Company's current three end markets for standalone air cleaners in the future. The total installed base in the logistics industry is expected to demonstrate a CAGR of approximately 16 percent during the period 2018 – 2023, while the food products and automotive industries are expected to achieve a CAGR of approximately 30 percent during the same period.¹ As compared with the logistics industry, air cleaning in both the food products industry and automotive industry is a new concept which means that the total installed base for these end markets is relatively small and growth occurs from low levels.

Addressable market for standalone air cleaners in the logistics, food products, and automotive industries in the Nordic region, Germany and Austria (2018, thousands of units)¹



Addressable market and the market's degree of penetration for standalone air cleaners in the Nordic region, Germany and Austria (thousands of units)¹

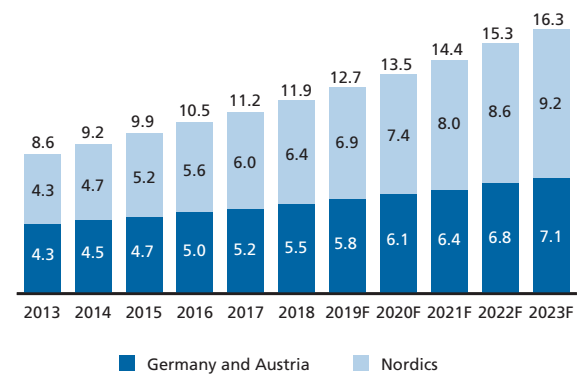


The logistics industry

The addressable market in the logistics industry in the Nordic region, Germany and Austria amounted to 11,900 units in 2018 and is anticipated to increase to 16,300 units in 2023, which means an expected CAGR of approximately 7 percent.¹ The growth is primarily driven by new logistics premises and increased air quality and safety requirements.

The total installed base is expected to demonstrate a CAGR of 16 percent during the period 2018 – 2023 (16 percent in the Nordic region and 17 percent in Germany and Austria).¹ The growth is expected to come from increased recognition of standalone air cleaners and their ability to act as a measuring tool for air purity and safety regulations in the logistics industry and increased awareness of the possibility for cost savings in cleaning, maintenance and heating. The majority of the absolute growth is expected to take place in the Nordic region, where climate-friendly solutions are in the forefront internationally. In 2023, the total installed base is expected to amount to 3,700 units in the Nordic region and 900 units in Germany and Austria, which corresponds to a market penetration degree of approximately 28 percent, compared to approximately 18 percent in 2018.¹

Addressable market in the logistics industry (thousands of units)¹



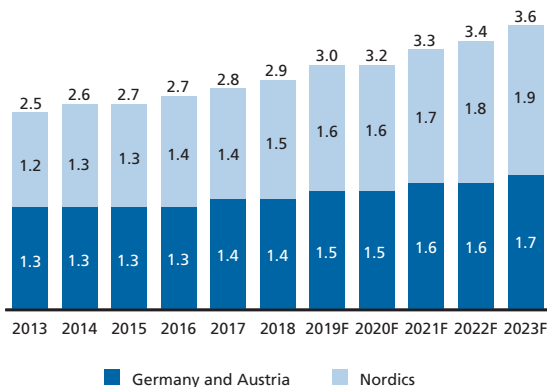
1) L.E.K. Consulting GmbH – 2019 Market Report.

The food products industry

The addressable market in the food products industry in the Nordic region, Germany and Austria was 2,900 units in 2018 and is expected to increase to 3,600 units in 2023, which entails an anticipated CAGR of approximately 4 percent.¹ The growth is expected to be driven by a growing labor force and a larger number of certified companies in the food products industry as well as increased focus on hygiene by suppliers, consumers and public authorities.¹

The market for standalone air cleaners in the food products industry is a relatively unexploited market where the installed base is expected to demonstrate a CAGR of approximately 30 percent during the period 2018 – 2023. Growth is expected to be driven primarily by stricter requirements from public authorities. The total installed base in the food products industry is expected to reach a CAGR of approximately 47 percent in Germany and Austria and approximately 24 percent CAGR in the Nordic region.¹ The difference is explained by a higher degree of maturity on the Nordic market. In 2023, the total installed base is expected to reach 1,000 units in the Nordic region and 600 units in Germany and Austria, which corresponds to a market penetration degree of approximately 43 percent, compared to approximately 14 percent in 2018.¹

Addressable market in the food products industry (thousands of units)¹

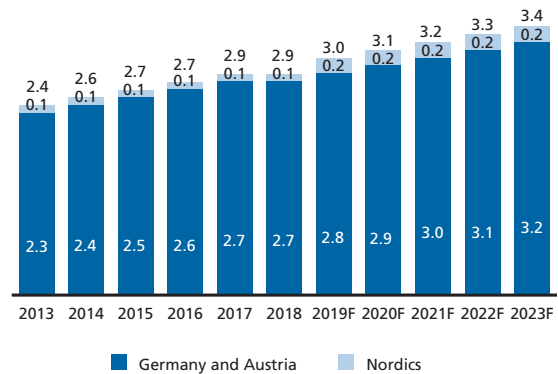


The automotive industry

The addressable market in the automotive industry in the Nordic region, Germany and Austria was 2,900 units in 2018 and is expected to increase to 3,400 units in 2023, which means an anticipated CAGR of approximately 3 percent.¹ The growth is attributable to increased concern amongst automotive manufacturers of the well-being of their employees in terms of health and safety.¹

In 2018, the total installed base was approximately 200 units in the Nordic region, Germany and Austria; a strong underlying growth rate with development from just over 100 units in 2016.¹ During the period 2018 – 2023, the total installed base for standalone air cleaners in the automotive industry is anticipated to demonstrate a CAGR of approximately 30 percent.¹ The growth is expected to be driven by an increased work environment focus by automotive manufacturers and industrial companies in general. In 2023, the total installed base is expected to total approximately 710 units in the Nordic region, Germany and Austria, which corresponds to a market penetration degree of approximately 21 percent, compared to approximately 7 percent in 2018.¹

Addressable market in the automotive industry (thousands of units)¹



Clean rooms

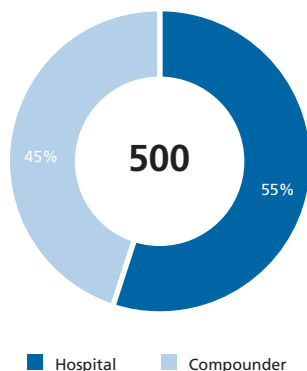
The market for clean rooms covers sales and leasing of solutions to companies and organizations which require clean and sterile environments where the slightest air pollution can cause serious consequences. These solutions primarily involve clean rooms for the compounding and storage of pharmaceuticals and lounges designed to protect against passive smoking in the vicinity of facilities with defined air quality requirements. In addition, hospitals commonly require the compounding of pharmaceuticals on-site and/or with assistance of third-party 503A/B certified pharmaceuticals compounders of sterile and sensitive pharmaceuticals.

L.E.K. Consulting GmbH has identified over 2,800 hospital pharmacies and 4,600 pharmaceutical compounders in the addressable market for clean rooms in the United States, which is the Company's most important market for Room Solutions.¹ Within the clean room market, QleanAir focuses on midsize hospitals with between 100 and 1,000 beds since these often lack the in-house resources necessary to prepare their own clean rooms. In 2018, the Company's addressable market in the United States was approximately 500 modular clean rooms, of which hospital pharmacies represented 55 percent and pharmaceuticals compounders 45 percent.¹ In order to facilitate comparability in the Company's installed base, QleanAir recalculates clean rooms in its installed base as one unit per SEK 100,000 in order value. According to the Company, the market-based order value per clean room amounts to between SEK 500,000 and 2,500,000, which in the Company's installed base represents between 5 and 25 installed units.

Despite the fact that the number of hospital pharmacies and pharmaceuticals compounders is not expected to rise, the degree of penetration is expected to increase as a result of regulatory changes which increase the demand for modular clean rooms.¹ The US market is driven by existing standards which were expected to be made stricter at the end of 2019 in the form of stricter requirements for fully sterile environments in conjunction with pharmaceuticals compounding, which has however been delayed to a further date not yet disclosed due to an appeal.¹

1) L.E.K. Consulting GmbH – 2019 Market Report.

Addressable market for modular clean rooms for hospital pharmacies and pharmaceutical compounders in the United States (2018, number of clean rooms)¹



Regulatory driving forces in the USA

The American USP regulatory scheme, developed by United States Pharmacopeia², is expected to be updated shortly which will impact the requirements on clean rooms in certain workplaces.

USP 797

USP 797 is a chapter of the USP regulations related to the preparation of compressed, sterile pharmaceuticals in order to ensure that the patient's needs are fulfilled and risks such as impurities, infections or incorrect dosage are reduced.³ The specific goal underlying USP 797 is to ensure that the product is compounded in a safe, uncontaminated environment. The updated USP 797 includes adjusted classifications regarding sterile working conditions, a new expiration date system (preferred sterilization method via terminal sterilization) and a greater focus on investigations, certifications and qualifications of equipment in the classified areas. The update of USP 797 was expected to enter into force on 1 December 2019. However, the change in the regulations has been appealed, which has led to the postponement of the enforcement. United States Pharmacopeia has not announced a new date for expected entry into force.⁴

USP 800

USP 800 is another chapter in the USP regulations which, as opposed to USP 797, has not yet entered into force.⁵ It was expected to enter into force on 1 December 2019, which has been postponed as a result of the USP 797 appeal. The USP 800 will only be published for informational purposes on 1 December 2019, and during the appealing process of USP 797, it will not be considered directly applicable. However, states and other regulatory authorities can independently decide to apply USP 800.⁶ USP 800 will serve as a new standard with guidelines for handling hazardous chemicals, facilities and engineering controls, procedures for deactivation, decontamination and cleaning, spill-control and documentation. The purpose of USP 800 is to protect healthcare and medical staff who are exposed to hazardous chemicals. USP 800 will be applicable to all healthcare and medical personnel who receive, prepare, administer, transport or have other contact with hazardous chemicals. USP 800 focuses on the compounding of hazardous chemicals which the Company considers highly relevant to QleanAir's solutions in the Room Solutions product category.

USP 800 has been developed as an attempt to achieve significant improvements in processes which involve the handling of harmful substances carried out by pharmacy personnel in conjunction with the compounding of pharmaceuticals. A study conducted in the United States at hospitals with between 200 and 600 beds which handle pharmaceuticals compounding involving hazardous substances demonstrates that only approximately 20 percent use clean rooms which fulfill the requirements for USP 800. It is primarily the new or newly renovated clean rooms which fulfill the new requirements. USP 797 is, to a high degree, complied with by the relevant hospitals, but USP 800 entails stricter requirements on the quality of clean rooms and is not complied with to the same extent, which is expected to drive demand for newly installed clean rooms.¹

Hospitals

As a consequence of the enforcement of the new regulations, the demand for modular clean rooms, like those offered by QleanAir, is expected to increase and this is primarily driven by midsize hospitals (100-1,000 beds).¹ Modular clean rooms are considered attractive from a user-friendliness perspective thanks to their flexible installation and relocation possibilities as well as from an economic perspective. The flexibility of modular clean rooms is primarily appreciated by hospitals with a shortage of space and which thus do not have the space to install centralized, stationary solutions. Modular solutions also allow for faster and easier installation and the possibility for the customer to easily upgrade or change the installation when new standards enter into force or the hospital needs to reallocate space.

In addition, not all hospitals have the capital required to finance a clean room themselves, which means that solutions financed through leases become a more attractive alternative since it provides the hospital with access to a clean room of the highest quality without requiring a major lump-sum investment. Pharmacists at hospitals also indicate that modular solutions are increasing in popularity since they guarantee compatible solutions which are compliant with regulations and recommendations to a higher degree than traditional solutions. Engineers and architects specializing in stationary clean rooms often lack the regulatory expertise required to develop and design a clean room which complies with all requirements.¹

In 2018, the addressable market was 280 modular clean rooms in the United States in the end market for midsize hospitals (100 – 1,000 beds). The number of potential modular clean rooms installed at hospitals is expected to increase to upwards 1,000 in 2023 which corresponds to a CAGR of approximately 29 percent from 2018.¹ The market potential for modular clean rooms versus stationary clean rooms in hospitals is expected to increase from approximately 60 percent in 2018 to approximately 80 percent in 2023.¹

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) United States Pharmacopeia (USP) is a nonprofit, scientific organization which has established processes for bringing together independent experts in the development and maintenance of quality standards for healthcare.

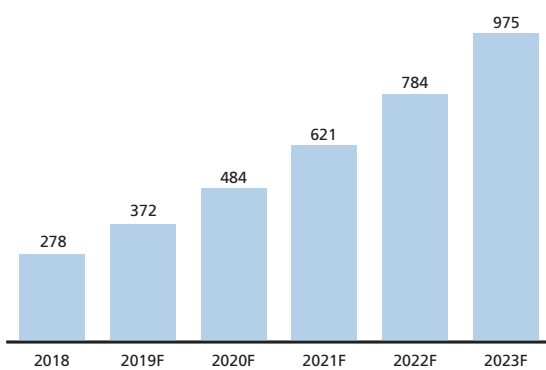
3) USP General Chapter <797> Pharmaceutical Compounding – Sterile Preparations.

4) USP General Chapters <795>, <797>, <800>, and <825> - Notice of Intent to Revise.

5) USP General Chapter <800> Hazardous Drugs—Handling in Healthcare Settings.

6) USP General Chapters <795>, <797>, <800>, and <825> - Notice of Intent to Revise.

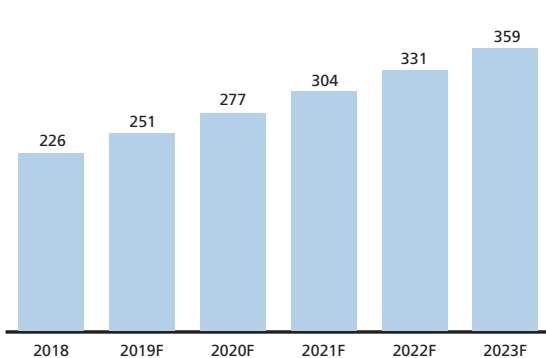
Addressable market for hospitals (number of modular clean rooms)¹



Pharmaceuticals compounders

Modular solutions are particularly useful for pharmaceuticals compounders specializing in commercial and hazardous chemicals. These pharmaceuticals compounders receive patient-specific orders from hospitals but, unlike hospital pharmacies, operate independently of the hospital. The changed regulations lead to increased demand from pharmaceuticals compounders on flexible and adjustable solutions that meet the requirements of air purity as simply and securely as possible. The addressable market for modular clean rooms at pharmaceuticals compounders in the United States was 226 units in 2018.² The addressable market for modular clean rooms is expected to demonstrate a CAGR of approximately 10 percent during the period 2018 – 2023.² The market potential for modular clean rooms versus stationary clean rooms in pharmaceuticals compounding is expected to increase from approximately 56 percent in 2018 to approximately 60 percent in 2023.²

Addressable market in pharmaceuticals compounding (number of modular clean rooms)³

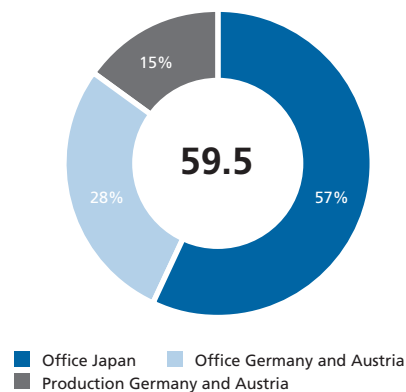


Cabin solutions

Cabin solutions is QleanAir's original market and the Company's product category in this market, Cabin Solutions, represented 78 percent of the Company's net sales in 2018.⁴ Within the cabin solutions market, QleanAir offers glass-enclosed cabins which capture and filter the particles and gases released in conjunction

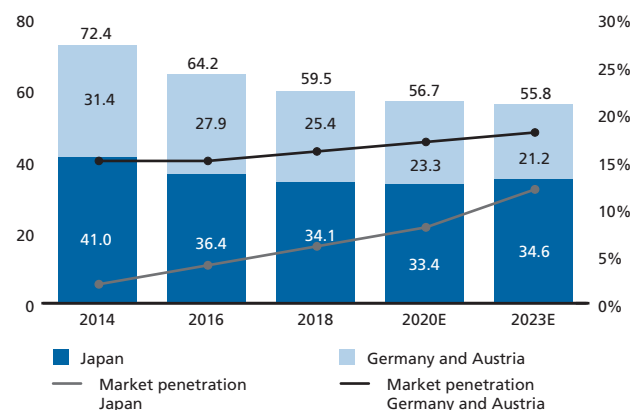
with smoking. The purpose of cabin solutions is to protect people from passive smoking through air cleaning. The Company's largest markets in cabin solutions consist of Germany & Austria and Japan, which made up approximately 32 percent and approximately 45 percent, respectively, of the Company's net sales in Cabin Solutions in 2018.⁵ The Company's addressable market in cabin solutions in Germany, Austria and Japan amounted to approximately 59,500 units in 2018.² The Company estimates the contract value within Cabin Solutions for an average of three years amounts to SEK 150,000 per installed unit.

Addressable market for cabin solutions in office and production premises in Germany, Austria and Japan (2018; thousands of units)⁶



The graph below illustrates the estimated development of the market for cabin solutions in Germany, Austria and Japan. Despite a decreasing addressable market for indoor solutions counteracting passive smoking, the total installed base (and degree of penetration) is expected to increase, driven primarily by the Japanese market. The total installed base of cabin solutions on the Japanese market is estimated to be 4,300 units in 2023, which can be compared to 1,900 units in 2018.²

Addressable market and the market's degree of penetration for cabin solutions in Germany, Austria and Japan (thousands of units)²



1) L.E.K. Consulting GmbH – 2019 Market Report. Addressable market for clean rooms for hospitals with 100 – 1,000 beds which is compliant with USP 800. In order to facilitate comparability in the Company's installed base, QleanAir recalculates clean rooms in its installed base as one unit per SEK 100,000 in order value. According to the Company, the market-based order value per clean room amounts to between SEK 500,000 and 2,500,000, which in the Company's installed base represents between 5 and 25 installed units.
 2) L.E.K. Consulting GmbH – 2019 Market Report.
 3) L.E.K. Consulting GmbH – 2019 Market Report. Addressable market for clean rooms for 503A/B-certified third-party pharmaceuticals compounders. In order to facilitate comparability in the Company's installed base, QleanAir recalculates clean rooms in its installed base as one unit per SEK 100,000 in order value. According to the Company, the market-based order value per clean room amounts to between SEK 500,000 and 2,500,000, which in the Company's installed base represents between 5 and 25 installed units.
 4) Based on unaudited information obtained from QleanAir's internal reporting system. For more information, please refer to section "Selected financial information" under "Definitions of key performance indicators".
 5) Based on unaudited information obtained from QleanAir's internal reporting system. For more information, please refer to section "Selected financial information" under "Definitions of key performance indicators".
 6) L.E.K. Consulting GmbH – 2019 Market Report. "Japan offices" also includes a small number of other types of premises in areas outside of Tokyo.

Japan

QleanAir's position on the Japanese market is characterized by its presence in the capital Tokyo where the Company focuses on the market for the premium (A/B rated) segment for office premises, which in total amounts to approximately 20.75 million square meters.¹ The market for premium offices in Tokyo includes a number of different solutions in order to combat passive smoking, everything from standalone cabin solutions to general air cleaners. In 2018, the market's degree of penetration of the addressable market for cabin solutions in Tokyo was approximately 8 percent.¹ In the future, growth is expected to be driven by an increased demand for cabins in premium offices in combination with a transition from smoking rooms to cabins, of the sort offered by QleanAir. The number of premium offices in Tokyo is expected to demonstrate a CAGR of approximately 4 percent during the period 2018 – 2023 while the share of buildings which allow indoor smoking is expected to decrease as a result of stricter company policies.¹ However, the installed base of cabin solutions in Japan is expected to increase by a CAGR of approximately 18 percent as a consequence of upcoming changes in health-related legislation which entails a transition from smoking rooms to closed stations, such as cabins.¹

The addressable market for cabin solutions in Japan is estimated to increase from 34,100 to 34,600 units between 2018 and 2023, corresponding to a CAGR of 0.3 percent.¹ During the same time frame, the total installed base is expected to grow from 1,900 units to 4,300 units, corresponding to a CAGR of approximately 18 percent.¹ The growth is expected to be driven by the following trends:

- The reduction of indoor smokers is expected to stagnate over the long-term.
- The increased demand for cabin solutions for indoor environments which offers first-class performance and less leakage as compared with traditional solutions. Cabin solutions are expected to benefit from stricter legislation entering into force in 2020 (revision of the Health Promotion Act).

Revision of the Health Promotion Act²

Historically, the market's degree of penetration for cabin solutions has been lower in Japan as compared with Germany and Austria since the Japanese market has been immature and had more lenient health legislation. However, the degree of penetration is expected to increase at a more rapid pace in the future as a result of the fact that closed cabins have been positioned as premium solutions in the industry over the past few years and that changes in the Japanese Health Promotion Act are being made in order to protect people from passive smoking in public spaces.¹

The revision which enters into force on 1 April 2020, prohibits all indoor smoking in public spaces and workplaces, with the exception of designated places where exposure to passive smoking can be controlled. For public authorities, schools and hospitals, smoking areas may only be established outdoors. Public areas which will permit the establishment of smoking areas indoors include, among others, offices and restaurants.

Smoking areas will only be allowed in those places where measures to combat passive smoking have been put in place, for example by setting up closed and secure cabins. The smoking areas that satisfy the technical standards to prevent tobacco smoke from being disseminated from the specific area must satisfy the following requirements ("general standards"):

- Walls, ceilings, and other obstacles must be set up to prevent the outflow of tobacco smoke;
- The speed of the airflow into the area must be greater than 0.2 m/s; and
- The area must ventilate the tobacco smoke to an outdoor environment.

During a five-year period, lower requirements will be imposed on those premises that have difficulty establishing the required smoking areas according to general standards due to circumstances beyond their control. These will be able to comply with the legislation through the establishment of cabins. These cabins can only be set up in buildings completed before April 1, 2020 and need to meet the following requirements ("interim standards"):

- The extraction percentage for all volatile organic compounds must be at least 95 percent; and
- Air cleaned from the area should have a maximum particle density for airborne particles of 0.015 mg per cubic meter.

The revision of the law, including general and interim standards, will be evaluated after five years. QleanAir's assessment is that the Company's cabin solutions will meet all interim standards and the requirement that walls, ceiling and other obstacles set up to prevent the outflow of tobacco smoke and the requirement for the speed of the airflow into the area to be greater than 0.2 m/s in the general standards. In connection with the revision of the Japanese Health Promotion Act, the Company have made adaptations to its installed cabin solutions in the Japanese market in order to satisfy the requirement of a speed of airflow into the smoking area of over 0.2 m/s. The adaptations have resulted in the Company reporting a one-off cost of approximately SEK 3.6 million for the period 1 July – 30 September 2019. The Company has no plans to adapt the products to comply with all the general standards, as the Company expects the interim standards to be adopted as general standards after the evaluation of the law in 2025. Thus, the Company will work to ensure compliance with the legislation under the interim standards.

Germany and Austria

The Company's customers in Germany and Austria are dominated by companies with midsized (100 – 500 employees) and large (over 500 employees) offices or production premises. Approximately 30 percent of the industrial and office workers in Austria smoke while the corresponding figure in Germany is approximately 20 percent. In 2018, the total installed base for indoor solutions in Germany and Austria was approximately 4,100 units.¹ The total installed base is expected to decrease somewhat going forward as a result of declining numbers of smokers and a reduction in the possibilities for indoor smoking. The reduction in the number of smokers is expected to be less at workplaces with production operations, which is also the area where the number of smokers is greater than at office workplaces.¹

The addressable market for indoor solutions counteracting passive smoking in Germany and Austria declined between 2013 and 2018 with a CAGR of approximately 5 percent.¹ The reduction is primarily related to a declining number of traditional solutions, such as smoking rooms, while cabin solutions have decreased at a slower pace. The trend is expected to continue in the future where traditional solutions are believed to decline with a CAGR of approximately 4 percent while cabin solutions are expected to decline with a CAGR of approximately 2 percent during the period 2018 – 2023.¹

However, the market's degree of penetration is anticipated to increase in both Germany and Austria up until 2023.¹ In Germany, this is expected to be driven by an increase at production companies. In Austria, health legislation has been made stricter in recent years to mirror the German regulations which is expected to strengthen demand for cabin solutions over the next few years. The addressable market for indoor solutions in Germany and Austria is expected to achieve a degree of penetration of 18 percent in 2023, which corresponds to approximately 3,700 installed units on the market in 2023.¹

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) Ministry of Health, Labor and Welfare – Partial Revisions to the Health Promotion Act, 2018.

In order to compensate for a smaller number of smokers, QleanAir is focusing on increasing the degree of penetration within cabin solutions which demonstrates favorable trends:

- Lower share of newly installed or refitted traditional solutions, such as smoking rooms.
- Workers' councils which advocate possibilities for indoor smoking in order to maintain a positive work climate for the employees who smoke and to avoid the perception of discrimination against this group.

Barriers to entry

The market for air cleaning in indoor environments where QleanAir operates is characterized by high barriers to entry primarily linked to the Company's well-established infrastructure and platform for "Clean Air as a Service". In addition, QleanAir has developed technological expertise, patent protected technology, and a loyal customer base, primarily within Cabin Solutions. QleanAir believes that it has successfully established itself in the market by fulfilling what it takes to become a market leader in Cabin Solutions.² The central factors to the industry's barriers to entry, together with QleanAir's position, are described below.



Strong and loyal customer base for cabin solutions

In an industry which is largely based on confidence between supplier and customer, a strong customer base is essential for success. QleanAir offers "Clean Air as a Service" which entails that the customers do not require in-house expertise or the use of other suppliers. As an established player with 25 years of experience in cabin solutions, QleanAir has established a strong customer base which relies on the Company's solutions and services. The high level of reliance brings the Company recurring revenues from customers and makes it difficult for other suppliers to win over the Company's customers. A strong customer base in Cabin Solutions can then be used as a platform for cross sales of solutions from the other product categories.

Technological knowledge and well-established infrastructure

The Company has developed industry experience and corporate expertise, but above all a technological expertise which enable QleanAir to continuously renew and improve its range of products. QleanAir has developed a multifaceted technological and expertise platform which supports the Company's operations. In addition to the wide range of products which is based on QleanAir's applied technology, the Company's systems and processes are supported by QleanAir's in-house developed IT platform, COOL. COOL functions as a back-office program where suppliers, partners and QleanAir's own personnel easily can track the status of the Company's installed units and ongoing processes. The Company believes that its well-developed infrastructure is a key factor in its success and strong position in the value chain.

Patent protected technology and ownership of intellectual property rights

The Company's applied technology, which eliminates over 99 percent of air polluting particles³, is protected by 30 approved patents (another six pending) covering, among others, product design, air cleaning technology and air processing systems. In addition to the Company's patents, QleanAir's in-house developed products and systems are protected by registered designs. QleanAir's patent-protected technology, certified services, and regulatory compliance raises the barriers to entry and makes it more difficult for competitors to establish themselves on the Company's market.

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) L.E.K. Consulting GmbH – 2019 Market Report. Estimated market share of 65 percent based on the Company's installed base on the market for cabin solutions in the premium segment of offices in Tokyo. Estimated market share of 40 percent based on the Company's installed base on the market in the premium segment of cabin solutions in offices and production in Germany and Austria.

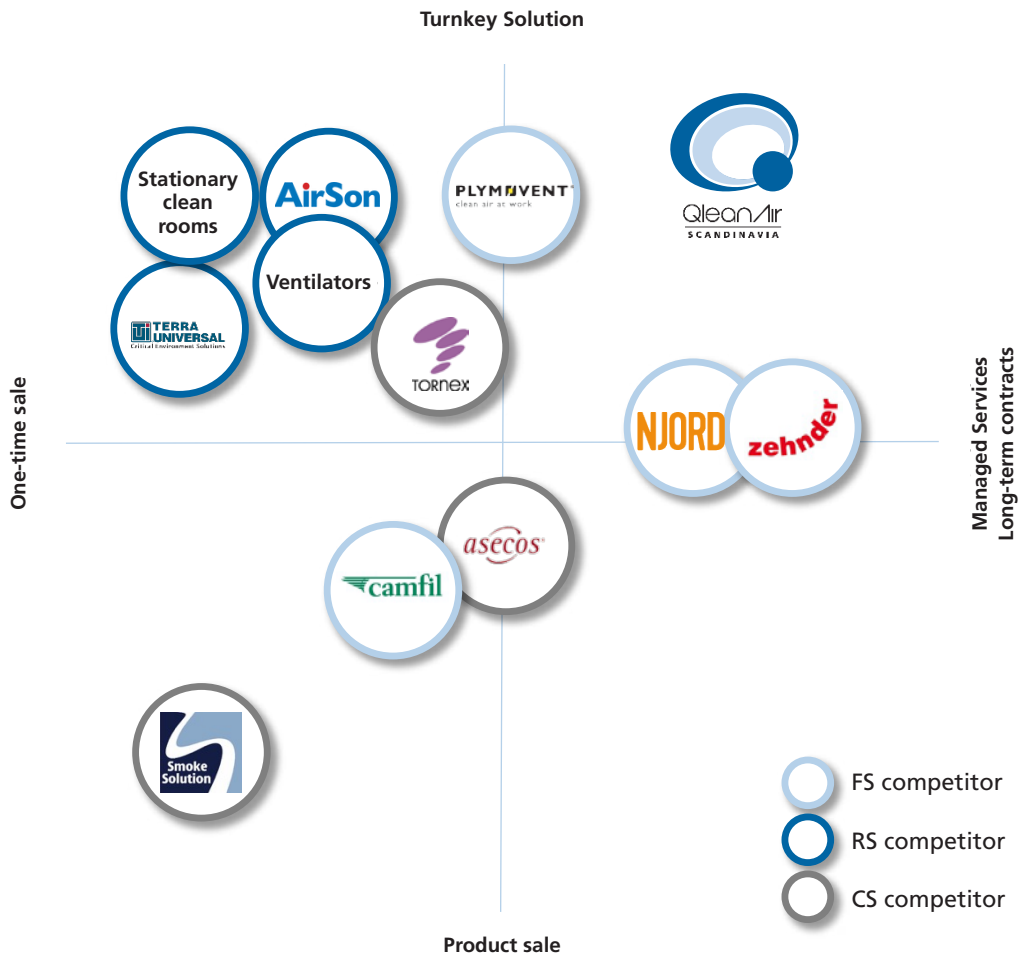
3) The share may be lower within Facility Solutions depending on the installation environment and filter configuration.

Market position and competitors

QleanAir has established a market position based on a combination of turnkey solutions and service offerings which give the Company a competitive advantage when customers are seeking a complete outsourcing of their air cleaning systems. Many of the Company's competitors focus either on one-time sales and/or offer solutions which do not include service and thus do not provide the supplier with full responsibility for improving and subsequently maintaining air quality. Compared to its competitors, QleanAir is the only company offering solutions for air cleaning for indoor environments within the Company's three product categories.

The markets for QleanAir's various product categories differ significantly, primarily geographically but also in terms of maturity, which means that the competitive landscape varies within the different product categories. The combination of QleanAir's technology and service solutions means that the Company has an advantageous position on several of the markets where it is active. Since the competitive landscape varies on the different markets, it is important for the Company to carefully choose markets where QleanAir has, or has the possibility of taking, a significant market share in order to enable scaling advantages and thus minimize the costs and ensure a sound level of profitability. Set forth below is a description of the competitive landscape in each of QleanAir's product categories and focus markets.

QleanAir's market position¹



1) L.E.K. Consulting GmbH – 2019 Market Report. Adaptations and additions have been made by the Company's management based on the market report.




















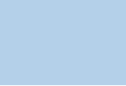




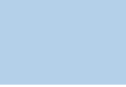





Standalone air cleaners




QleanAir's competitors in the area of standalone air cleaners can be broken down into two groups:

- Standalone units; and
- Ceiling-mounted units.

For standalone units, the Swedish company Camfil offers products within air cleaning focusing on sales of air filters while the German company Aeropur sells low cost air cleaning solutions of standalone air cleaners. For ceiling-mounted units, the Swiss company Zehnder focuses on the logistics industry and the Swedish company Njord focuses on the Nordic market.¹ Camfil and Zehnder are large companies that operates within general air cleaning without specifically focusing on standalone air cleaners.

Competition overview for standalone air cleaners²

Company	HQ	FTEs	Revenue 2017 (SEK million)		Industry focus				Regional focus	
			Total	FS	Logistics	Food	Automotive	Other	DE/AU	Nordics
		93	336		✓✓	✓✓	✓✓	✓		
		4,225	8,275		✓✓	✓✓	✓	✓		
		3,383	6,578		✓✓	✓	✗	✓		
		230	463		✗	✗	✗	✓		
		17	7		✓	✗	✗	✓		
		20	n.a.		✓	✓	✗	✓		

Product offering	✓ Offered	✗ Not offered	
Focus			

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) L.E.K. Consulting GmbH – 2019 Market Report. The number of checkmarks indicates the breadth of the range of products. The proportion of revenue attributable to Facility Solutions in each company is based solely on total sales in the Nordic countries, Austria and Germany.

Clean rooms

QleanAir's competitors for clean rooms can be broken down into two groups:










- Construction companies which offer permanent and stationary clean rooms integrated into the building structure.
- Direct competitors which offer modular clean rooms.

Those companies offering stationary solutions often have a strong regional and/or industry focus. These companies often act as suppliers to in-house project engineering teams at major hospital systems, which entails that the hospital leads the construction of the clean room.¹

The Company's direct competitors offering modular clean rooms include the company Grifols, which is a Spain-based high-quality

supplier and consultant in the healthcare and medical care industry with approximately 20,000 employees worldwide.¹ Grifol's solutions for clean rooms do not include maintenance service which is instead offered as a supplemental service. Portafab is an American company whose solutions, in the opinion of the Company, are those which are most similar to the solutions offered by QleanAir. Propharma is a smaller American company which offers engineering support. Terra Universal is an American supplier of modular clean room solutions and other solutions related to air purity in healthcare environments whose solutions are limited with respect to flexibility regarding both size and customer-adapted adjustments of the facility.¹ TCA is an American subcontractor, rather than a manufacturer, of clean room solutions which offers maintenance of clean room facilities.¹

Competition overview for clean rooms²

Company	HQ	FTEs	Additional offering		Regional focus		
			Training and procedure guidelines	Maintenance contract	Hospital pharmacy	Third party compounders	Other
		93	X	✓	Strong	Medium	Limited
GRIFOLS		~20,000	X	X	Strong	Medium	Limited
PORTAFAB		~30	✓	X	Strong	Medium	Limited
		~4	X	✓	Strong	Medium	Limited
TCA		~50	✓	✓	Strong	Medium	Limited
		~100	✓	X	Strong	Medium	Limited

Additional offering	✓ Offered	X Not offered	
Focus	Strong	Medium	Limited

1) L.E.K. Consulting GmbH – 2019 Market Report.

2) L.E.K. Consulting GmbH – 2019 Market Report. Adaptations have been made by the Company's management based on the market report.

Cabin solutions

The market for cabin solutions is relatively mature compared to the Company's other markets, which has made the competition more established. Most of the companies active in the cabin solutions sector focus on sales of products instead of turnkey solutions, which has made it possible for the Company to establish a leading position for turnkey solutions in the premium segment for cabin solutions.

Germany and Austria

In Germany and Austria, QleanAir is, together with Asecos, the market-leading supplier of Clean Air as a Service solutions.¹ QleanAir has an estimated market share of approximately 40 percent, followed by Asecos and a fragmented rest of the market. In the opinion of the Company, QleanAir differs from Asecos in that the Company offers a broader range of products. Other companies in the region do not offer extensive solutions and have smaller product portfolios compared to both QleanAir and Asecos.²









As opposed to QleanAir and Asecos, other companies engaged in cabin solutions in Germany and Austria work primarily with unit sales and optional service and maintenance packages.² QleanAir's sales strategy in the form of direct sales via its own sales personnel is also employed by Asecos while the other companies primarily use third-party retailers and distributors. Moreover, QleanAir focuses on

offices and production while Asecos' target market is production space where it has a strong position in the chemicals manufacturing industry. The smaller companies are active in specific niches, either based on region or industry.²

Japan

QleanAir has a market-leading position in the premium segment for cabin solutions on the Tokyo market where the Company's market share is approximately 65 percent.³ The Company's range of products differs from its competitors through high quality and reliable standalone modular solutions which also include a turnkey service offer. QleanAir's clearest competitor in Japan is the Danish company, Smoke Solution, which has positioned itself as a supplier of cost worthy Danish design. The German company Asecos established itself in Japan during the middle of 2018 and has chosen to focus on public spaces and street solutions. Both Asecos and Smoke Solutions have recently entered the Japanese market and they both offer cabins exclusively.² Among the domestic companies, Tornex is the clearest competitor. Tornex is an air cleaning company focusing on traditional solutions for smoking and offers only a limited range of solutions. The competition overview for the Japanese market is summarized below.²

Competition overview for cabin solutions²

Company	HQ	Revenue 2017 (MSEK)	Product offering				Sector focus			
			Cabins	Tower	Table	Ceiling	Office		Hospitality	Industry
							Premium	Regular		
 QleanAir SCANDINAVIA		336	✓	✓	✗	✓				
 Smoke Solution		n.a.	✓	✗	✗	✗				
 asecos		439	✓	✗	✗	✗				
 Tornex		121	(✓)	✓	✓	✓				

Product offering	✓ Offered	(✓) Partially offered	✗ Not offered	
Focus	Strong	Medium	Limited	n.a

1) L.E.K. Consulting GmbH – 2019 Market Report. Estimated market share based on the company's installed base on the market in the premium segment of cabin solutions in offices and production in Germany and Austria.
 2) L.E.K. Consulting GmbH – 2019 Market Report.
 3) L.E.K. Consulting GmbH – 2019 Market Report. Estimated market share based on the Company's installed base on the market for cabin solutions in the premium segment of offices in Tokyo.

Business description

Overview

QleanAir is a niche supplier of premium solutions within the air cleaning market for indoor environments. The Company is an established player with more than 25 years of experience from indoor air cleaning. The Company's business model is based on the leasing of modular solutions with a full-service offering. QleanAir's solutions are developed based on filter technology which captures, filters and recycles indoor air. As of the date of the Prospectus, the Company has installed approximately 8,100 units¹ to more than 2,500 customers within the markets for EMEA², APAC³ and Americas⁴. For the full year of 2018, the Company had net sales of SEK 401 million⁵ and an adjusted EBIT margin of 18.3 percent.⁶ QleanAir is headquartered in Solna, Sweden and, as of 30 September 2019, the Company had a total of 97 employees.

The Company's objective is to offer solutions that, through its well-developed products, protect people, products and processes from air contamination in indoor environments. QleanAir's original product category, Cabin Solutions ("CS") focuses on cabins which reduce exposure to dangerous tobacco smoke through filtration of particles and gases as well as an ash-handling system. The cabins are normally placed in office landscapes, industrial premises and public spaces. In recent years, the Company has expanded its offering of solutions to include general air cleaners that are intended for e.g. industrial premises (Facility Solutions, "FS"), as well as cleanrooms for healthcare environments and other similar environments (Room Solutions, "RS"). All product areas are based on similar air cleaning technology, which allows QleanAir to expand its product portfolio and scale production cost-efficiently.

QleanAir has customers throughout the world and within a number of different industries, including logistics, pharmaceuticals development, automotive manufacturing, healthcare and medical services and food suppliers. The Company has demonstrated strong growth in respect to its installed base which, during the period 2016 – 2018, showed a CAGR of approximately 10 percent.⁷ During the period 2013 – 2018, the Company's net sales increased from SEK 213 million to SEK 401 million, entailing a CAGR of approximately 13 percent.⁸ During the same period, QleanAir's adjusted EBIT margin improved from 15 to 18 percent.⁹

The Company's technology eliminates more than 99 percent¹⁰ of all contaminant particles and its technology is supported by 30 granted (additionally six applied for) patents, which creates barriers to entry against competitors. The Company normally leases its solutions through leasing contracts over 36 months, during which the Company is responsible for installation, service and other support functions. To ensure customer satisfaction, the Company offers a functional warranty in conjunction with the leasing of each product whereby the Company guarantees the system's functionality, provided each solution is used in accordance with instructions and includes QleanAir's service. The leasing model is advantageous for both the customer and the Company, since the customer does not need to focus on the system's functionality, at the same time as QleanAir retains full control over the system and its high functioning solutions over time.

1) Based on unaudited information derived from QleanAir's internal reporting system. As of the date of the Prospectus, the Company has sold approximately 650 units on export markets which do not generate major recurring revenues. In order to simplify comparability as regards the Company's installed base, QleanAir calculates a cleanroom in its installed base as one unit per SEK 100,000 in order value. In the Company's assessment, the market order value per cleanroom is between SEK 500,000 – 2,500,000, which in the Company's installed base corresponds to between 5 and 25 installed units.

2) Here and throughout the Prospectus, EMEA refers to Europe, the Middle East and Africa.

3) Here and throughout the Prospectus, APAC refers to Asia and Oceania.

4) Here and throughout the Prospectus, Americas refers to North and South America.

5) The information derives from the Company's audited financial information for the 2018 financial year, which is reproduced in the section entitled "Selected financial information". For more information, see the section entitled "Selected financial information" under "Definitions of key performance indicators".

6) Based on unaudited information derived from QleanAir's internal reporting system. For more information, see the section entitled "Selected financial information" under "Definitions of key performance indicators".

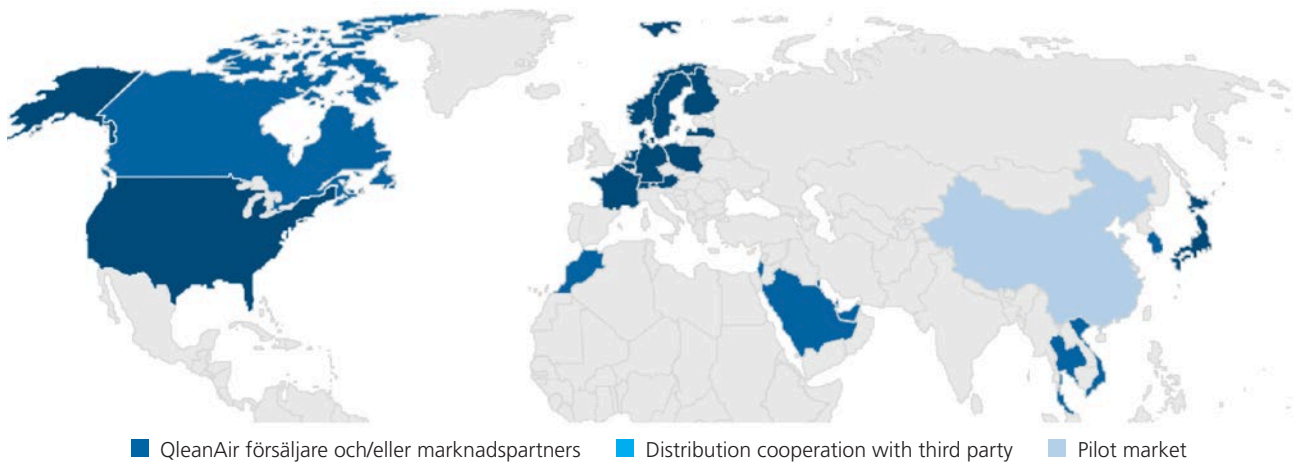
7) Based on unaudited information derived from QleanAir's internal reporting system.

8) The information is derived from the Company's audited financial information for the 2013 – 2018 financial years. For more information, see the section entitled "Selected financial information" under "Definitions of key ratiosperformance indicators".

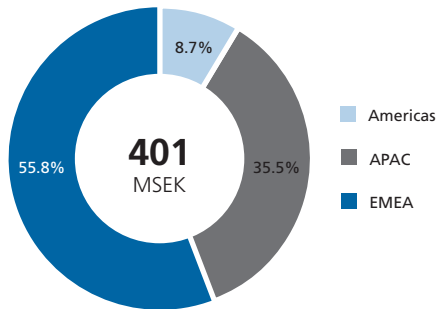
9) Based on unaudited information derived from QleanAir's internal reporting system. For more information, see the section entitled "Selected financial information" under "Definitions of key ratiosperformance indicators".

10) The share may be lower within Facility Solutions based on installation environment and filter configuration.

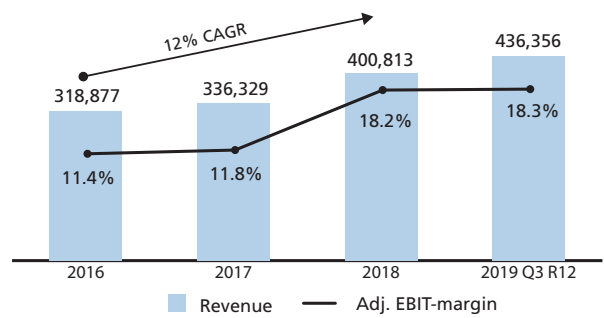
Business overview



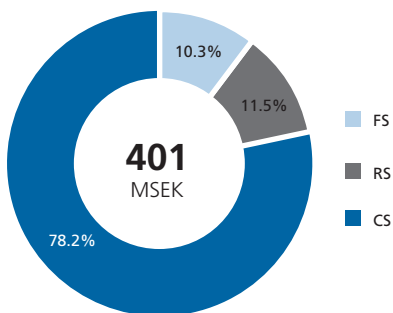
Sales per geography



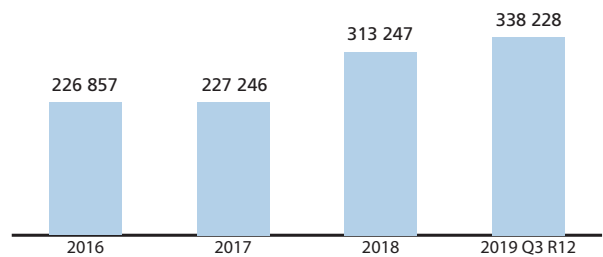
Sales (SEK Thousands) and adjusted EBITDA-margin



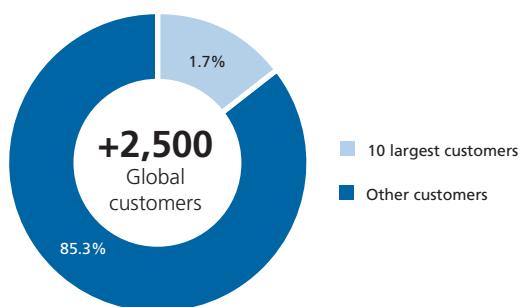
Sales per product category



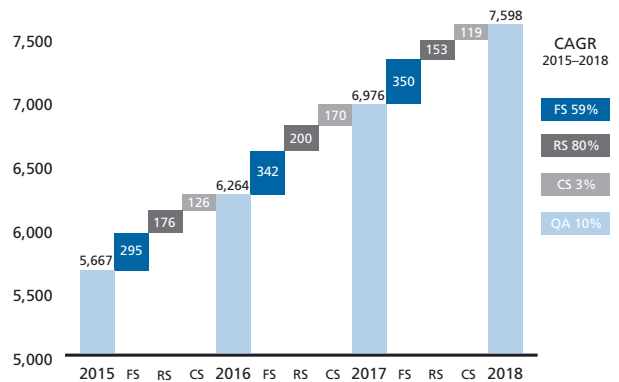
Order intake (SEK Thousands)



Sales, customer base



Installed base, number of units



History

The Company's journey took off in the middle of the 1990s when firefighter Peter Bjersten had a vision of addressing health problems caused by passive smoking. The Company initially focused only on developing stations aimed at protecting humans from the dangerous particles and gases derived from smoking. In 1997, the Company launched a cabin which was the world's first freestanding station for protection against dangerous tobacco smoke. In 2000, Smoke Free Systems AB was founded and, over the following six years, the Company established presence on numerous European markets. However, the investment in the UK failed and the Company divested its British subsidiary in 2006. A new generation of cabins was launched in 2004, and the Company entered Japan in 2008.

As Qevirp 41 Limited became the majority shareholder in the Company in 2012, the Company changed name to QleanAir Scandinavia. The change in ownership also resulted in an expansion of the Company's business plan beyond cabin solutions. In 2013, QleanAir secured a contract with a leading Japanese commercial property developer, which then became one of the Company's largest international customers. In 2013, development commenced on the first free standing air cleaning solution for industrial environments, as well as a new cleanroom solution. The same year, the Company carried out tests on air cleaning solutions in the US and secured a contract with a leading German automotive manufacturer for the Company's solutions within Cabin Solutions.

During the period 2014 – 2015, the Company continued its pilot projects on the US market, focused on products within Room Solutions. A number of leading European food and logistics companies joined Facility Solutions' strong customer base in 2015 and 2016. In 2016, the FS 70 industrial air cleaning system was launched and the Company's AirQlean Low 115 was awarded the "Outstanding Popular Science Product Award" by Shanghai Science Expo/PSPE. During the same year, the Room Solutions product category was launched in the US, which came to represent the start of the rapidly expanding US operations for cleanroom solutions within the health-care sector.

The subsequent years have been characterised by a clear expansion within Room Solutions in the US. The Company secured cleanroom contracts with a number of American hospital systems. The successes in the US led to an increased focus on Room Solutions and the Company launched the third generation of cleanrooms which meet a number of rigorous US safety and health standards (USP 795, 797 och 800) and are equipped with real-time monitoring. In 2018, Andreas Göth was appointed as the Company's CEO and a sole supplier agreement was signed with a leading American hospital system. Simultaneously, expansion of the Japanese operations was commenced within Cabin Solutions, as a consequence of strong growth and favourable future outlook.

Year	Event
1988	The Company is founded and focuses on reducing the dissemination of particles and gases derived from smoking.
1997	The Company launches the world's first cabin solution.
2000	Smoke Free Systems AB is founded and the business focuses on the commercialization of solutions to counteract passive smoking.
2001–2006	The Company expands to a number of European countries. Unsuccessful investment in the UK leads to an early exit from the British market.
2008	The Company enters the Japanese market.
2012	Qevirp 41 Limited becomes the majority shareholder. The Company's strategy is expanded and the Company changes its name to QleanAir.
2013	Contracts signed with a number of highly reputed customers within the Cabin Solutions product category and the Company commences development of solutions within Room Solutions.
2015	The Company enters the US market for Room Solutions.
2016	FS 70 industrial air cleaning systems are launched and the Company's AirQlean Low 115 receives an award.
2017	The Company secure several major contracts with US healthcare systems.
2018	QleanAir increases its focus on the US market within Room Solutions and on the Japanese market within Cabin Solutions.
2019	Planned listing on First North Premier Growth Market.

Strengths and competitive advantages

QleanAir makes the assessment that the Company has the following strengths and competitive advantages which have contributed, and are expected to continue to contribute, to the Company being able to realise its future strategic and financial objectives:

- Full service offering of air cleaning technology of a high industry standard and first-class functionality over time;
- Long-term contracts with a diversified customer base within different industries and geographies;
- High barriers to entry which are created through proven air cleaning technology and proprietary IT platform; and
- Growth and profitability improvements by employing a business model with low capital intensity.

Full-service offering of air cleaning technology of high standard and with functional warranty

QleanAir's solutions support a full range offering of services that include consulting, indoor air testing, installation, service, troubleshooting and functional warranties. The comprehensiveness of the Company's solutions within air cleaning is a key factor that differentiates QleanAir on the market and is an important competitive advantage. QleanAir's offering is often sold on a contractual basis whereby the customer is invoiced quarterly, therefore generating recurring revenues. The Company has outsourced installation, service and maintenance to local service companies that represent QleanAir towards its customers. The Company is strategically positioned in the value chain as the Company's expertise is optimized by focusing on the development of solutions and the managing and monitoring of workflows in order to ensure that the customer receives a high level of service. Workflows and monitoring are overseen via the Company's proprietary "COOL" IT platform which, thanks to its integrated nature, provides employees and partners with a transparent overview of systems data, contracts and other important elements of the process.

Overview of QleanAir's full-service offering



Long-term contracts with a diversified customer base within different industries and geographies

As of the date of the Prospectus, QleanAir has installed approximately 8,100 units¹, distributed over a broad customer base comprising over 2,500 customers in a number of different geographic regions and industries. In 2018, the Company's 10 largest customers accounted for approximately 14.7 percent of the Company's net sales.² Based on the Company's assessment, the typical contract stretches over 36 months, which contributes to strengthening QleanAir's visibility of future cash flows. The Company's customers also tend to extend contracts over time, which is a testimony to strong customer loyalty as a result of customers seeing the value in the Company's solutions.

QleanAir has a decentralized structure with a high level of local expertise and service and has established local operations in a number of European countries, including Germany, Austria and the Netherlands, as well as in the US and Japan. The Company operates based on a well-established sales strategy, which has secured sole supplier agreements with a number of large companies in Europe and the US. QleanAir delivers solutions to well-reputed customers in Europe, Asia and North America, and the Company's customer base includes well-known European and Asian companies as well as a number of prestigious American universities and hospital systems.

High barriers to entry that are created through proven air cleaning technology and a proprietary IT platform

The Company's long history, with more than 25 years of experience within indoor air cleaning, contributes to QleanAir enjoying numerous advantages compared with its competitors, and which are difficult for a newly started company to replicate. The Company has developed industry experience and technological know-how, driven by the Company's quest to constantly renew and improve its offering. The Company's proven air cleaning technology reduces the quantity of air contaminant particles and is protected by 30 granted patents. In addition, the Company has developed the COOL (Customer Operation Online) IT platform. The platform integrates large parts of the business, linking the Company's personnel, suppliers and service personnel. This enables QleanAir to easily monitor the Company's deliveries, installation of units and implementation of maintenance work that is required for all units over the life of the contract, and it is thereby able to offer the functional warranty which represents a significant element of the customer offering.

Growth and profitability improvements through a business model with little tied up capital

QleanAir has demonstrated strong growth in net sales and adjusted EBITDA during the period 2016 – 2018. During this period, the Company's net sales grew from SEK 318.9 million to SEK 400.8 million (CAGR of approximately 12 percent), at the same time as the adjusted EBIT margin increased by 6.8 percentage points, from 11.4 percent to 18.2 percent.³ Growth has been driven by an increase in the Company's installed base, primarily attributable to successful penetration of the Japanese market within Cabin Solutions, increased presence in the US within Room Solutions, and a focus on Facility Solutions in Europe.

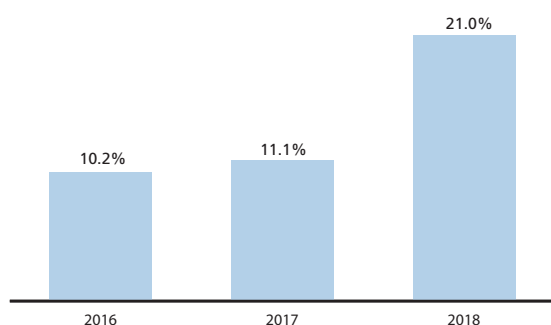
1) Based on unaudited information derived from QleanAir's internal reporting system. As of the date of the Prospectus, the Company has sold approximately 650 units on export markets, which do not generate major recurring revenues. Within QleanAir's installed base, cleanrooms represent 5-25 installed units, depending on the order value for the cleanroom.

2) Based on unaudited information derived from QleanAir's internal reporting system.

3) Based on unaudited information derived from QleanAir's internal reporting system. For more information, see the section entitled "Selected financial information" under "Definitions of key performance indicators".

The positive growth and profitability trend has been achieved without tying up significant amounts of capital. The Company's strategy in the form of sales of long-term contracts means that cash flows are realized at an early stage and the balance sheet is minimized. With a business model involving a low amount of tied up capital and advance payments from customers, the Company is able to maintain a high operating cash conversion, which in 2018 amounted to 115 percent.¹ The Company's adjusted return on average capital employed has gradually improved in recent years and reached 21 percent in 2018, driven by increased operating profit and reduced capital employed.

Adjusted return on average capital employed (percent)¹



Strategy

QleanAir has a clear strategy for realizing continued capital efficiency and profitable growth for the Company. QleanAir's strategic plan is focused on the following initiatives.

QleanAir's strategic initiatives



Development of the sales organisation

The Company shall strengthen the sales organisation by recruiting sales staff who focus primarily on the current key markets within Facility Solutions and Room solutions. A large part of the sales work focuses on informing current and potential customers about the downsides of poor air quality. Through this informing, QleanAir intends to exploit its strong customer base within Cabin Solutions in order to facilitate cross-selling to other product category.

Launch of new products and solutions

Product development plays a key role in the Company's business and QleanAir intends to launch improved solutions based on the Company's patented technology, for example through integration of Internet of Things ("IoT"). IoT technology allows for greater volumes of compiled data, resource optimisation, real-time monitoring with potential for improving process oversight and value creation for customers.

Strategic resource allocation

QleanAir shall optimize the business's cost structure by reallocating the Company's production and assembly centres closer to the Company's main markets. The Company intends to place a production centre for Room Solutions in the US and to expand the already established production operations for Cabin Solutions in China in order to meet the demand on the Japanese market.

Future possibilities

The Company has identified several possibilities outside the current business plan:

- Launching of new products and technologies;
- Geographic expansion to new markets;
- Broadening of end markets to sports club, schools and hotels; and
- Introduction of new concepts and services that accelerate organic growth.

Business concept, vision, mission and values

Business concept

QleanAir shall offer modular solutions for indoor air cleaning in order to protect humans, products and processes.

Vision

QleanAir shall be a world leading supplier of freestanding solutions for air cleaning within indoor environments in those product categories in which the Company chooses to operate.

Mission

QleanAir operates to create healthy indoor environments that contribute to improved productivity of people, products and processes.

Values

For work environment and health with quality and confidence.

Financial objectives and dividend policy

QleanAir's board of directors has adopted the following financial objectives in the medium to long term.

Growth

The Group's objective is to achieve an average annual rate of organic growth of approximately 10 percent in the medium to long term.

Profitability

The Group's objective is to achieve an EBIT margin of 15–20 percent in the medium to long term.

Dividend policy

The Company's objective is that between 30–50 percent of the profit for the year shall be distributed as dividends. The dividend proposal shall take into account QleanAir's long-term development potential, financial position and investment needs.

1) Based on unaudited information derived from QleanAir's internal reporting system. For more information, see the section entitled "Selected financial information" under "Definitions of key performance indicators".

Business areas

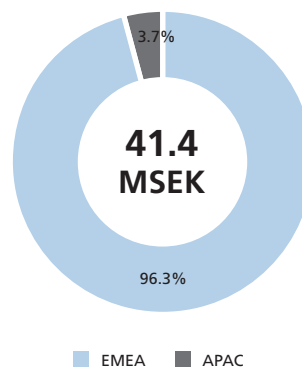
The Company's business is divided into three product categories: Facility Solutions, Room Solutions and Cabin Solutions. A description of each area is presented below.

Facility Solutions

In 2018, Facility Solutions accounted for approximately 10 percent of the Company's total net sales.¹ The Company is actively working to increase sales within Facility Solutions through cross-selling to existing customers, primarily within Cabin Solutions, but also through cultivation of new specific industry segments. Sales within this product category are driven primarily by the Nordic countries, but also by Germany and Austria.

Facility Solutions includes air cleaning solutions that remove airborne contaminants within industrial and logistics environments that are often exposed to dust and particle contamination. Historically, customers within Facility Solutions have been dominated by logistics and freight companies, but companies from a number of end markets have joined the customer base as QleanAir's solutions have attracted increased attention. These include the food and automotive industries, which together with the logistics industry now constitute the Company's current focus areas. QleanAir plans to continue to broaden its end markets, given that demand for these solutions continues to grow.

Net sales per geography (2018)¹



End markets

There are currently three clear end markets within Facility Solutions, namely logistics, food and automotive.

Logistics

The logistics market includes logistics, distribution and freight companies that conduct a large part of their operations in large premises. Logistics premises tend to contain dust and other particles that are unhealthy for employees to inhale. Therefore, QleanAir has equipped a large number of these premises with freestanding air cleaning solutions. In addition to protecting people who work in the premises against contaminated air, they also serve to keep products and machines free from dust and other particles.

Food

The food market comprises companies with premises for the production and storage of food products that require a sufficient air quality to ensure the quality of the food. These products include, for example, dried products, bakery products, spices, fruit and vegetables. The freestanding solutions that QleanAir provides protect foods from contamination in the form of bacteria and mould. In addition, the working environment is improved for those who work in the handling of production and logistics of food products.

Automotive

The main customer groups within the automotive industry include automotive manufacturers (OEMs) and their direct subcontractors. The Company's solutions improve both working conditions in the form of cleaner air and at the same time contribute to cleaner processes and extend the lifespan of sensitive equipment, tools and machines.

Examples of products

AirQlean Low

This air cleaning product combines energy efficiency and adaptability in a powerful, yet quiet, unit. It captures air contaminants in the unit's separation filter, where dangerous gases and particles are filtered out. Once the air has been cleaned, it is returned to the room via an airflow system with optimal circulation. Thanks to its neutral and fresh design, this solution is well-suited to most public indoor environments such as offices, classrooms and hotels, as well as other premises with rigorous air quality requirements. The unit comes with a wireless remote control for adjustment of effect levels.

FACILITY SOLUTIONS (FS)



▶ Air cleaning solutions for industrial areas that demand improved air quality in the entire premises or in specific areas

Food



Logistics



Automotive



NET SALES

SEK millions

Year	Net Sales (SEK millions)
2016	24
2017	22
2018	41



10%
2018

PRODUCT CATEGORY

END MARKET

NET SALES

1) Based on unaudited information derived from QleanAir's internal reporting system.



FS 70

The QleanAir FS 70 air cleaner is a flexible unit which is suitable for various types of industrial and warehouse premises as well as premises of different sizes with rigorous demands for cleanliness, such as the food and MedTech industries. This model cleans the air by capturing and filtering out particles and contaminants through an adaptable filtration system before the clean air is released back into the surroundings or delivered to a specific area.



Room Solutions

Room Solutions accounted for approximately 12 percent of the Company's total net sales in 2018.¹ Together with Facility Solutions, Room Solutions was introduced in an attempt to transform the business through a diversification of the Company's solutions. The Company is actively engaged in increasing sales within Room Solutions by focusing on growth in the US, which is currently the Company's largest market within this product category.

The majority of the solutions within Room Solutions are modular cleanrooms, the popularity of which has increased as the healthcare and pharmaceuticals industries have imposed more rigorous demands for cleanliness in the handling and storage of pharmaceutical products. Other companies within the BioTech and MedTech industries, as well as other industries that require utmost precision, have also expressed interest in QleanAir's solutions, since they offer

particle-free conditions at the workplace. The product category also includes lounges that are aimed at providing protection against passive smoking for industrial and public premises in Europe; however, these represent only a small share of net sales within Room Solutions. The increasing interest in solutions within Room Solutions is a consequence of the stringent requirements that authorities (particularly in the US) have imposed on the healthcare and pharmaceuticals industries.

ROOM SOLUTIONS (RS)

PRODUCT CATEGORY



▶ Cleanrooms are used for spaces with regulated classification based either on new construction or retrofitting of existing spaces / rooms

END MARKET

Hospital pharmacies



Pharmaceuticals production



Biomedicine labs



NET SALES

SEK millions

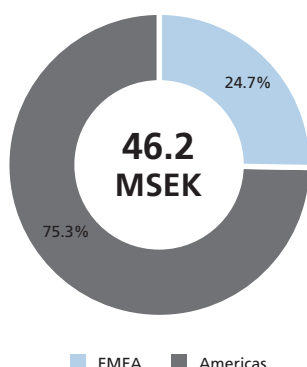


Year	Net Sales (SEK millions)
2016	15
2017	30
2018	46



12%
2018

1) Based on unaudited information derived from QleanAir's internal reporting system. For more information, see the section entitled "Selected financial information" under "Definitions of key performance indicators".

Net sales per geography (2018)¹**End markets**

Solutions within Room Solutions can be divided into three defined current end markets: hospital pharmacies, pharmaceutical compounders as well as BioTech, MedTech and other end markets.

Hospital pharmacies

Hospitals tend to conduct a pharmacy operation adjacent to the healthcare premises in order to promptly and simply provide the patients with individualised medicine on site. This type of hospital pharmacy must comply with the laws and regulations governing risk-filled handling of substances, which is facilitated through the use of module cleanrooms. Cleanrooms are used for compounding, composition and storage of medicines subject to regulatory classification.

Pharmaceutical compounders

Pharmaceutical compounders are pharmacies that deliver patient-specific medication that are not connected to the hospital and its organization. These pharmaceutical compounders relate to the hospital as they deliver prescribed medication as requested by the partner hospital. Pharmaceutical compounders thereby offer a centralized consolidation of services to hospitals and other providers of long-term care. Similarly to hospital pharmacies, demand is driven by more rigorous requirements as regards cleanrooms for all handling of medicines subject to a regulatory classification.

BioTech, MedTech and other

Biotech and MedTech companies, as well as a number of other precision-demanding industries, need to be able to work in an environment which is undisturbed by airborne particles that may detrimentally affect the work process. The Company delivers to these customers cleanrooms which comply with the regulatory classification required for maintaining a particle-free work environment. As of the date of the Prospectus, these end customers are found solely on the Swedish market.

Examples of products**QleanSpace**

The Company's cleanrooms are marketed under the name QleanSpace and are aimed at providing the customer's products and processes with complete protection against airborne particles. Certain industries, such as healthcare, research and MedTech, require clean and entirely sterile environments in order to avoid defects and to satisfy public authority requirements. QleanAir's cleanrooms help the customer to convert existing workspaces into USP-797/800 compatible cleanrooms which are adapted to the customer's needs. The customer has a possibility to choose cleanrooms with continuous monitoring and alarm systems with respect to particle level, air pressure, temperature and humidity. In contrast to conventionally constructed cleanrooms, QleanSpace can be made smaller or larger and constructed and rebuilt at a different site, if desired by the client. Finally, QleanSpace can be leased or purchased in line with the customer's preferred cost structure.

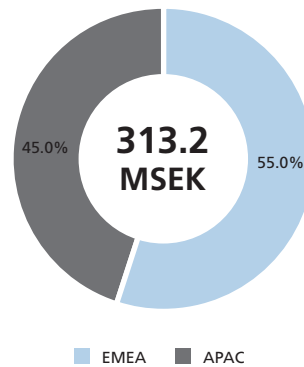
**Cabin Solutions**

Cabin Solutions constitutes QleanAir's original product category and accounted for approximately 78 percent of the Company's total net sales in 2018.¹ In recent years, sales within Cabin Solutions have diminished as a percentage of the Company's total net sales due to the expansion of the new product categories. The Japanese and German markets represent Cabin Solutions' largest source of revenue, but the Company also has significant sales to a number of other European countries. The Company actively works to offer air cleaning solutions from the other product categories (Facility Solutions and Room Solutions) to Cabin Solutions' existing customers. In Sweden, QleanAir has developed from being a company which focuses on Cabin Solutions into a successful supplier of solutions within Facility Solutions and Room Solutions. In other words, the Company's credibility from success within Cabin Solutions has contributed to sales within the other growing product categories. QleanAir strives to achieve this transformation also on the other geographic markets.

1) Based on unaudited information derived from QleanAir's internal reporting system.

Within Cabin Solutions, the Company provides cabins that capture and filter the dangerous particles and gases that are released in connection with smoking. The cabins are intended to capture and filter tobacco smoke including gases, particles and odours, and safely deal with ash and cigarette ends. The cabins are manufactured in various models and sizes with different applications to meet the customer's needs. The cabins' primary objective is to reduce exposure to passive smoking and thereby contribute to ensuring a healthy work environment, particularly in sensitive environments that are subject to safety and health regulations, such as airports and hospitals. The Company's goal of improving the air quality at workplaces and public spaces have by customers been stressed as an increasingly important issue.

Net sales per geography (2018)¹



CABIN SOLUTIONS (CS)

PRODUCT CATEGORY



▶ Three different types of products with freestanding cabins for indoor use in several sizes and application requirements, which provide filtering of particles and gases and a system for dealing with ash.

END MARKET

Offices



Industry and manufacturing



Public areas



Other



NET SALES

SEK millions

Year	Net Sales (SEK millions)
2016	276
2017	281
2018	313

End markets

Solutions within Cabin Solutions can be divided into four defined end markets, comprising offices, industry and manufacturing, public spaces and other.

Offices

The office market is currently QleanAir's primary end market within Cabin Solutions. The cabins are mainly placed close to workplaces and in the common areas, where they minimize air contamination in the workplace, protect employees and ensure clean air outside entrances and other places of entry to the office building. Sales of QleanAir's cabins have no specific industry focus, but rather are delivered to different customers who need a solution which contributes to reduced air contamination and increased productivity.

Industry and manufacturing

The industry and manufacturing market comprises sales of cabins to industries and other manufacturing businesses subject to stringent hygiene and safety requirements such as the automotive industry, chemical plants, the food industry and the maritime segment. Cabins that are installed indoors within industrial and manufacturing spaces primarily contribute to a healthier work environment and they also reduce work stoppages by smoker employees which can arise in conjunction with smoking breaks. Cabins in proximity to the workplace mean that those employees who smoke can take shorter breaks, at the same time as they reduce the exposure of other employees to passive smoking. Cabins can thereby facilitate increased efficiency in the workplace.

Public spaces

Public spaces accounted for a small fraction of the installed base within Cabin Solutions in 2018. In public spaces, cabins are installed at airports, train stations, hotels, restaurants, casinos and on ships. Cabins prevent contamination in public spaces.

Other

Within other end markets, cabins are installed at healthcare and medical facilities and various types of institutions. In addition to cleaning the air and enhancing the pleasantness of the premises, the cabins reduce the risk of fire in connection with smoking. Also, as personnel, patients and customers may have limited possibilities for movement in these environments, the solutions can also increase productivity thanks to reduced walking distances to designated smoking areas.

1) Based on unaudited information derived from QleanAir's internal reporting system.

Examples of products

S-LINE Safety

S-LINE Safety is the Company's safest freestanding cabin which satisfies both fire and safety requirements. It is the world's first cabin to meet the DIN standards' most rigorous safety requirements, certified by the world-leading German Institute for Standardisation, MFPA.¹ Each individual component, ranging from the mined safety glass to the safety net embedded in the ceiling panel, has been produced to create an entirely inflammable cabin.



SF Square

SF Square is one of QleanAir's larger cabin solutions and can accommodate 12 people at a time. Although SF Square has high capacity, the cabin's design is compact and space-efficient. The product is particularly suitable for modern office environments and public environments with lots of customer traffic.



Geographic overview

QleanAir has divided its geographic markets into three geographic areas: EMEA, APAC and Americas. Presented below is a summary of the market in these regions.

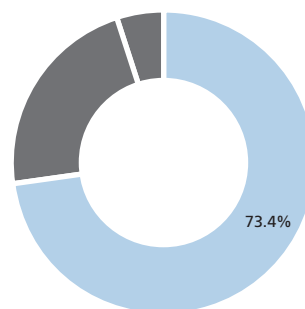
EMEA²

EMEA accounted for approximately 56 percent of the Company's net sales in 2018.³ Sales in the Nordic region represented 24 percent of total net sales within the EMEA segment in 2018, of which 15 percent were attributable to the Swedish market. In Sweden, the majority of sales are generated through the leasing of solutions within Facility Solutions, while sales from the other Nordic countries mainly involve solutions within the Cabin Solutions product category. Going forward, the Company anticipates continued strong growth within Facility Solutions in the Nordic region, primarily to customers within the logistics, food and light manufacturing industries. In Sweden, the Company's solutions can also be used in the restaurant industry as a consequence of the new legislation governing tobacco products and similar products (*Sw. lagen (2018:2088) om tobak och liknande produkter*) which prohibits smoking at open-air restaurants and cafes and in areas adjacent to service premises.

Historically, Germany and Austria have been the Company's main markets within Cabin Solutions and, in recent times, also within Facility Solutions. In 2018, Germany and Austria accounted for approximately half of the Company's net sales within EMEA. Most of the Company's net sales in the region are attributable to Germany and, going forward, the Company perceives good potential on the Austrian market as a consequence of the higher proportion of smokers at office and industrial workplaces. In the long term, growth within the region is expected to be driven by increased penetration within Facility Solutions. In Europe, Switzerland, Sweden and the Netherlands also generate significant revenues within Cabin Solutions. In 2018, Sweden, Switzerland, and the Netherlands together accounted for approximately 24 percent of the Company's net sales within Cabin Solutions EMEA.¹

In addition to the aforementioned markets within EMEA, QleanAir has sales in France, Belgium and Poland as well as a number of smaller markets.

Share of total installed base (2018)⁴



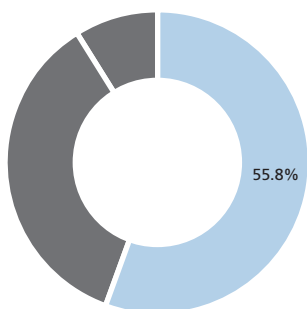
1) L.E.K. Consulting GmbH – 2019 Market Report.

2) EMEA refers to Europe, the Middle East and Africa.

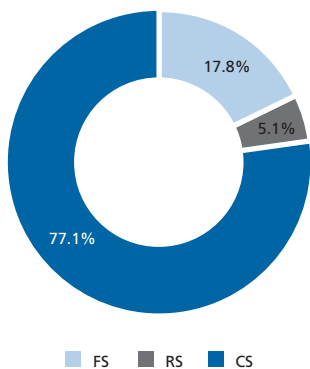
3) Based on unaudited information derived from QleanAir's internal reporting system.

4) Based on unaudited information derived from QleanAir's internal reporting system. Within QleanAir's installed base, a cleanroom represents between 5 and 25 installed units, depending on the cleanroom's order value.

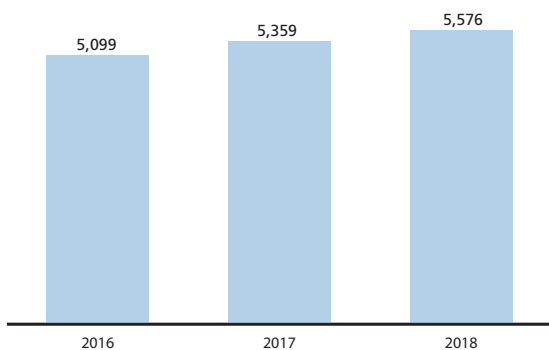
Share of total net sales (2018)¹



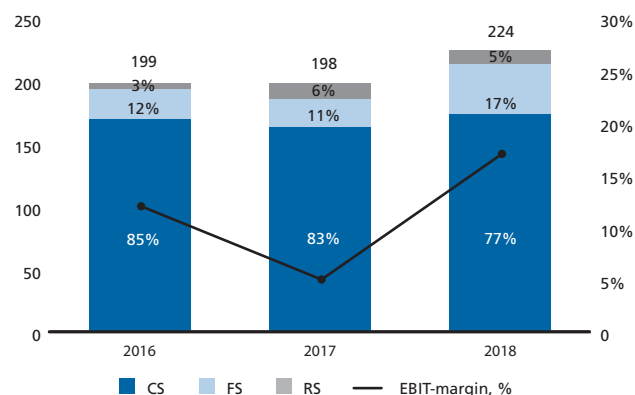
Net sales per product category (2018)²



Development of installed base 2016–2018 (number of units)²



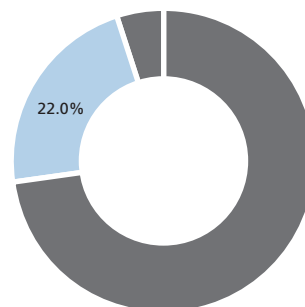
Development of net sales and EBIT margin 2016–2018 (SEK millions)¹



APAC³

In 2018, APAC accounted for approximately 36 percent of the Company's total net sales, with the Japanese market being the largest individual market in terms of the Company's total net sales. QleanAir's solutions are leased at a higher price in Japan than on a number of other markets. In addition, regulatory changes in Japan are expected to strengthen demand for modern and safe solutions, such as cabins. The successful expansion and bright future outlook on the Japanese market has been, and is by the Company anticipated to remain to be, strong. As the Company establishes its market position in Japan, QleanAir is hopeful that it will be able to offer its Japanese customers solutions within its other product categories. The Company has also commenced a pilot launch in China, where substandard air quality is a widespread social problem.⁴

Share of total installed base (2018)²



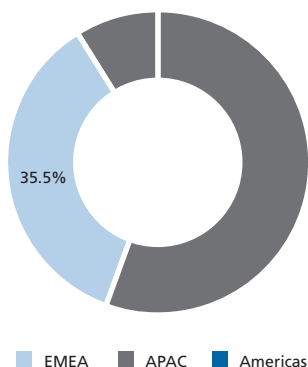
1) Based on unaudited information derived from QleanAir's internal reporting system.

2) Based on unaudited information derived from QleanAir's internal reporting system. Within QleanAir's installed base, a cleanroom represents between 5 and 25 installed units, depending on the cleanroom's order value.

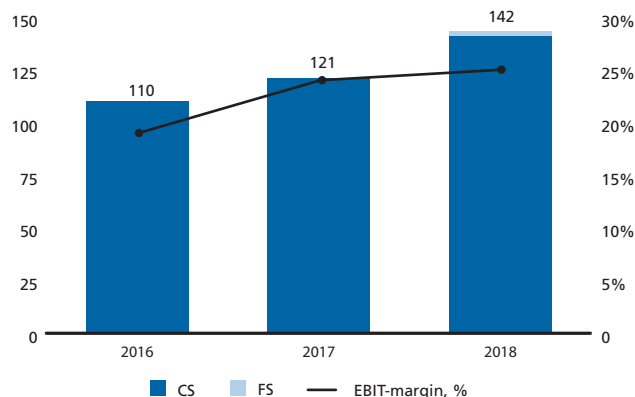
3) APAC refers to Asia (excl. the Middle East) and Oceania.

4) South China Morning Post - Air pollution is killing 1 million people and costing Chinese economy 267 billion yuan a year, research from CUHK shows.

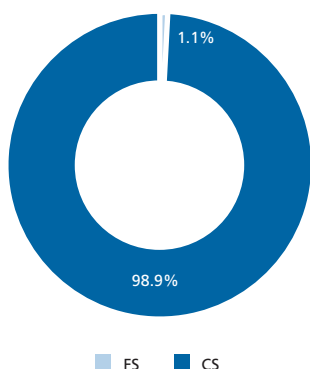
Share of total net sales (2018)¹



Development of net sales and EBIT margin 2016–2018 (SEK millions)¹



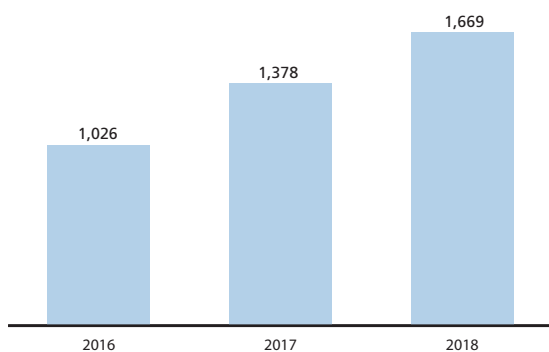
Net sales per product category (2018)¹



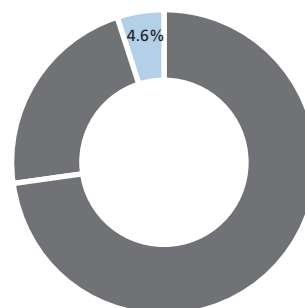
Americas³

In 2018, Americas accounted for approximately 9 percent of the Company's total net sales and approximately 75 percent of the Company's net sales within Room Solutions. Regulatory changes in the US have strengthened demand for high-quality cleanrooms at hospitals and pharmaceutical compounders, which in turn has driven the Company's sales within Room Solutions. As of the date of the Prospectus, the Company's sales in the US are focused solely on solutions within Room Solutions. As the Company's customer base in the US grows, the Company's long-term plan is to broaden sales and, through cross-selling also offer solutions within Facility Solutions and to cultivate other market possibilities within Room Solutions. Within Americas, the absolute majority of the Company's net sales is attributable to the US customers, but QleanAir also has a small number of Canadian customers.

Development of installed base 2016–2018 (number of units)²



Share of total installed bases (2018)²

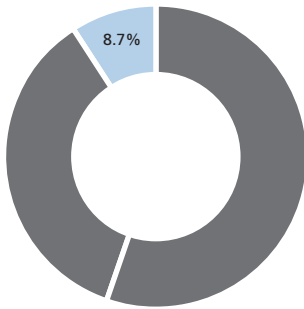


1) Based on unaudited information derived from QleanAir's internal reporting system.

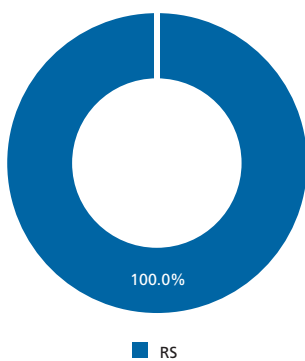
2) Based on unaudited information derived from QleanAir's internal reporting system. Within QleanAir's installed base, a cleanroom represents between 5 and 25 installed units, depending on the cleanroom's order value.

3) Americas refers to North and South America.

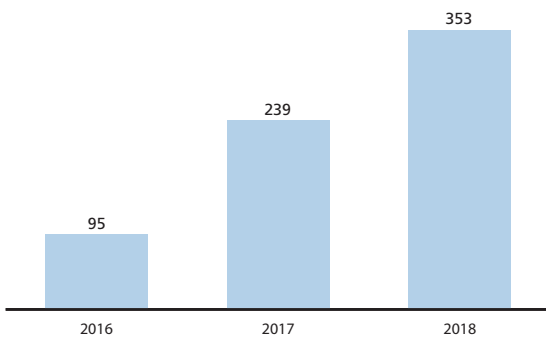
Share of total net sales (2018)¹



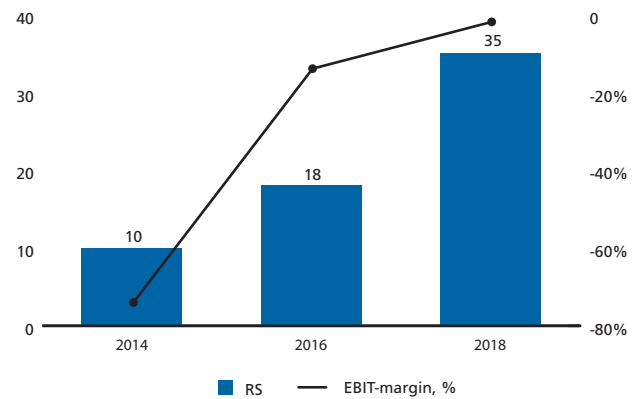
Net sales per product category (2018)¹



Development of installed base 2016–2018 (number of units)²



Development of net sales and EBIT margin 2016–2018 (SEK millions)¹



Business model

QleanAir’s business model is based on the leasing of freestanding solutions that improve air quality in various indoor environments. These solutions include services such as installation, service, consulting, troubleshooting and functional warranty of the products, as well as general quality testing of indoor air. Unless the contract is sold to a finance company³, the Company leases solutions on a contractual basis whereby quarterly payments are received from the customer, which thereby guarantees an evenly distributed annual revenue flow and provides the Company with good visibility over future revenue streams.

QleanAir is integrated forward in the value chain by installing and managing these units in the customers’ premises. Installation, service and maintenance are outsourced to local suppliers who work in QleanAir’s name and comply with the Company’s instructions and codes. The Company retains control and monitoring of its installed base through its proprietary “COOL” IT system which organizes workflows in the Company’s service offering.

The leasing model is advantageous for both the customer and the Company. The customer outsources the task of cleaning the air in its premises and is thus able to focus on its core business. QleanAir retains full control over its systems and is thereby able to ensure customers high quality solutions and that the Company’s brands are associated with high performing solutions over time. In addition, QleanAir has secured a number of certifications which attest to the products’ performance and safety.

1) Based on unaudited information derived from QleanAir’s internal reporting system.

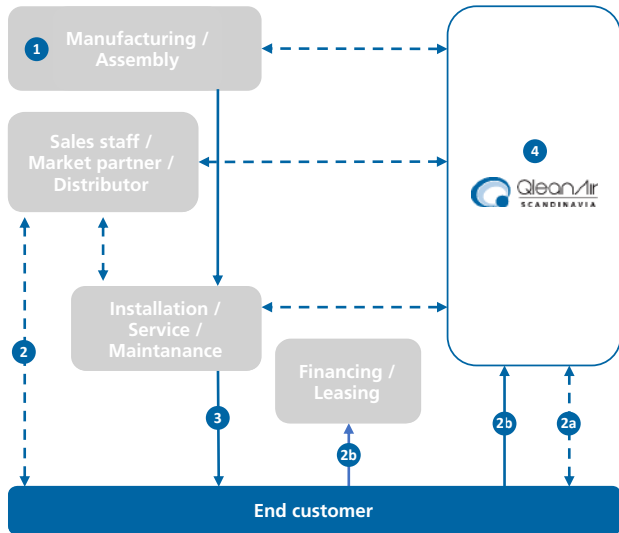
2) Based on unaudited information derived from QleanAir’s internal reporting system. Within QleanAir’s installed base, a cleanroom represents between 5 and 25 installed units, depending on the cleanroom’s order value.

3) For more information about QleanAir’s financing solutions, see the section entitled please refer to “Financing and leasing” which is End customer

Value chain

QleanAir's position in the value chain is illustrated and described below.

QleanAir's position in the value chain



1. Manufacture, assembly and logistics are outsourced to suppliers and partners in Sweden, Germany, Poland and China. The Company's three product categories are structured based on a shared mechanical filtration technology which enables QleanAir to provide flexibility and scale up production in a cost-efficient manner.
2. The marketing strategy primarily comprises of direct sales via the Company's own sales force and market partners. The Company also uses distributors in smaller markets that are considered difficult to access geographically. Continuous dialogue with the end customer together with the provision of precise technical advice are key elements of the Company's marketing strategy.
 - a. The end customer enters into a leasing or purchase contract which includes regular service and maintenance, with QleanAir as the legal counterparty.¹
 - b. Contracts are sold to finance companies or directly to end customers (contracts not in QleanAir's balance sheet) or rental from QleanAir's balance sheet.
3. Installation, service and maintenance are outsourced to third party service providers who act in QleanAir's name.
4. QleanAir's role can be summarised as a company which ensures the high performance of its products through a regular service offering. In addition, the Company develops its products and services, manages the product portfolio and strengthens QleanAir's brand and sales profile.

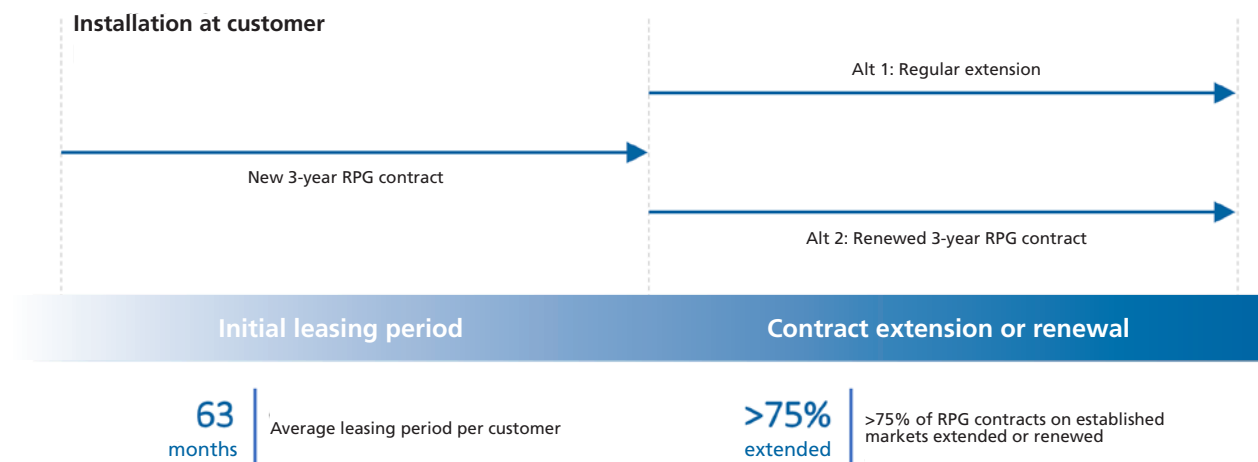
Leasing and service agreements

QleanAir offers customers a turnkey solution through leasing contracts that include installation, service and functional warranty (RPG contracts). In conjunction with each leasing contract with a functional warranty, the Company incurs a one-off cost for system installation upon commencement of the contract, which subsequently generates recurring revenues over the term of the contract.

If the contract is sold to an external finance company, QleanAir reports the contract revenues less the service expenses at the time of the transaction. Income from service provided is accounted for continuously during the rental period.

Contracts normally run for three years and, upon expiry of the contract, the customers can choose whether they wish to extend the current contract on an annual basis or over a three-year period.

Leasing and service agreements

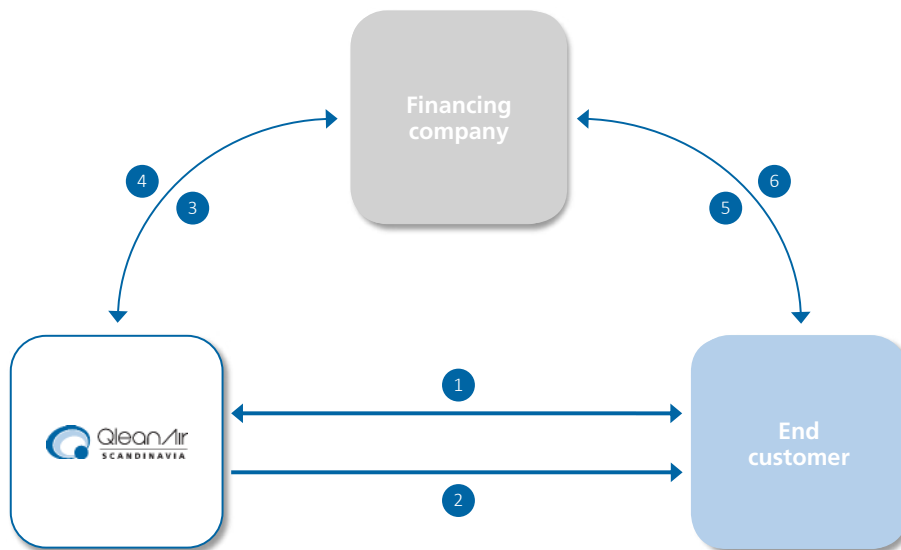


1) Does not apply in distributor markets.

Financing and leasing

In order to maintain a low level of tied up capital and to generate cash flows as the solution is delivered to the customer, while at the same time monitor its solutions, the Company sells a large portion of its contracts to external finance companies. In 2018, units sold to finance companies accounted for approximately 44 percent of the Company's installed base. The financing process is described in greater detail below.

Financing model



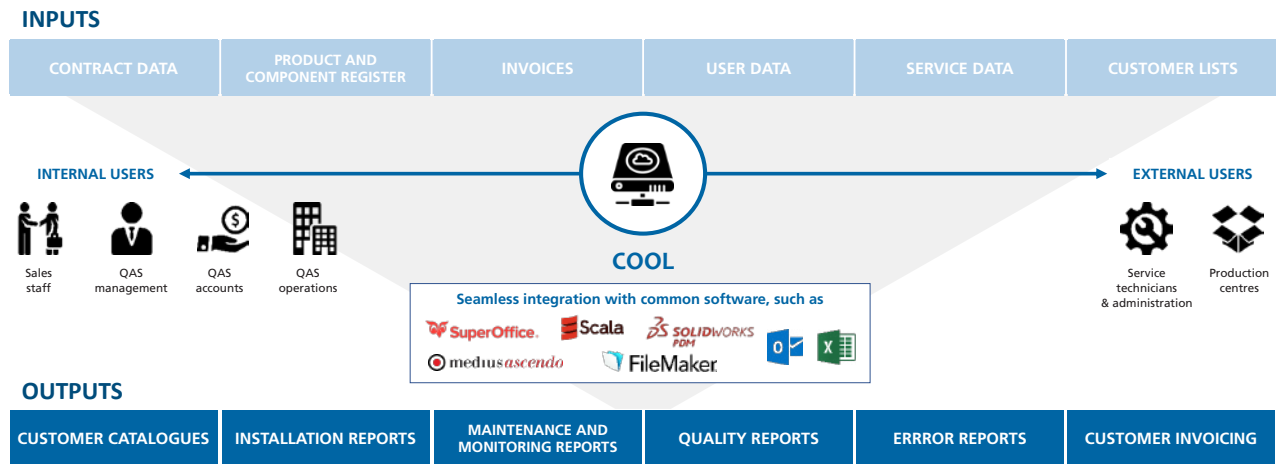
- 1 Signing of contract
- 2 QleanAir installs the unit
- 3 Qleanair sells the contract and unit to a finance company
- 4 The finance company pays the contract value, less charges to QleanAir
- 5 The finance company invoices the end customer in advance each quarter
- 6 The end customer pays to the finance company

The COOL IT platform

QleanAir has developed an extensive back-office system, Customer Operation Online ("COOL"), which supports and controls processes and accounts through compilation and analysis of data. COOL manages information about the Company's deliveries, installation of units and regular as well as irregular maintenance work in respect to all units over the entire contract term. The platform has user interfaces for both the Company's own employees (internal) and for suppliers (external). The Company manages its payment solutions simply thanks to COOL, which stores and monitors orders and contracts from customers and suppliers.

In addition, the system allows for user-friendly integration by connecting a number of different software programs such as Super-Office CRM, Scala Accounting, SolidWorks PDM System, Ascendo, Outlook, Excel and Filemaker Go (mobile application for confirmation of all systems-related documents directly from the customer's premises). In the coming years, the Company will work on an integration between COOL and IoT units in its products in order to further improve COOL's efficiency and monitoring abilities. Increased visibility and transparency of the Company's solutions are expected to create ongoing value for customers.

Overview of the COOL IT-platform¹

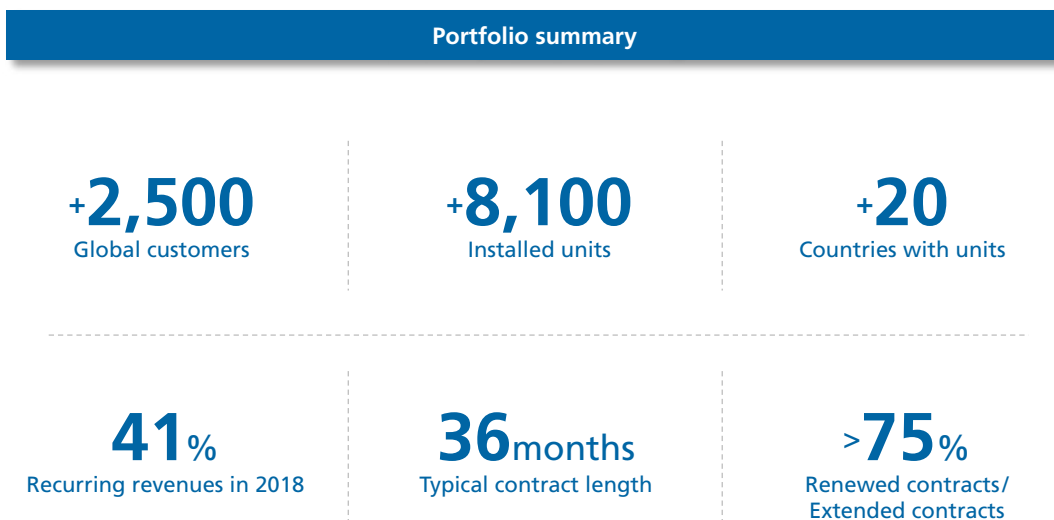


Customers and contract portfolio

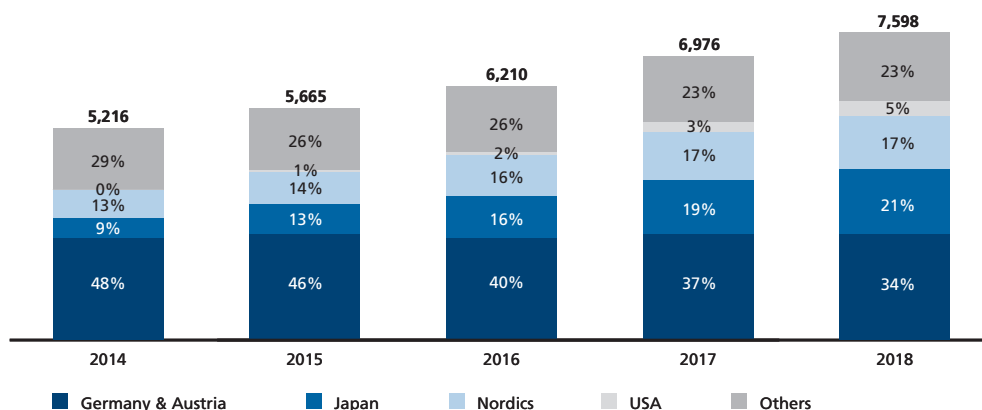
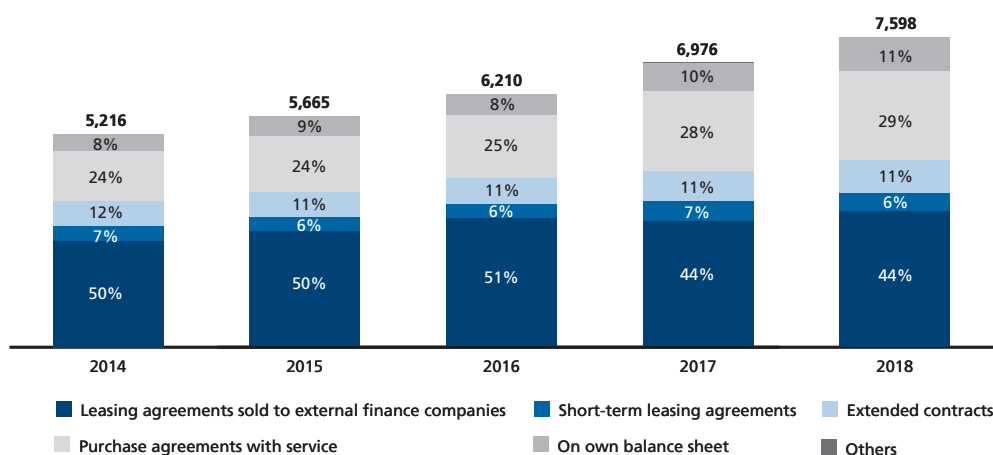
Customers

QleanAir has a well-established and loyal customer base, where the oldest clients have been customers since the early 2000's. In addition, the Company receives high scores in customer satisfaction and customer loyalty surveys, at the same time as the number of dismantled units relative to the installed base decreased from 13.2 percent to 10.3 percent between 2014 and 2018. The Company's customer base is well diversified, with the consequence that the Company is not dependent on individual customers. In 2018, the Company's ten largest customers accounted for less than 15 percent of the Company's net sales.

Diversified contract portfolio



1) "QAS" in the figure refers to QleanAir Scandinavia AB.

Development of installed base per geography (number of units)¹Development of installed base per type of contract (number of units)²

In the Company's customer contract breakdown, leasing agreements sold to external finance companies represented approximately 44 percent of the installed base in December 2018. Service contracts with functional warranties represented 29 percent³, while extended contracts and contracts reported on the Company's balance sheet each accounted for approximately 11 percent. Leasing contracts with flexible leasing terms accounted for approximately 6 percent of the installed base in 2018. QleanAir makes the assessment that flexible customer cost structures are attractive for both the customer

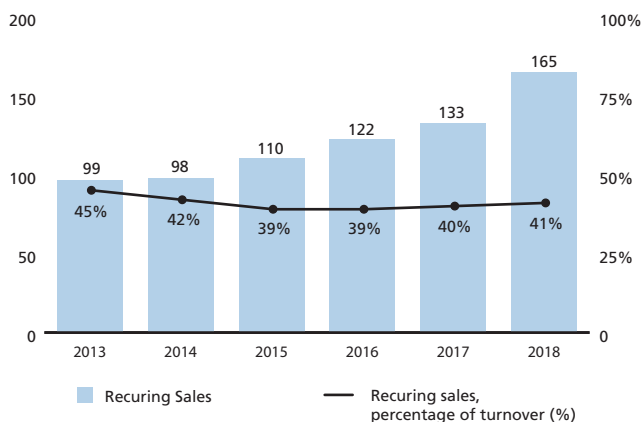
and the Company. The leasing contract structure which is reported on the Company's balance sheet, contrary from traditional sales of solutions or leasing contracts sold to finance companies, provides the Company with a clear view of the future revenue flow. In 2018, the Company's recurring revenues from the contracts that the Company reported on its own balance sheet and ongoing service contracts amounted to SEK 165 million, corresponding to approximately 41 percent of the Company's total net sales in 2018.

1) The information is based on unaudited information derived from QleanAir's internal reporting system. Within QleanAir's installed base, a cleanroom represents between 5 and 25 installed units, depending on the cleanroom's order value.

2) "Service form PPG" refers to the units that are sold to customers but generate service revenue ("Purchase Performance Guarantee"). The information is based on unaudited information derived from QleanAir's internal reporting system.

3) Of which, as of the date of the Prospectus, 650 units were sold on export markets which did not generate major recurring revenues.

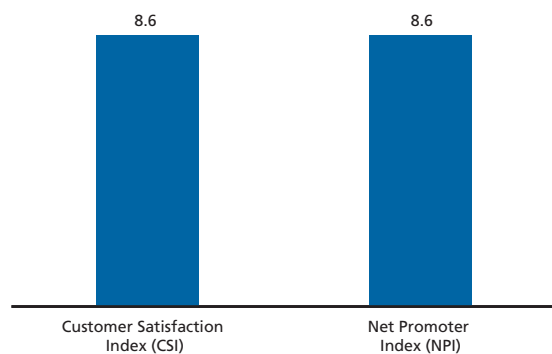
Development of recurring sales (SEK millions, share of total net sales)¹



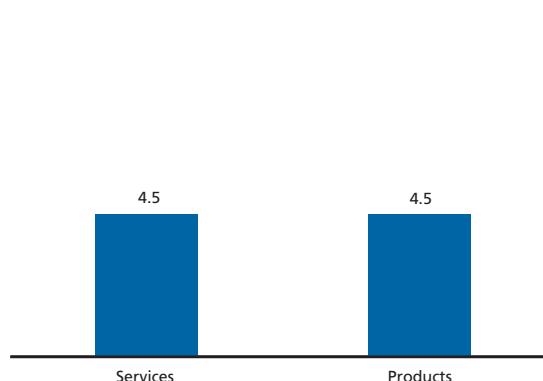
Customer satisfaction

QleanAir carries out annual customers surveys to analyse customer satisfaction and customer loyalty. In these surveys carried out during the period 2016 – 2018, the average score was 8.6 out of 10 indexed scales for both Customer Satisfaction Index and customer loyalty, *i.e.* Net Promoter Index. The Company makes the assessment that the consistently high scores underline the Company's first-class offering of products and services. An additional factor that testifies to the high customer loyalty is that a large share of the Company's net sales derive from existing customers as well as new customers who have been recommended by existing customers. The Company also carries out customer satisfaction surveys with respect to the Company's products and services. On indexed scales of 5, the average score was 4.5 for services and 4.6 for products during the period 2016 – 2018, which testifies to a high level of customer satisfaction linked to the Company's offering.

Customer satisfaction (2016–2018)

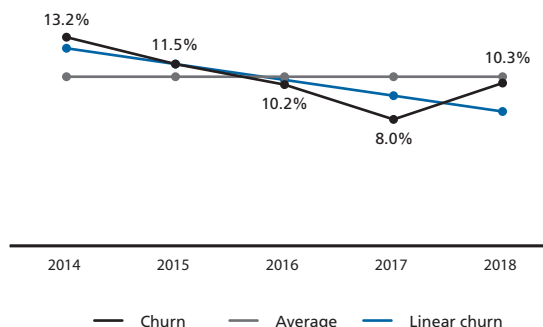


Service and product performance (2016–2018)



The Company's churn (number of dismantled units relative to installed base) has fallen during the period 2014 – 2018, at the same time as the Company has enjoyed strong customer growth, amounting to 10.3 percent in 2018.

Historical churn (2014–2018)²



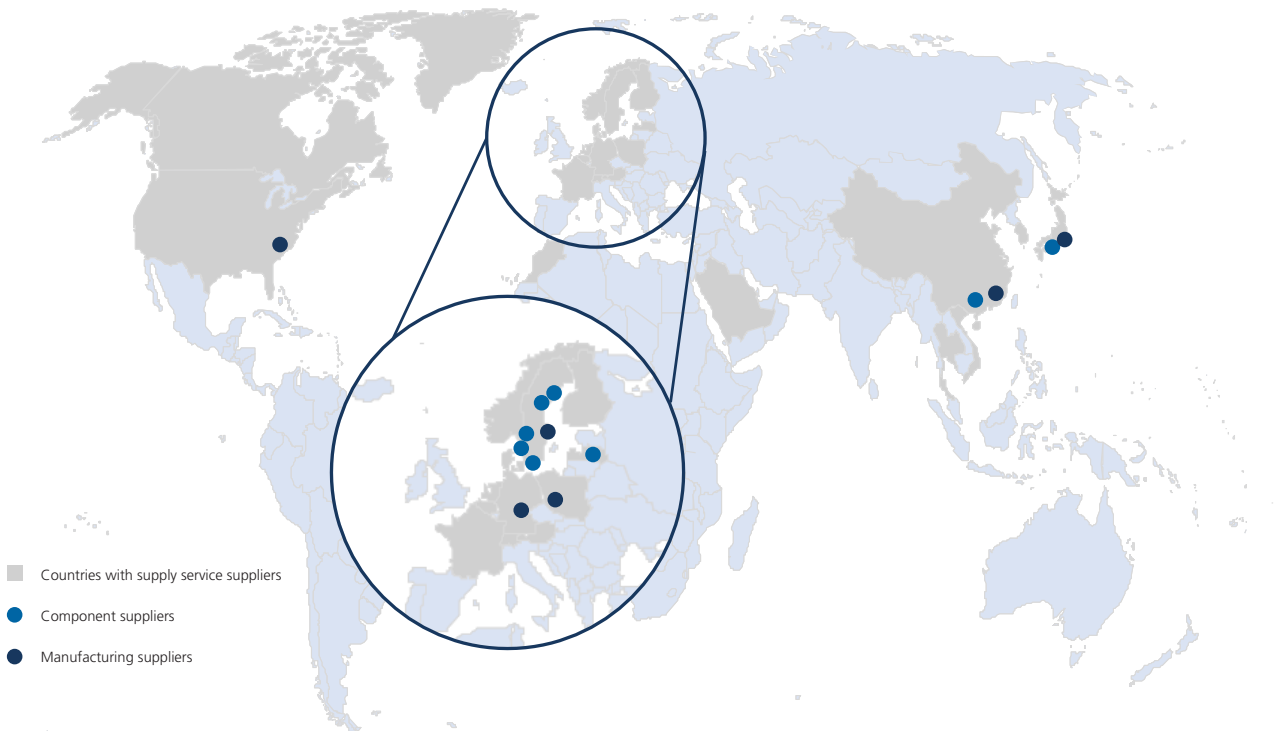
Purchasing and production

QleanAir has outsourced manufacturing, assembly and logistics to suppliers and partners on the Company's markets. However, in the coming years, the Company intends to establish pre-assembly operations which can handle preassembly of parts and modules in the Company's existing premises in the US. QleanAir holds intellectual property rights to all important products and constituent elements, and consequently the Company is able to switch suppliers relatively easily, with minimal impact on both margins and quality. The Company has established a well-diversified supplier network in the largest markets as well as assembly and component suppliers on the three main continents (Europe, Asia and North America). In 2018, the 10 largest suppliers accounted for 61 percent of the Company's total purchasing. The average length of the Company's collaborations with suppliers is approximately 11 years.

1) The information is based on unaudited information derived from QleanAir's internal reporting system.

2) Dismantled units relative to installed base.

Geographic overview of component, manufacturing and service providers



Research and product development

QleanAir maintains a close dialogue with its customers in order to regularly identify development opportunities of the Company's prod-

uct portfolio. QleanAir has developed a five-step product development process which explains the typical workflow when a product proceeds from being an idea to its launch on the market.

Product development process



Filtration technology

The technology used in QleanAir’s Facility Solution’s systems is very reminiscent of the technology used in the other product categories. In order to provide an illustrative description as to how the Compa-

ny’s products create value, a description is presented below of the technology behind QleanAir’s FS 70.



1. INTAKE: CAPTURE CONTAMINANTS

- ▶ Large intake to maximise intake volume and reduce risk of involuntary blocking
- ▶ Intake protected by a screen/grid for safety

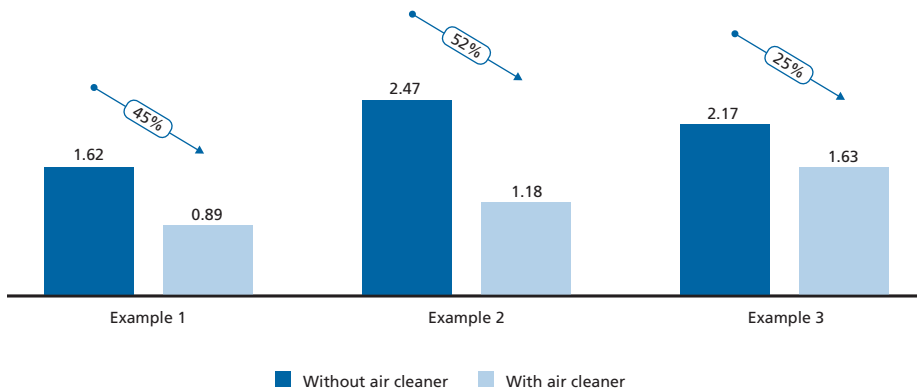
2. FILTRATION: SEPARATES DANGEROUS PARTICLES AND CONTAMINANTS

- ▶ Multi-step filtration technology to effectively separate airborne particles and contaminants from the air
- ▶ Equipped with customised filter
- ▶ Qlean Air measures particle reduction, monitors the units and provides a functional warranty

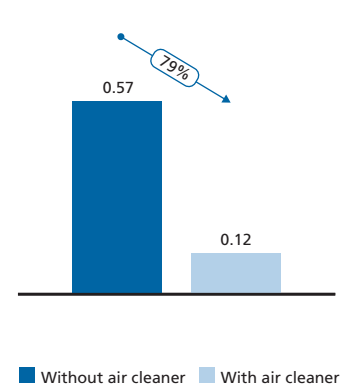
3. DISCHARGE: CLEANED AIR RETURNED TO THE ENVIRONMENT

- ▶ Air cleaned from airborne particles and contaminants is returned to the room via a flexible pipe for optimal recirculation, or for a specific purpose

QleanAir FS 70 – Reducing airborne particles in the metal production industry (Dust – mg/m³)



QleanAir FS 70 – Reduction in airborne particles in a bakery (Particle level – mg/m³)



The above graph shows a gravimetric measurement of airborne particles after installation of five FS70 units at a production facility within the metal industry. The measurements were carried out by Williams Sale Partnership (WSP) and the results show a clear reduction in airborne particles after installation.

Marketing and sales

QleanAir uses a number of different marketing and sales strategies within the Company's market regions and product categories. The Company operates through its own sales division, 18 external market partners and seven external distributors. The Company's external market partners, comprising office developers and their commercial agents and office landscape design specialists, work exclusively on placing products in specific markets. QleanAir signs contracts with the customers, while the Company's partners act as resellers against commission.

QleanAir uses external distributors on more distant markets with smaller sales volumes, including South Korea, Morocco, Israel and the United Arab Emirates. The distributors purchase QleanAir's products, which they then resell on their specific markets.

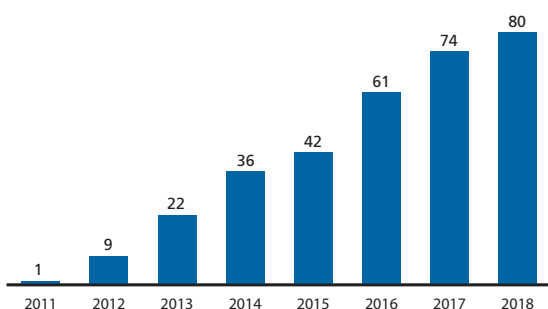
Customer examples

Presented below is a description of selected customer examples from the Company's three product categories.

Customer example, Cabin Solutions: European automotive manufacturer

In 2011, QleanAir installed its first cabin solution to protect employees against passive smoking at one of the world's leading automotive manufacturers. The installation began after extensive discussions regarding how the company should address smoking in its premises. During the trial period, there was strong demand for the cabin among employees, which resulted in the automotive manufacturer ordering an additional eight units in 2012. Since 2013, QleanAir has delivered cabin solutions to all of the company's new or renovated premises and thereby replaced the earlier, less efficient smoking rooms.

Development of the automotive manufacturer's installed base (number of units)

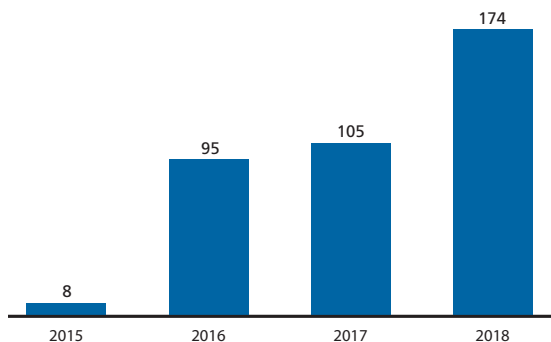


Customer example, Facility Solutions: European logistics company

The customer is a major supplier of transport and logistics solutions. In 2014, QleanAir contacted the company in order to offer the Company's air cleaning solutions. The company had previously had an air cleaning system installed and therefore turned down the offer to test the Company's products. After further discussions and analysis, it was apparent that the air contained large volumes of dust and particles which, in addition, were clearly visible on both packaging and warehouse equipment.

QleanAir was then asked to carry out a trial installation in order to demonstrate that the Company was able to resolve the problem. When the trial was evaluated in 2015, the company concluded that QleanAir's solutions successfully reduced the volume of dust and particles, and as a consequence the company ordered a large-scale installation of QleanAir's Facility Solutions solutions. In 2016, the company decided to equip all terminals with air cleaners from QleanAir and in 2018, the company was one of QleanAir's larger customers.

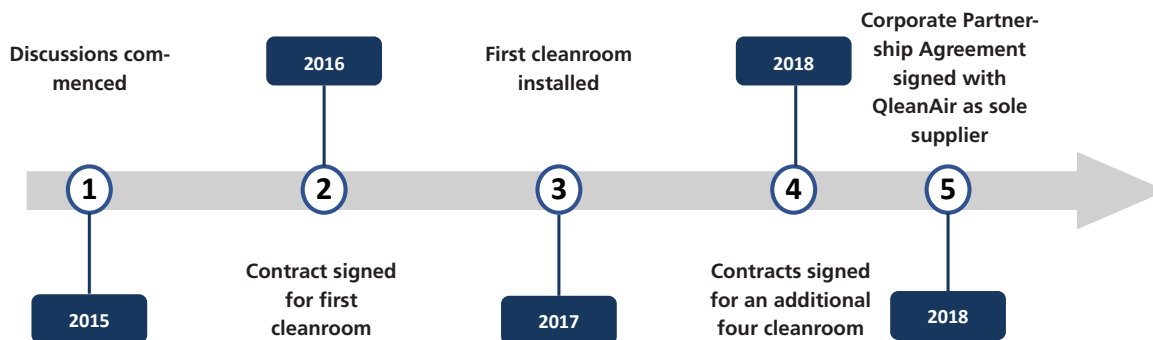
Development of the logistics company's installed base



Customer example, Room Solutions: American hospital system

In November 2016, a leading American hospital system signed a contract with QleanAir for the installation of a USP 797-compatible cleanroom. Six months after the installation, the hospital system ordered another four cleanrooms. One month after the second order, the hospital system entered into a Corporate Partnership Agreement with QleanAir whereby the Company will continue to be the hospital system's sole supplier of modular cleanrooms.

Timeline

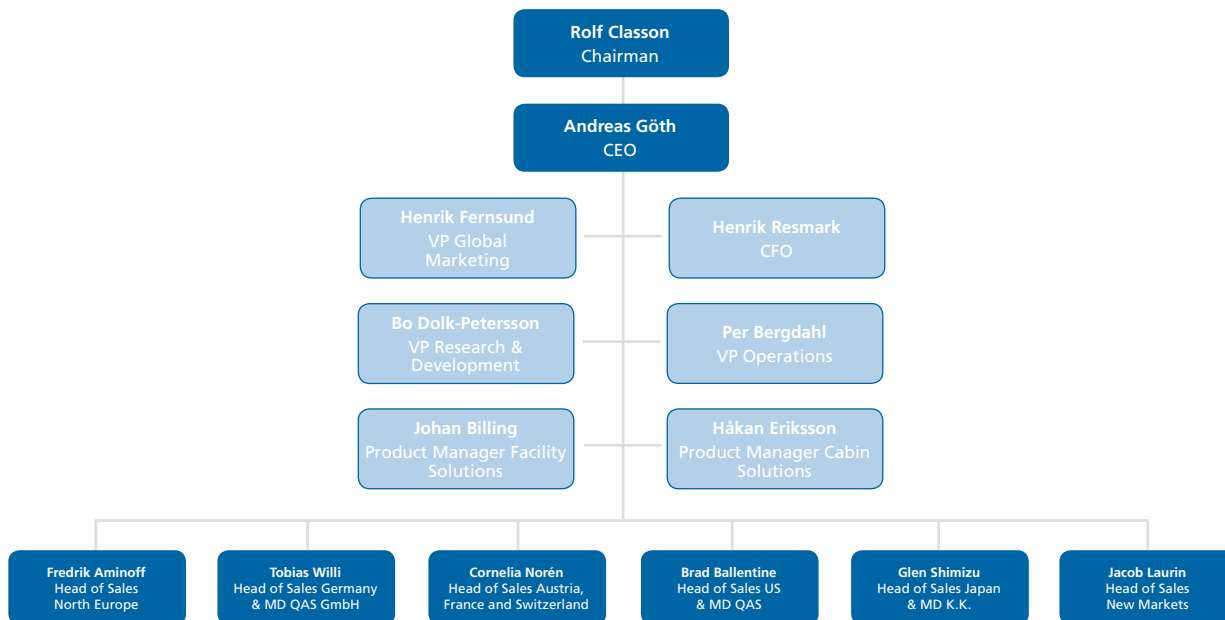


Organisation and employees

Organisation

The Company is led by Andreas Göth, who was promoted to the CEO position in February 2018, after having served as Head of Operations since 2007. Andreas Göth possesses extensive experience in the air filtration industry and has worked for QleanAir for the past 18 years. In addition to the two management positions Andreas Göth and Henrik Resmark (CFO), QleanAir is governed by eleven key

individuals with significant experience in air cleaning, which brings good industrial expertise and a broad network of contacts. On 30 September 2019, QleanAir had 97 full-time employees, a large number of whom work at the Company’s headquarters in Solna, just outside of Stockholm. The members of QleanAir’s management and key individuals, which are described below, have, on average, over nine years of experience at the Company.



Employees

A large part of QleanAir's workforce is located in Sweden, where 33 out of 97 full-time employees are situated. Nine out of the 12 members of the Company's management and key individuals are located in Sweden. Historically, the Company has demonstrated a good ability to retain its personnel, which indicates that QleanAir is regarded by many as an appreciated employer. The Company regu-

larly engages in the education and training of its personnel in order to increase product knowledge, sales ability and personal development. Training plays a key role in the Company's business since, at QleanAir, it is regarded as critical for enhancing customer treatment and the Company's competitive position on the market. Presented below is a summary of the breakdown of QleanAir's personnel by region and division.

Breakdown of personnel

Function in company	Sweden	Japan	Germany	USA	Netherlands	Denmark	Belgium
Management	2	0	0	0	0	0	0
Other key individuals	7	1	1	1	0	0	0
Sales personnel	5	22	9	4	2	2	1
Accounting and admin.	8	2	1	1	1	0	0
Support and service	6	5	1	8	0	0	0
Marketing	3	1	1	0	0	0	0
R&D	2	0	0	0	0	0	0
Total	33	31	13	14	3	2	1

Sustainability

Sustainability, social and environmentally related issues represent key aspects of QleanAir's code of conduct and business. QleanAir thus conducts its operations in a socially responsible manner in accordance with its CSR policy. The policy is based on the Company always bearing in mind societal development and taking into consideration the effects of the business on customers, suppliers, employees and shareholders, as well as society and the environment in general.

Environment

The Company was founded at the end of the 1980s with the objective to protect humans from dangerous particles and gases and the endeavour to achieve a cleaner environment has played a key role in QleanAir's day-to-day work ever since. The Company's vision, initiatives and corporate values are all based on an endeavour to protect people and the environment. QleanAir represents a small piece in the large puzzle of making the world a better and safer place to live. Since the Company is positioned in an industry which has a possibility to make a significant difference in the work towards a sustainable world, QleanAir takes its responsibility in all seriousness. The Company works primarily within indoor environments, but the Company's solutions and standards contribute to generally creating an improved living environment for all. The Company's ongoing innovation work strives to offer customers increasingly efficient and environmentally friendly solutions.

ISO certification

In March 2018, the Company was awarded ISO 9001:2015 and ISO 14001:2015 certifications as a result of its management and sustainability work.¹ The certifications have been awarded in light of the Company's work within development, marketing, sales and installation, as well as preventive maintenance of air cleaning systems. More specifically, ISO:9001 is a management system standard for operational processes in a company or an organisation, while ISO:14001 defines the criteria as to the degree of efficiency of a company or organisation's environmental management. QleanAir's organisation has, through its professional and responsible work, demonstrated that it meets the requirements to be rewarded with this certificate.

Corporate social responsibility

In addition to the Company's work to reduce the impact on the environment, the Company has clear internal guidelines to ensure the quality of its solutions, promoting the environment and striving to maintain internal and external reliability. QleanAir is also scrupulous in ensuring that its suppliers and partners sign up to and operate in accordance with the Company's CSR policy. In addition, QleanAir has identified itself with, and chosen to prioritise, five of the UN's 17 Social Development Goals: Good health and well-being; Quality education; Gender equality; Decent work and economic growth; and Industry, innovation and infrastructure. All in all, QleanAir conducts its business with the goal of running a business with as positive effects on its surroundings as possible.

1) The certifications apply only to QleanAir Scandinavia AB.

Patent strategy

QleanAir endeavours to identify patentable technical solutions, products, product parts and functions in its own products, and to patent them if possible. When selecting identified innovations for possible patent protection, QleanAir places great focus on factors such as the competitive advantages afforded by the innovations and their problem-solving characteristics. The Company strives to main-

tain a strong patent portfolio in terms of physical products as well as software functions. QleanAir shall regularly engage in product development in order to maintain a strong patent portfolio. Patents are applied for in those countries where the Company has strategic markets. QleanAir also registers trademarks and Internet domain names for protection on active markets.

Patent portfolio

Matter number (Matter description)	Product category	Application (expected expiry)	Regions	Status
13059 (Opening for extinguishing cigarettes with lid which can be opened when extinguishing cigarettes)	Cabin solutions	2013 (2033)	PCT Sweden Japan Europa	Approved: Sweden Japan
14077 (Particularly numerous perforations for emptying above/ over shelves, floor and ceiling in the smoking room)	Room solutions	2014 (2034)	PCT Sweden Japan Europa	Approved: Sweden
13094 (Ashtray lid that stays balanced despite build-up of tar and does not get jammed in the tar)	Cabin solutions	2014 (2034)	PCT Sweden Japan Europa	Approved: Sweden
15110 (Charcoal filter cassette with horizontal closures)	Cabin solutions	2015 (2035)	PCT Sweden Japan Europa	Approved: Sweden
15111 (Charcoal filter cassette with stretched mesh)	Cabin solutions	2015 (2035)	PCT Sweden Japan Europa	Approved: Sweden
14076 (Perforations for exhaust gases are larger or more numerous than by the inlet to the smoking room)	Room solutions	2014 (2034)	PCT Sweden	Approved: Sweden
14078 (If the fan is jammed or there is no air movement, the lighting in a smoking room is turned off)	Room solutions	2014 (2034)	PCT Sweden	Approved: Sweden
13016 (Hygroscopic substance (including salt) in filter arrangement for preventing humidity)	Cabin solutions	2014 (2034)	PCT Sweden	Approved: Sweden
14047 ("Salt filter sequence"; Sequence of filters including at least one hygroscopic filter)	Cabin solutions	2014 (2034)	PCT Sweden	Approved: Sweden
16057 (Smoke outlet connected to ashtray)	Cabin solutions	2002 (2022)	PCT Sweden	Approved: Sweden
16058 (Ventilation valve for ashtray cut at an angle)	Cabin solutions	2001 (2021)	PCT Sweden	Approved: Sweden
14079 (Smoke and particles lighted up to indicate their presence in the smoking room)	Cabin solutions	2014 (2034)	PCT Sweden	Approved: Sweden
17044 (Support frame for windows in cleanrooms)	Room solutions	2017 (2037)	PCT Sweden	
17042 (Collection element, exclusively for cleanrooms)	Room solutions	2017 (2037)	Sweden	
12109 (Heat resistant pouch for ash and cigarette ends)	Cabin solutions	2012 (2032)	Sweden	Approved: Sweden
13061 (Connected to no 12109, version of pouch)	Cabin solutions	2012 (2032)	Sweden	Approved: Sweden
12022 (Capacity sensor for ash and cigarette end containers)	Cabin solutions	2015 (2035)	Sweden	Approved: Sweden

Matter number (Matter description)	Product area	Application (expected expiry)	Regions	Status
14102 (Cylindrical air filter with internal/ external perforation areas adapted to the filter's form)	Facility solutions	2015 (2035)	Sweden	Approved: Sweden
15039 (Charcoal filter cassette with closures and distance element)	Facility solutions	2015 (2035)	Sweden	Approved: Sweden
14061 (Tilted exhaust rim on LAF which minimises the risk of contaminants intruding in LAF)	Room solutions	2014 (2034)	Sweden	Approved: Sweden
12100 (Air filter pair for ash and cigarette end holder arranged in V shape)	Facility solutions	2012 (2032)	Sweden	Approved: Sweden
13037 (Stations for loading or unloading substances. With separate vacuum pumping)	Room solutions	2016 (2036)	Sweden	Approved: Sweden
14014 (Flexible connection between a cleanroom and a freeze drier, for example in the form of bellows)	Room solutions	2014 (2034)	Sweden	Approved: Sweden
15042 (System comprising connected sterile counters)	Room solutions	2014 (2034)	Sweden	Approved: Sweden
15068 (Smoking room with higher central perforation density.)	Room solutions	2014 (2034)	Sweden	Approved: Sweden
16059 (Filter cassette with long flow channel along edges and corners.)	Cabin solutions	1999 (2019)	Sweden	Approved: Sweden
14100 (Cylindrical air filter adapted for production in carton)	Facility solutions	2015 (2035)	Sweden	Approved: Sweden
16040 (Cylindrical filter with asymmetrically located seals for optimal through flow)	Facility solutions	2016 (2036)	Sweden	Approved: Sweden
14071 (Perforation distribution on opposite walls in a smoking room match each other)	Room solutions	2014 (2034)	Sweden	Approved: Sweden
17059 (Filter cassette manufactured of two identical filter cassette halves)	Cabin solutions	2017 (2037)	Sweden	Approved: Sweden
14057 (Cleanroom with half-distribution of wall elements optimised for homogenous airflow)	Room solutions	2015 (2035)	Sweden	Approved: Sweden
15040 (Ashtray can glide with linear bearings)	Cabin solutions	2015 (2035)	Sweden	Approved: Sweden
17058 (Filter cassette with overhead support beams which allow the filter substance to stream in)	Cabin solutions	2017 (2037)	Sweden	Approved: Sweden
17060 (Filter cassette with membrane welded in the frame)	Cabin solutions	2017 (2037)	Sweden	
16036 (Exhaust nozzle with outlets in various directions with varying cross-section areas)	Room solutions	2016 (2036)	Sweden	
17001 (Station for loading and unloading. Without separate vacuum pump)	Room solutions	2017 (2037)	Sweden	
18043 (Construction system for easily fitted windowpanes for cleanrooms)	Room solutions	Not filed		

Selected financial information

The selected historical financial information in this section should be read together with (i) the sections entitled "Operational and financial review", "Pro forma financial statements", "Capital structure, indebtedness and other financial information"; (ii) the Company's audited annual reports with related notes for the financial years ending 31 December 2018, 2017 and 2016, which have partially been incorporated through reference and thus, to such extent, constitute part of the Prospectus; and (iii) the interim financial statement for the period 1 January 2019 – 30 September 2019, which also includes comparative figures for the corresponding period in 2018 and which has been incorporated through reference in its entirety and thus constitutes part of the Prospectus. Other than as stated in the auditor's reports for the financial years ending 31 December 2018, 2017 and 2016, and the auditor's review of the pro forma financial statements as set forth in the section entitled "Auditor's report regarding pro forma financial statements", no information in the Prospectus has been audited by auditors. The auditor's reports do not differ from the standard wording and contain no remarks or the equivalent. The interim financial statement has not been audited but has been reviewed by the Company's auditor in brief.

The selected historical financial information presented in this section derives from the Company's audited consolidated annual reports for the financial years ending 31 December 2018, 2017 and 2016 and from the interim financial report for the period 1 January 2019 – 30 September 2019, which also includes comparison figures for the corresponding period in 2018.

The audited consolidated annual reports have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and applicable guidance issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union (EU). The annual reports have also been prepared in accordance with the Swedish Annual Reports Act (1995:1554) and RFR 1 Supplementary reporting rules for groups (recommendation issued by the Swedish Financial Accounting Standards Council). The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the EU.

This section includes key performance indicators as defined in accordance with the applicable framework for financial reporting

(IFRS, the Swedish Annual Reports Act (1995:1554) and/or RFR1), as well as alternative key performance indicators that are not defined in accordance with an applicable framework. The Company believes that alternative key performance indicators provide investors with valuable information since they facilitate a useful assessment of relevant trends when read together with (but not instead of) other key performance indicators defined in accordance with an applicable framework. However, alternative key performance indicators must not be regarded as a substitute for the key performance indicators that have been calculated in accordance with an applicable framework. Since companies do not always calculate alternative key performance indicators in the same way, it is not certain that those presented herein are comparable with alternative key performance indicators bearing the same designation as used by other companies.

Other than expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditors. In certain cases, amounts in this section have been rounded off and thus the summation thereof is not always correct.

Consolidated income statement

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Net sales	400,813	336,329	318,877	333,032	297,664
Other operating income	-	-	-	114	198
Total income	400,813	336,329	318,877	333,146	297,862
Cost of goods sold	-137,888	-117,815	-111,531	-110,994	-99,499
Other external expenses	-90,852	-88,828	-81,435	-70,679	-66,904
Personnel costs	-98,728	-83,346	-80,068	-78,298	-70,313
Depreciation, amortization and impairment of intangible and tangible fixed assets	-11,106	-8,614	-7,063	-15,834	-7,480
Other operating expenses	-447	-858	-1,062	-	-
Operating income (EBIT)	61,792	36,869	37,718	57,341	53,666
Interest income and other items	113	28	542	16	2,033
Interest expenses and other items	-22,172	-22,338	-23,638	-19,533	-16,599
Other financial income and expenses	330	-555	3,138	-	-
Earnings before tax	40,064	14,005	17,759	37,824	39,100
Deferred tax	-21,395	-15,492	-14,432	29	-
Income taxes for the period	2,333	-452	-280	-17,122	-15,972
Net income for the year	21,002	-1,939	3,048	20,731	23,128

Consolidated balance sheet

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
ASSETS					
FIXED ASSETS					
Intangible fixed assets					
Capitalized expenditures	7,143	8,746	8,844	6,128	7,063
Customer contracts	8	20	31	1	11
Goodwill	343,704	34,704	343,704	343,704	343,704
Total intangible fixed assets	350,855	352,470	352,579	349,833	350,778
Tangible fixed assets					
Furniture in rented premises	635	874	1,091	-	-
Rented out inventory	18,045	19,541	15,677	-	-
Inventory	4,939	2,729	1,903	-	-
Tangible fixed assets	23,618	23,144	18,672	31,318	29,752
Lease assets (IFRS 16)	-	-	-	25,799	-
Total tangible fixed assets	23,618	23,144	18,672	57,119	29,752
Financial assets					
Other long-term receivables	14,110	15,072	15,156	12,178	15,241
Total fixed assets	388,584	390,686	386,407	419,129	395,771
Current assets					
Inventories	22,984	26,808	23,265	31,267	23,425
Accounts receivable	49,338	46,160	34,202	47,005	41,929
Tax receivables	-	88	139	-	3,030
Other receivables	6,288	4,533	4,466	9,378	6,484
Prepaid expenses and accrued income	43,919	29,148	29,544	64,565	52,855
Cash and cash equivalents	74,935	50,991	40,336	80,804	48,773
Total current assets	197,464	157,728	131,951	233,019	176,496
TOTAL ASSETS	586,048	548,414	518,358	652,148	572,267
EQUITY AND LIABILITIES					
Equity					
Share capital	6,642	6,642	6,642	6,642	6,642
Other contributed capital	58,929	58,929	58,929	58,929	58,929
Reserves	3,664	1,432	2,805	10,205	1,534
Retained earnings	-26,262	-20,849	-23,896	-4,456	-22,788
Net income for the year	21,002	-1,939	3,047	20,731	23,128
Total equity	63,975	44,215	47,528	92,051	67,445
Non-current liabilities					
Deferred tax liability	3,193	5,526	5,074	3,019	5,526
Shareholder's loan	237,302	219,731	262,201	251,464	232,837
Liabilities to credit institutions	65,000	95,000	45,568	65,000	65,000
Non-current leasing liabilities (IFRS16)	-	-	-	16,811	-
Total non-current liabilities	305,495	320,257	312,843	336,294	303,363
Current liabilities					
Liabilities to credit institutions	30,000	20,000	24,863	15,000	51,422
Bank overdraft	16,424	29,853	12,991	-	-
Accounts payable	34,707	34,430	26,823	40,667	35,477
Tax liabilities	4,000	-	-	3,485	-
Other current liabilities	10,766	7,079	10,613	10,698	8,935
Other liabilities (IFRS 16)	-	-	-	9,762	-
Accrued expenses and deferred income	120,682	92,580	82,698	144,192	105,625
Total current liabilities	216,579	183,942	157,988	223,803	201,459
TOTAL EQUITY AND LIABILITIES	586,048	548,414	518,358	652,148	572,267

Consolidated cash flow statement

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Operating activities					
Operating income	61,792	36,869	37,718	57,341	53,666
Adjustment for non-cash items	17,616	21,443	42,663	15,614	10,085
Interest received	113	28	542	-	-
Interest paid	-4,601	-4,375	-4,166	-	-
Currency exchange gain/loss	-624	877	330	-	-
Net financial items and currency effects	-	-	-	-3,378	-3,698
Tax paid	-18,077	-14,818	-11,201	-18,189	-19,392
Cash flow from operating activities before changes in working capital	56,219	40,023	65,885	51,388	40,661
Decrease (+)/Increase (-) in inventory	6,186	-4,588	5,717	-5,813	5,140
Decrease (+)/Increase (-) in accounts receivables	1,231	-11,254	-7,209	7,816	7,743
Decrease (+)/Increase (-) in receivables	-13,185	-1,539	-4,463	-18,457	-23,543
Decrease (-)/Increase (+) in current liabilities	6,201	24,418	7,132	13,926	6,853
Decrease (-)/Increase (+) in accounts payables	-807	7,603	9,792	3,405	112
Cash flow from operating activities	55,844	54,664	76,854	52,265	36,966
Investing activities					
Acquisition of tangible fixed assets	-14,271	-23,006	-34,879	-1,299	-853
Acquisition of intangible fixed assets	-1,738	-3,402	-3,021	-12,281	-12,921
Cash flow from investing activities	-16,009	-26,407	-37,899	-13,580	-13,774
Financing activities					
Loans raised	-	67,425	-	-	-
Amortization of debt	-20,000	-83,288	-28,141	-38,718	-28,431
Cash flow from financing activities	-20,000	-15,863	-28,141	-38,718	-28,431
Cash flow for the period	19,835	12,395	10,814	-34	-5,239
Cash and cash equivalents at beginning of period	50,991	40,336	28,579	74,935	50,991
Exchange rate difference in cash and cash equivalents	4,110	-1,740	944	5,903	3,021
Cash and cash equivalents at the end of period	74,935	50,991	40,336	80,804	48,773

Note: In 2019, overdraft facilities have been reclassified from working capital to financing operations.

Selected key performance indicators

Presented below are selected key performance indicators that are not defined in accordance with IFRS. Guidelines with respect to alternative key performance indicators for companies with securities admitted to trading on a regulated market place within the EU have been issued by the European Securities and Markets Authority (ESMA). The objective of the guidelines is to make alternative key performance indicators in financial statements more comprehensible, reliable and comparable, thereby promoting their usability. In these guidelines, an alternative key performance indicator means a financial measurement of a historical or future earnings trend, financial position, financial result or cash flows that are not defined or stated in applicable rules for financial reporting: IFRS and the Swedish Annual Reports Act. The following tables show selected al-

ternative key performance indicators that have not been defined or specified in accordance with IFRS, unless otherwise stated. Certain descriptions of key performance indicators present the development of operational and financial key performance indicators that are not defined in accordance with IFRS. The Company makes the assessment that these alternative key performance indicators provide a better understanding of the Company's financial trends and that they are widely used by the Company's senior management and key employees, investors, equity analysts and other stakeholders as supplementary measures of the Company's development. Since not all companies calculate financial measurements in the same way, these are not always comparable with measurements used by other companies. Therefore, these measurements should not be regarded as a substitute for measurements defined in accordance with IFRS.

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
SALES MEASUREMENT					
Net sales ¹	400,813	336,329	318,877	333,032	297,664
Net sales growth, %	19.2	5.5	10.9	11.9	-
Order intake ²	313,247	227,246	226,857	263,516	238,535
Change in order intake, % ²	37.8	0.2	-	10.5	-
PROFITABILITY MEASURES					
Gross income	262,925	218,514	207,346	222,038	198,165
EBITDA	72,898	45,483	44,781	73,175	61,146
Adjusted EBITDA	84,197	48,218	43,388	80,275	64,946
Operating income (EBIT)	61,792	36,869	37,718	57,341	53,666
Adjusted EBIT	73,091	39,604	36,325	64,441	57,466
MARGIN MEASURES					
Gross margin, %	65.6	65.0	65.0	66.7	66.6
EBITDA margin, %	18.2	13.5	14.0	22.0	20.5
Adjusted EBITDA margin, %	21.0	14.3	13.6	24.1	21.8
EBIT margin, %	15.4	11.0	11.8	17.2	18.0
Adjusted EBIT margin, %	18.2	11.8	11.4	19.3	19.3
CASH FLOW MEASURES					
CAPEX ratio, %	4.0	4.8	3.5	4.1	4.6
Adjusted operating cash conversion, %	100.2	64.1	96.0	105.5	76.3
Adjusted operating cash flow	84,374	30,916	41,672	84,694	49,525
CAPITAL STRUCTURE					
Net debt relative to adjusted EBITDA, times	3.3	6.5	7.0	2.5	3.7
Interest-bearing net debt	273,791	313,593	305,287	250,660	300,486
Net working capital	-43,626	-27,440	-28,657	-43,343	-25,344
Net working capital relative to net sales, %	-10.9	-8.2	-9.0	-9.9	-6.5
Equity ratio, %	10.9	8.1	9.2	14.1	11.8
Capital employed	347,787	355,311	357,380	340,238	362,870
RETURN MEASURES					
Adjusted return on average capital employed (ROCE), %	21.0	11.1	10.2	23.5	18.2
EMPLOYEES					
Average number of employees	87	80	74	94	82

1) The key performance indicator defined in accordance with IFRS.

2) Based on unaudited information derived from QleanAir's internal reporting system.

Reconciliation table for alternative key performance indicators

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
PROFITABILITY MEASURES					
Net sales	400,813	336,329	318,877	333,032	297,664
Cost of goods sold	-137,888	-117,815	-111,531	-110,994	-99,499
Gross income	262,925	218,514	207,346	222,038	198,165
EBITDA	72,898	45,483	44,781	73,175	61,146
Depreciation, amortization and impairment of tangible and intangible fixed assets	-11,106	-8,614	-7,063	-15,834	-7,480
Operating income (EBIT)	61,792	36,869	37,718	57,341	53,666
Items affecting comparability					
Reversal of FX adjustments ¹	88	-327	-404	-	-
Severance pay and insurance compensation in the Netherlands ²	978	309	-	-	-
Severance pay - former CEO ³	8,516	-	-	-	-
Pension liability and consultant costs in Japan ⁴	461	188	185	-	-
Termination of agreement with distribution partner in Germany ⁵	-	-	-	3,500	-
Upgrading of installed cabins in Japan in accordance with new regulation ⁶	-	-	-	3,600	-
Other adjustments ⁷	1,256	2,564	-1,175	-	3,800
Total items affecting comparability	11,299	2,735	-1,394	7,100	3,800
Adjusted EBITDA	84,197	48,218	43,388	80,275	64,946
Depreciation, amortization and impairment of tangible and intangible fixed assets	-11,106	-8,614	-7,063	-15,834	-7,480
Adjusted EBIT	73,091	39,604	36,325	64,441	57,466
CASH FLOW MEASURES					
Calculation of operating cash flow and operating cash conversion					
Adjusted EBITDA	84,197	48,218	43,388	80,275	64,946
Adjusted CAPEX	-16,009	-16,085	-11,067	-13,580	-13,774
Change in working capital	16,186	-1,217	9,352	17,999	-1,647
Adjusted operating cash flow	84,374	30,916	41,672	84,694	49,525
Adjusted operating cash conversion, %	100.2	64.1	96.0	105.5	76.3
Calculation of CAPEX ratio					
Acquisition of tangible and intangible fixed assets	16,009	26,407	37,899	13,580	13,774
Adjustments for changed accounting principles ⁸	-	-10,332	-26,833	-	-
Adjusted CAPEX	16,009	16,085	11,067	13,580	13,774
Net sales	400,813	336,329	318,877	333,032	297,664
Adjusted CAPEX ratio, %	4.0	4.8	3.5	4.1	4.6

- 1) Currency adjustments in foreign subsidiaries are translated into the Company's reporting currency (SEK) using the annual average exchange rate for annual reports, while the monthly average exchange rate is used for internal reporting systems. The currency adjustment in the annual report is reversed to reflect the monthly average exchange rate for both net sales and operating profit (EBIT).
- 2) In connection with the Dutch sales department undergoing a restructuring, some staff became redundant which resulted in redundancies. Operating income adjusted for resulting severance pay includes SEK 309,000 in 2017 attributable to a salesperson and SEK 978,000 in 2018 attributable to a sales manager.
- 3) The former CEO was replaced in February 2018. Adjustments have been made to take into account the temporarily increased costs during 2018 attributable to the outgoing CEO's severance pay.
- 4) Prior to 2016, the Company's Japanese subsidiary did not report accrued pension commitments on the balance sheet. Pension provisions related to the years 2010-2015 are accrued over an eight-year period (2016-2023). Adjustments have been made for pension costs related to the years 2010-2015 accounted for between 2016 and 2018.
- 5) Adjustments of SEK 3,500,000 have been made related to the termination of the agreement with one of the Company's sales partners in Germany. The sales partner has been a partner to QleanAir in the German market for more than 15 years. The reason for the decision to terminate the agreement with the sales partner is that the Company wants to focus more internal resources on developing a sales organization in the German market.
- 6) Adjustments of SEK 3,600,000 have been made for costs related to the upgrading of installed cabins in Japan in accordance with new Japanese legislation which will enter into force in April 2020.
- 7) Includes non-recurring items of a comparability-affecting nature, such as results from scrapped fixed assets and non-recurring costs for a refinancing in 2017.
- 8) The majority of the Company's investments during the period 2016-2018 are related to the Japanese operations. Units purchased by the Japanese subsidiary from the Swedish subsidiary during the period 2016-2017 have been reported as an investment in fixed assets and as a disposal of non-current assets instead of inventory, which has been changed during 2018. The accounting principles for the Japanese subsidiary have led to investment levels which the Company reported in 2016-2017 has shown a greater level of investment. The reported investment level has been adjusted by SEK 26,832,000 in 2016 and SEK 10,321,000 in 2017 due to the accounting principles previously applied in the Japanese operations.

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
CAPITAL STRUCTURE AND RETURN MEASURES					
Calculation of working capital and working capital relative to net sales					
Inventory	22,984	26,808	23,265	31,266	23,425
Accounts receivables	49,338	46,160	34,202	47,005	41,929
Other receivables	6,288	4,533	4,466	9,378	6,484
Prepaid expenses and accrued income	43,919	29,148	29,544	64,565	52,855
Trade payables	-34,707	-34,430	-26,823	-40,667	-35,477
Other current liabilities	-10,766	-7,079	-10,613	-10,698	-8,935
Accrued expenses and deferred income	-120,682	-92,580	-82,698	-144,192	-105,625
Working capital	-43,626	-27,440	-28,657	-43,343	-25,344
Net sales (R12)	400,813	336,329	318,877	436,181	390,846
Working capital relative to net sales, %	-10.9	-8.2	-9.0	-9.9	-6.5

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Calculation of interest-bearing net debt and net debt/equity ratio					
Long-term interest-bearing financial liabilities	302,302	314,731	307,769	316,464	297,837
Current interest-bearing financial liabilities	46,424	49,853	37,854	15,000	51,422
Cash and cash equivalents	-74,935	-50,991	-40,336	-80,804	-48,773
Net debt	273,791	313,593	305,287	250,660	300,486
Equity	63,975	44,215	47,527	92,051	67,445
Net debt/equity ratio, times	4.3	7.1	6.4	2.7	4.5

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Calculation of adjusted return on average capital employed					
Adjusted EBIT (R12)	73,091	39,604	36,325	80,066	66,094
Beginning equity	44,215	47,527	45,071	63,975	44,215
Ending equity	63,975	44,215	47,527	92,051	67,445
Average equity	54,095	45,871	46,299	78,013	55,830
Interest-bearing net debt at the beginning of period	313,593	305,287	316,875	273,791	313,593
Interest-bearing net debt at the end of period	273,791	313,593	305,287	250,660	300,486
Average interest-bearing net debt	293,692	309,440	311,081	262,226	307,040
Average capital employed	347,787	355,311	357,380	340,239	362,870
Adjusted return on average capital employed (ROCE), %	21.0	11.1	10.2	23.5	18.2

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Calculation of interest-bearing net debt relative to adjusted EBITDA					
Interest-bearing net debt	273,791	313,593	305,287	250,660	300,486
Adjusted EBITDA (R12)	84,197	48,218	43,388	99,526	82,188
Interest-bearing net debt relative to adjusted EBITDA	3.3	6.5	7.0	2.5	3.7

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Calculation of equity ratio					
Equity	63,975	44,215	47,527	92,051	67,445
Total assets	586,048	548,414	518,358	652,148	572,267
Equity ratio, %	10.9	8.1	9.2	14.1	11.8

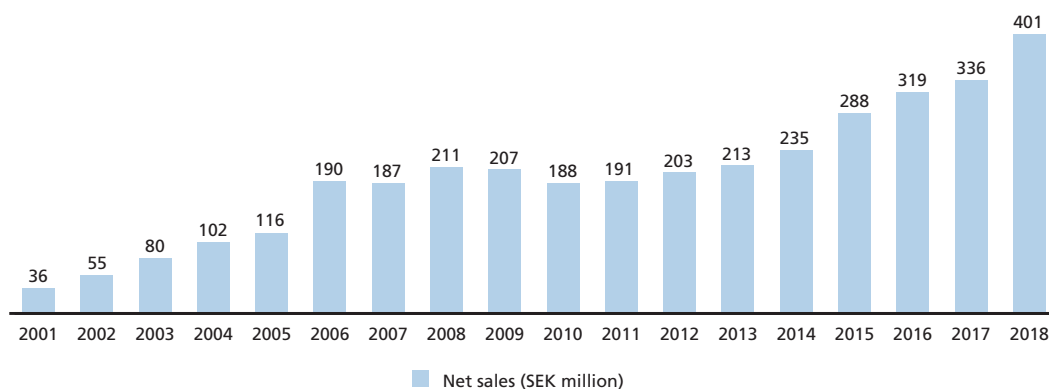
Definitions of key performance indicators

Key performance indicator	Definition/calculation	Purpose
Adjusted Capex ratio	Adjusted net investments in tangible and intangible fixed assets relative to net sales.	The measurement is stated in order to monitor the Company's investment level in terms of tangible and intangible fixed assets relative to net sales. Adjustments relate to changed accounting principles for the Japanese subsidiary.
Adjusted EBIT	Operating income before financial items and tax adjusted for non-operational non-recurring items, such as costs for double CEO salaries and restructuring.	The measurement is used to show the earning capacity of the business before financial items and tax, without items effecting comparability.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	The measurement is used to show the profitability of the business before financial items and tax, without items effecting comparability.
Adjusted EBITDA	Operating income before depreciation, amortization, and impairments, adjusted for non-operational non-recurring items, such as costs for double CEO salaries and restructuring.	The measurement is used to show the earning capacity of the business before depreciation, amortization, and impairments, without items effecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	The measurement is used to show profitability of the business before depreciation, amortization, and impairments, without items effecting comparability..
Adjusted return on average capital employed	Adjusted EBIT as a percentage of average capital employed.	The measurement has been included to facilitate investors' understanding of the Company's profitability relative to the capital employed in the business during the year. Adjusted EBIT is stated in order to exclude the effect of items affecting comparability.
Average capital employed	Average equity and average interest-bearing liabilities during the period.	The measurement is used to analyze how much capital is employed in the business during the period.
Average interest-bearing net debt	Average interest-bearing net debt during the period.	The measurement is used to show the Company's interest-bearing debt over a period of time.
Change in order intake	Percentage change in order intake between the periods.	Changes in order intake is presented by the Company since they are deemed to contribute to an investor's understanding of how the Company's order intake has changed over time.
EBIT margin	Operating income as a percentage of net sales.	The measurement is used to measure the business' incomeability after depreciation, amortization, and impairments.
EBITDA	Operating income before depreciation, amortization, and impairments.	The measurement is used to show the profitability of the business before depreciation, amortization, and impairments.
EBITDA margin	EBITDA as a percentage of net sales.	The measurement is used to measure the business' incomeability, independent of depreciation, amortization, and impairments.
Equity ratio	Equity as a percentage of the Company's total assets.	The measurement is used to assess the Company's financial stability.
Gross income	Net sales minus costs for sold goods.	The measurement shows the Company's profitability before fixed costs.
Gross margin	Gross income as a percentage of net sales.	The measurement is used to measure the business' incomeability before fixed costs.

Key performance indicator	Definition/calculation	Purpose
Interest-bearing net debt	Interest-bearing current and non-current liabilities minus cash and cash equivalents.	The measurement shows the Company's financial position.
Interest-bearing net debt relative to adjusted EBITDA	Interest-bearing net debt as a percentage of adjusted EBITDA.	Interest-bearing net debt relative to adjusted EBITDA is stated to show financial risk, and since it is a useful measurement for tracking the Company's net indebtedness level.
Net debt/equity ratio	Interest-bearing liabilities minus cash and cash equivalents divided by equity.	Net debt/equity ratio is stated since the Company believes that the measurement contributes to investors' understanding of the Company's financial position.
Net sales	Net sales including other operating income.	The measurement shows the Company's total net sales.
Net sales growth, %	Growth in net sales.	The measurement shows the Company's net sales growth.
Operating cash flow	Adjusted EBITDA minus net investments in tangible and intangible fixed assets, as well as adjustments for cash flow from changes in working capital.	Operating cash flow is stated in order to monitor the cash flow generated by operating activities.
Operating cash conversion	Operating cash flow divided by adjusted EBITDA.	Operating cash conversion is presented by the Company to show the degree of efficiency in the use of allocated working capital.
Operating income (EBIT)	Income before financial items and tax.	The measurement is used to show the incomeability of the business.
Order intake	The value of the orders received during the period.	The measurement enables investors to assess the Company's future revenues.
Working capital	Inventories, accounts receivable, other receivables, prepaid expenses and accrued income less accounts payable, other current liabilities, accrued expenses and prepaid revenue.	The measurement is used to measure the Company's ability to meet short-term capital requirements.
Working capital relative to net sales	Working capital at end of the period as a percentage of net sales.	Working capital in relation to net sales is used to measure the Company's tied up working capital.

Operational and financial review

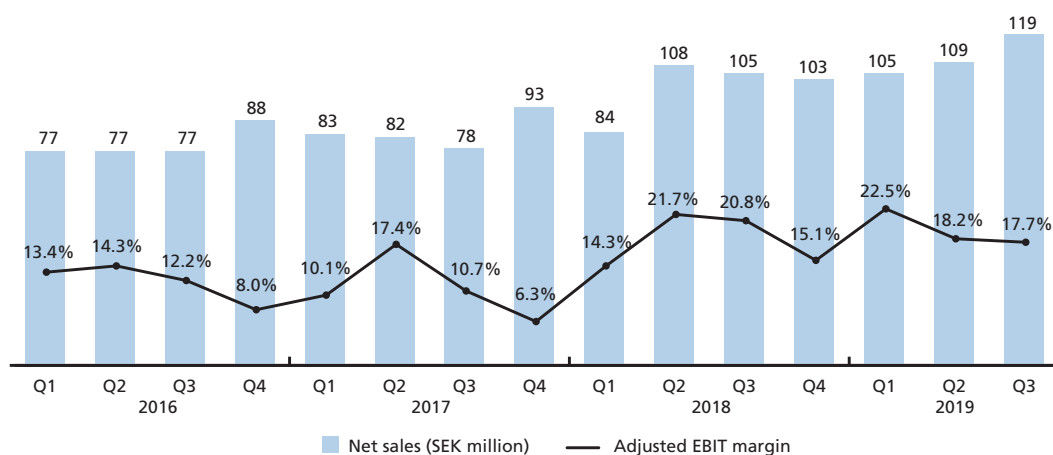
Historical financial trend¹



The Company's net sales have demonstrated stable growth during almost two decades, which indicates that QleanAir's business model is resilient to economic downturns. Although net sales declined

somewhat during the most recent recession, the downturn was moderate and sales have increased steadily since 2010.

Seasonal variations²



As shown in the graph below, the Company's revenue and operating income have not been significantly affected by seasonal variations in the past. Thanks to the Company's revenue model, which to a large extent comprises recurring revenues from lease contracts,

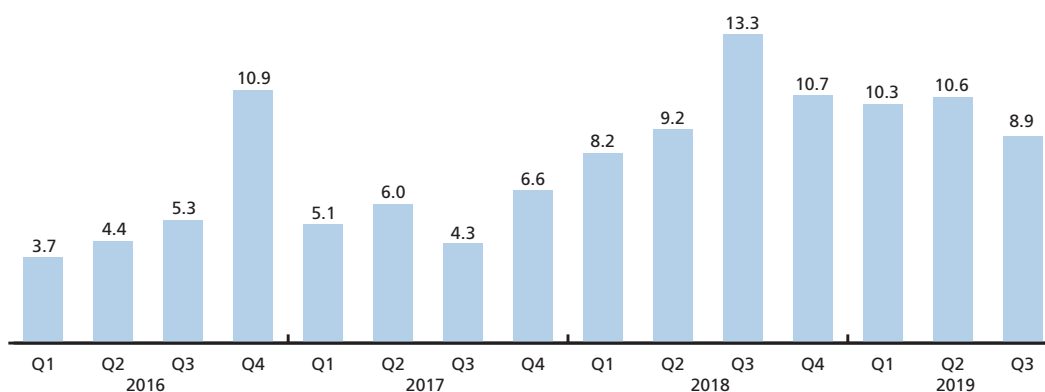
QleanAir's changes in both net sales and operating income between quarters have not been dramatic. Following is the net sales growth per product category during the last 15 quarters.

1) Based on audited information derived from QleanAir's annual accounts for the period 2001–2018.

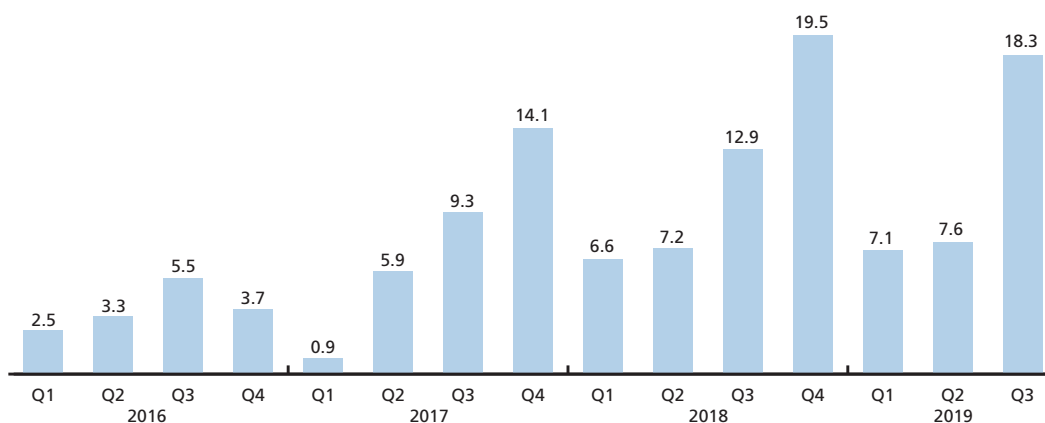
2) The information is based on unaudited information derived from QleanAir's internal reporting system.

Below are three graphs showing the net sales development for the Company's three product categories over the past 15 quarters.

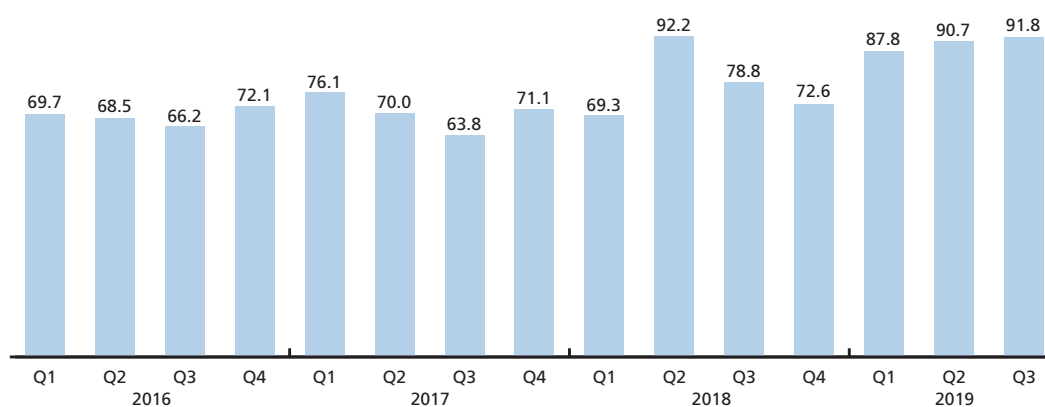
Net sales development, Facility Solutions 2016–19 (SEK million)¹



Net sales development, Room Solutions 2016–19 (SEK millions)²



Net sales development, Cabin Solutions 2016–19 (SEK millions)³



1) Based on unaudited information derived from QleanAir's internal reporting system.

2) Based on unaudited information derived from QleanAir's internal reporting system.

3) Based on unaudited information derived from QleanAir's internal reporting system.

Factors affecting operating income

QleanAir's financial results have been, and probably will be, affected by a number of factors, several of which are beyond the Company's control, both now and in the future. This section includes the key performance indicators that QleanAir believes have affected the Company's operating income and financial results during the period covered by the historical financial information in the Prospectus, as well as factors which may continue to do so in the future. Listed below are the factors that QleanAir considers having the greatest impact on the Company's operating income.

- Market climate;
- Legislation;
- Competition; and
- Currency fluctuations.

Market climate

The market for clean room solutions and freestanding air cleaners has demonstrated strong growth in recent years. The Company anticipates that the market will continue to grow in pace with increased public awareness of health risks associated with air contamination, as well as increased regulatory demands from public authorities. The Company's earnings going forward may be affected both positively and negatively, depending on continued growth of the market.

Legislation

The Company's net income going forward may be affected by legislative changes. QleanAir's growth on the US market for clean rooms has been driven by new standards for the preparation, compounding and storage of pharmaceuticals, particularly at hospital pharmacies and compounding pharmacies. More stringent requirements for hospital pharmacies and/or compounding pharmacies are expected to increase demand for QleanAir's clean room solutions.

As a consequence of trends towards stricter legislation, the Company makes the assessment that there is an increased possibility that other industries that require clean working conditions will have more exacting requirements going forward. Stricter legislation and enhanced requirements on existing solutions may have a positive effect on demand for high-quality and safe smoking solutions, such as those provided by QleanAir.

On the Japanese market, the Company's entire sales comprise clean air technology products intended for indoor smoking. In Japan, an amendment to the Health Promotion Act is currently taking place with the purpose to protect humans from passive smoking in public areas. The revised legislation will enter into force on 1 April 2020 and, in an event QleanAir's products should fail to satisfy the new legislative requirements and if QleanAir fails to adapt the products in accordance with such requirements, or if there were to be further changes to legislation or practice, there is a risk that the Company may need to allocate significant resources on adapting its products, with the risk that the Company's sales possibilities on the Japanese market will be significantly weakened. Furthermore, such legislative change on one or many of the Company's other current markets, or on markets which the Company considers it has the potential of reaching in the future, would have a significant adverse impact on the Company's net sales.

Competition

The Company operates on a market in which there are established competitors in each product category. Most of the Company's competitors focus on one-off sales of units without providing any service offering. QleanAir's business concept is based on companies outsourcing air cleaning solutions, instead of maintaining purchased units in-house.

Currency fluctuations

The Company is domiciled in Sweden and Swedish kronor (SEK) constitute the reporting currency in the Company's accounts. The Company has expenses and revenues related to its business primarily in EUR, JPY, SEK and USD. Consequently, the Company may be exposed to risks related to currency flows within and outside Sweden and the EU area. Furthermore, through its subsidiaries, QleanAir is exposed to the translation risk which arises in conjunction with the translation of the income statements and balance sheets of subsidiaries to SEK. EUR and JPY are the most sensitive currencies with respect to the Company's operating income. In 2018, all else equal, if EUR had weakened by 10 percent against SEK, net sales would have been SEK 14.8 million lower. In 2018, all else equal, if JPY had weakened by 10 percent against SEK, net sales would have been SEK 14.2 million lower. The Company is unable to foresee any currency losses or gains, and currency losses may have a significant adverse impact on the Company's earnings.

Comments on the financial development

Comparison between the period January – September 2019 and January – September 2018

Net sales

The Group's net sales increased by SEK 35.4 million, or 11.9 percent, from SEK 297.7 million during January – September 2018 to SEK 333.0 million during January – September 2019. Net sales comprise revenues from sales of products and services. The increase in net sales was primarily due to increased sales within Cabin Solutions in Japan as well as new sales within Room Solutions in the US. Approximately SEK 18.1 million of the increase is attributable to positive exchange rate effects.

Operating income

The Group's operating income increased by SEK 3.7 million, or 6.8 percent, from SEK 53.7 million during January – September 2018 to SEK 57.3 million during January – September 2019. The increased operating income was primarily due to the increase in net sales, with operating expenses increasing from SEK -244.2 million during January – September 2018 to SEK -275.8 million during January – September 2019.

Interest income

Koncernens finansiella intäkter minskade med 2,0 MSEK, från 2,0 MSEK under januari - september 2018 till 0 MSEK under januari - september 2019. Ränteintäkterna i januari - september 2018 utgjordes av ränteintäkter på likvida medel.

Räntekostnader

The Group's financial income decreased by SEK 2.0 million, from SEK 2.0 million during January – September 2018 to SEK 0 million during January – September 2019. Interest income in January – September 2018 comprised interest income on cash and cash equivalents.

Interest expenses

The Group's financial expenses increased by SEK 2.9 million, from SEK -16.6 million during January – September 2018 to SEK -19.5 million during January – September 2019. As a consequence of the introduction of IFRS 16, interest expenses attributable to leasing liabilities of SEK 0.6 million are included in the 2019 figures.

Other financial income and expenses

The Group had no other financial income or expenses during any of the periods.

Income before and after tax

The Group's income before tax decreased by SEK 1.3 million, or 3.3 percent, from SEK 39.1 million during January – September 2018 to SEK 37.8 million during January – September 2019. Income after tax decreased by SEK 2.4 million, or 10.4 percent, from SEK 23.1 million during January – September 2018 to SEK 20.7 million during January – September 2019.

Tax

The Group's reported tax expense increased by SEK 1.2 million, or 7.2 percent, from SEK 16.0 million during January – September 2018 to SEK 17.1 million during January – September 2019.

Cash flow from operating activities

The Group's cash flow from operating activities increased by SEK 15.3 million, or 41.4 percent, from SEK 37.0 million during January – September 2018 to SEK 52.3 million during January – September 2019. The increase is primarily due to the improved operating income, lower receivables and an increase in current liabilities.

Cash flow from investing activities

The Group's cash flow from investing activities increased by SEK 0.2 million, or 1.4 percent, from SEK -13.8 million during January – September 2018 to SEK -13.6 million during January – September 2019.

Cash flow from financing activities

The Group's cash flow from financing activities decreased by SEK -10.3 million, or 36.2 percent, from SEK -28.4 million during January – September 2018 to SEK -38.7 million during January – September 2019. The cash flow from financing activities in 2018 and 2019 comprised debt repayments.

Liquidity and financial position

The Group's equity increased by SEK 24.6 million, or 36.5 percent, from SEK 67.4 million on 30 September 2018 to SEK 92.1 million on 30 September 2019. The Group's interest-bearing liabilities increased by SEK 8.8 million, or 2.5 percent, from SEK 349.3 million on 30 September 2018 to SEK 358.0 million on 30 September 2019. The Group's total liabilities increased by SEK 55.3 million, or 10.9 percent, from SEK 504.8 million on 30 September 2018 to SEK 560.1 million on 30 September 2019. The Group's cash and cash equivalents increased by SEK 32.0 million, or 65.7 percent, from SEK 48.8 million on 30 September 2018 to SEK 80.8 million on 30 September 2019.

Comparison between the period January – December 2018 and January – December 2017**Net sales**

The Group's net sales increased by SEK 64.5 million, or 19.2 percent, from SEK 336.3 million in 2017 to SEK 400.8 million in 2018. Net sales comprised revenues from sales of products and services. The increase in net sales was primarily due to a sales increase within Room Solutions in the US, an increased level of penetration on the Japanese market within Cabin Solutions, as well as strong growth within Facility and Room Solutions in the Nordic region.

Operating income

The Group's operating income increased by SEK 24.9 million, or 67.6 percent, from SEK 36.9 million in 2017 to SEK 61.8 million in 2018. The stronger operating income was primarily due to higher net sales.

Interest income

The Group's financial income increased by SEK 0.1 million, from SEK 0 million in 2017 to SEK 0.1 million in 2018. Interest income in 2018 comprised interest income on cash and cash equivalents.

Interest expenses

The Group's financial expenses decreased by SEK 0.2 million, or 0.7 percent, from SEK -22.3 million in 2017 to SEK -22.2 million in 2018. The Group's interest expenses largely comprised of interest on subordinated shareholder loans.

Other financial income and expenses

The Group's other net financial income and expenses increased by SEK 0.9 million, from SEK -0.6 million in 2017 to SEK 0.3 million in 2018. The Group's other financial income and expenses comprised exchange rate gains and losses during the year.

Income before and after tax

The Group's income before tax increased by SEK 26.0 million, or 185.7 percent, from SEK 14.0 million in 2017 to SEK 40.0 million in 2018. Income after tax increased by SEK 22.9 million, from SEK -1.9 million in 2017 to SEK 21.0 million in 2018.

Tax

The Group's tax expense increased by SEK 3.1 million, or 19.6 percent, from SEK -15.9 million in 2017 to SEK -19.1 million in 2018. The increased tax expense comprised an increase in deferred tax of SEK 5.9 million, from SEK -15.5 million in 2017 to SEK -21.4 million in 2018, while tax on income for the year decreased by SEK 2.8 million, from SEK -0.5 million in 2017 to SEK 2.3 million in 2018.

Cash flow from operating activities

The Group's cash flow from operating activities increased by SEK 1.2 million, or 2.2 percent, from SEK 54.7 million in 2017 to SEK 55.8 million in 2018. The change is primarily due to increased net sales, which however are largely offset by an increase in receivables. The Group's cash flow from operating activities before changes in working capital increased by SEK 16.2 million, or 40.5 percent, from SEK 40.0 million in 2017 to SEK 56.2 million in 2018.

Cash flow from investing activities

The Group's cash flow from investing activities increased by SEK 10.4 million, or 39.4 percent, from SEK -26.4 million in 2017 to SEK -16.0 million in 2018. The increase is primarily due to an increase in the acquisition of tangible fixed assets, from SEK -23.0 million in 2017 to SEK -14.3 million in 2018.

Cash flow from financing activities

The Group's cash flow from financing activities decreased by SEK 4.1 million, or 26.1 percent, from SEK -15.9 million in 2017 to SEK -20.0 million in 2018. In 2018, the Group repaid SEK 20 million in loans while no new borrowing took place.

Liquidity and financial position

The Group's equity increased by SEK 19.8 million, or 44.7 percent, from SEK 44.2 million on 31 December 2017 to SEK 64.0 million on 31 December 2018. The increase was primarily due to profit for the period. The Group's interest-bearing liabilities decreased by SEK 15.9 million, or 4.3 percent, from SEK 364.6 million on 31 December 2017 to SEK 348.7 million on 31 December 2018. The Group's total liabilities increased by SEK 17.9 million, or 3.5 percent, from SEK 504.2 million on 31 December 2017 to SEK 522.1 million on 31 December 2018. The increase is primarily due to increased accrued expenses and deferred income. The Group's cash and cash equivalents increased by SEK 23.9 million, or 47.0 percent, from SEK 51.0 million on 31 December 2017 to SEK 74.9 million on 31 December 2018.

Comparison between the period January – December 2017 and January – December 2016

Net sales

The Group's net sales increased by SEK 17.5 million, or 5.5 percent, from SEK 318.9 million in 2016 to SEK 336.3 million in 2017. Net sales comprised revenues from sales of products and services. The increase in net sales was primarily due to an increase in sales within Room Solutions in the US, an increased level of penetration on the Japanese market within Cabin Solutions, as well as strong growth within Facility and Room Solutions in the Nordic region.

Operating income

The Group's operating income decreased by SEK 0.8 million, or -2.3 percent, from SEK 37.7 million in 2016 to SEK 36.9 million in 2017. The weaker operating income was primarily due to higher operating costs.

Interest income

The Group's financial income decreased by SEK 0.5 million, from SEK 0.5 million in 2016 to SEK 0 million in 2017. Interest income in 2016 comprised interest income on cash and cash equivalents.

Interest expenses

The Group's financial expenses decreased by SEK 1.3 million, or -5.5 percent, from SEK -23.6 million in 2016 to SEK -22.3 million in 2017. The Group's interest expenses largely comprised interest on a subordinated shareholder loan.

Other financial income and expenses

The Group's other net financial income and expenses decreased by SEK -3.7 million, from SEK 3.1 million in 2016 to SEK -0.6 million in 2017. The Group's other financial income and expenses comprised exchange rate gains and losses during the year.

Income before and after tax

The Group's income before tax decreased by SEK 3.8 million, or 21.2 percent, from SEK 17.8 million in 2016 to SEK 14.0 million in 2017. Income after tax decreased by SEK 5.0 million, from SEK 3.0 million in 2016 to SEK -1.9 million in 2017.

Tax

The Group's tax expense increased by SEK 1.2 million, or 8.4 percent, from SEK -14.7 million in 2016 to SEK -15.9 million in 2017. The increased tax expense comprised an increase in deferred tax of SEK 1.1 million, from SEK -14.4 million in 2016 to SEK -15.5 million in 2017, while tax on income for the year increased by SEK 0.2 million, from SEK -0.3 million in 2016 to SEK -0.5 million in 2017.

Cash flow from operating activities

The Group's cash flow from operating activities decreased by SEK 22.2 million, or -28.9 percent, from SEK 76.9 million in 2016 to SEK 54.7 million in 2017. The change is primarily due to a reduction in adjustment for non-cash items.

Cash flow from investing activities

The Group's cash flow from investing activities increased by SEK 11.5 million, or -30.3 percent, from SEK -37.9 million in 2016 to SEK -26.4 million in 2017. The increase is primarily due to an increase in acquisition of tangible fixed assets, from SEK -34.9 million in 2016 to SEK -23.0 million in 2017.

Cash flow from financing activities

The Group's cash outflow from financing activities increased by SEK 12.3 million, or 43.6 percent, from SEK -28.1 million in 2016 to SEK -15.9 million in 2017. The increase is primarily due to a loan taken during the period.

Liquidity and financial position

The Group's equity decreased by SEK 3.3 million, or 7.0 percent, from SEK 47.5 million on 31 December 2016 to SEK 44.2 million on 31 December 2017. The reduction was primarily due to earnings for the period. The Group's interest-bearing liabilities increased by SEK 19.0 million, or 5.5 percent, from SEK 345.6 million on 31 December 2016 to SEK 364.6 million on 31 December 2017. The Group's total liabilities increased by SEK 33.4 million, or 7.1 percent, from SEK 470.8 million on 31 December 2016 to SEK 504.2 million on 31 December 2017. The Group's cash and cash equivalents increased by SEK 10.7 million, or 26.4 percent, from SEK 40.3 million on 31 December 2016 to SEK 51.0 million on 31 December 2017.

Capital resources

Intangible fixed assets

On 30 September 2019, the Group's intangible fixed assets amounted to SEK 349.8 million. Most of the Group's intangible fixed assets comprised goodwill. Goodwill in its entirety is attributable to QleanAir's acquisition of the operating subsidiary QleanAir Scandinavia AB in 2012. The Company carries out impairment tests of goodwill each year in accordance with the Company's accounting principles.

Tangible fixed assets

On 30 September 2019, the Group's tangible fixed assets amounted to SEK 31.3 million and primarily comprised leased out inventory in the form of installed units.

IFRS 16

IFRS 16 Leases was implemented on 1 January 2019. QleanAir has chosen the modified retrospective approach as the method for applying the new accounting standard for the first time. This means that the cumulative effect of implementation affects the accounting starting when the accounting principle is applied. No adjustment is made for comparative information. The implementation of IFRS 16 affects the comparison of 2019 figures with the previous year. IFRS 16 discounts the value of the right to future use of leasing assets and the value is reported as an asset in the balance sheet with the corresponding lease commitment as a liability. The reported leasing assets are amortized in accordance with the term of the agreement and the debt is reduced through ongoing payment for the commitment.

For the leasing agreements entered into by the Group, the rights of use, i.e. leases, amounted to SEK 25.8 million as of 30 September 2019 and leasing liabilities amounted to SEK 26.6 million. If the lease liabilities had been included in the net debt as of 30 September 2019, the net debt would have increased from SEK 250.7 million to SEK 277.3 million.

Investments

Completed investments

Since most of the assets used through the Company's value chain do not sit on QleanAir's own balance sheet, the need for investment in tangible and intangible fixed assets is modest. QleanAir's total investments for the periods covered by the historical financial information are summarized in the table below.

The units purchased by the Swedish company from the Japanese company are reported as an investment in fixed assets and as a divestment of fixed assets, instead of equipment. Due to the accounting principles applied in the Japanese entity, the investment levels stated in the annual reports for 2016 and 2017 are 137 overstated, which explains the differences in the historical annual reports. This has been adjusted in the 2018 annual accounts. The adjusted total amount for investments was approximately SEK -11.1 million in 2016, and approximately SEK -16.1 million in 2017.

SEK Thousands	Audited			Unaudited	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Sep 2019	Jan-Sep 2018
Tangible fixed assets	14,271	23,006	34,879	12,281	12,921
Intangible fixed assets	1,738	3,402	3,021	1,299	853
Total	16,009	26,407	37,899	13,580	13,774

Ongoing and upcoming investments

As of the date of the Prospectus, the Group has no significant ongoing investments. Nor, as of the date of the Prospectus, have any commitments been made with respect to individual significant investments in the immediate future.

Significant events after 30 September 2019

- After 30 September 2019, former director of the board Dan Pitulia resigned at his own request.

Other than the events described above, no significant changes have occurred with respect to the Company's financial position or position on the market since 30 September 2019.

Pro forma financial statements

Background to, and purpose of, the pro forma financial statements

Background

QleanAir entered into an agreement with the Company's principal shareholder Qevirp 41 Limited to acquire all shares in Smoke Free Systems Finance AB ("SFS Finance"). The acquisition, which will be carried out with the subsidiary QleanAir Scandinavia AB as the buyer, is conditional upon the completion of the Offering and repayment of existing shareholder loan. In connection with the acquisition, SFS Finance's existing bank financing from Swedbank AB (publ) will be replaced by the Group's new financing arrangements, please refer to "Capital structure, indebtedness, and other financial information" under "Financing arrangements" for more information. SFS Finance's strategy is to lease air cleaning solutions to end customers. The strategy is in line with QleanAir's strategy as described in the Prospectus. QleanAir is financing the acquisition of SFS Finance with existing cash. The purchase price of SEK 8.7 million will be paid in cash. In connection with the completion of the Offering, the Group's existing financing arrangements will be replaced by a new one and the existing shareholder agreement will be repaid by the Company through a combination of a set-off share issue and cash.

Purpose

The purpose of the consolidated pro forma financial statements is to present the hypothetical impact which the acquisition, the new loan financing and the new issue (debt for equity swap) would have had on QleanAir's consolidated income statement for the full year 2018 and for the period January – September 2019, and on the consolidated balance sheet in brief as of 30 September 2019.

In accordance with the Prospectus Regulation, the transactions are taken into account in the opening balance in the pro forma income statements, while in the pro forma balance sheet it is taken into account on the closing date. The pro forma financial statements are solely intended to provide information and illuminate facts.

By their very nature, the pro forma financial statements are intended to describe a hypothetical situation and has been produced for illustrative purposes only. The pro forma financial statements thus do not serve to describe QleanAir's actual financial position or results. Furthermore, the pro forma financial statements do not represent what the business results will look like in the future, they are only intended to illustrate a hypothetical effect. The hypothetical results and the hypothetical financial position stated in the pro forma financial statements can therefore differ from the Group's actual results and financial position. Investors should be careful to place excessive emphasis on the pro forma financial statements.

No synergy effects or integration costs have been taken into consideration in the pro forma financial statements. Furthermore, the pro forma financial statements include non-recurring expenses directly related to the acquisition in the pro forma financial statements.

These pro forma financial statements are solely intended to be used in connection with the Offering in the manner stated in the Prospectus, which has been approved by the Swedish Financial Supervisory Authority.

The information has not been prepared in accordance with SEC Regulation S-X or any other standards or practice generally accepted in the United States.

The pro forma financial statements should be read together with other information in the Prospectus.

Basis for the pro forma financial statements

The pro forma information for 2018 has been prepared based on the 2018 audited annual reports of QleanAir and SFS Finance. The pro forma information for 1 January – 30 September 2019 has been prepared based on internally prepared interim closing accounts of QleanAir and SFS Finance for the period 1 January - 30 September

2019. The interim closing accounts for 1 January – 30 September 2019 have been reviewed by the auditor in brief.

The pro forma balance sheet has been translated to the closing day rate and the respective pro forma income statement has been translated to an average rate over the year and over the nine-month period. The following exchange rates have been used when translating to SEK:

Geographic market	EUR	CHF
Average rate, 2018	10.2971	8.9474
Closing day rate, 1 December 2018	10.2585	9.1089
Average rate, 1 January-30 September 2019	10.5888	9.4884
Closing day rate, 30 September 2019	10.7030	9.8393

Accounting principles

In its financial statements, the Company applies International Financial Reporting Standards ("IFRS"), as adopted by the EU.

SFS Finance's accounts have been prepared in accordance with K3.

The pro forma financial statements have been prepared in accordance with the Company's accounting principles as described in the 2018 annual report. Accounting principles and calculation principles are in all essential respects unchanged compared with those applied in the 2018 annual report, except as regards IFRS 16 Leasing. In 2019, the implementation of IFRS 16 Leasing has impacted the Group's financial statements. The effects are described in the Company's 2018 annual report.

In connection with the preparation of the pro forma financial statements, the Company has conducted an analysis of the application of accounting principles in SFS Finance. In this analysis, a difference with respect to exchange rate effects has been noted. This difference is adjusted in the pro forma financial statements. Otherwise, no material differences between the accounting principles of the acquired company and those of the Company have been identified.

Pro forma adjustments

Unless otherwise stated, the adjustments are recurring.

Accounting of the acquisition

The preliminary acquisition analysis and the pro forma information are based on the following assumptions:

The Company acquires all shares in SFS Finance for SEK 8.7 million through existing cash. In terms of liquidity, the acquisition has been considered as if it happened on 1 January 2018. The pro forma adjustments have been made as if SFS Finance has always been a subsidiary of the Group.

Internal transactions

Internal revenues in SFS Finance have been eliminated against corresponding expenses in the Group. All internal balances between companies have been eliminated in the pro forma financial statements.

All transactions involving equipment in SFS Finance that was originally acquired from the Group have been reversed in the pro forma financial statements as if such transactions had not taken place. Consequently, all equipment has been returned to its original historical cost and depreciation plan.

Tax effect on adjustments

All adjustments in terms of earnings have been calculated at a tax rate of 21.4%. Temporary differences in the balance sheet are calculated applying a deferred tax rate of 21.4%.

Other pro forma adjustments

- Internal fees between SFS Finance and the Group have been eliminated.
- Revenue and expenses related to the Group's sales to SFS Finance have been eliminated and replaced by SFS Finance income from leasing to external customers.
- Elimination of balances between the Group and SFS Finance. An exchange rate difference arises in SFS Finance since the debt has not been recalculated at the closing day rate.
- Elimination of losses and depreciation as well as residual value of fixed assets in SFS Finance that were purchased by the Group for leasing to third parties.
- Reversal of fixed assets to their original historical cost as well as depreciation plan as if they were still on the accounts of the Company.
- Adjustment of the Group's external interest rates to new financing in accordance with a bank offering.
- New issue through debt for equity swap

Pro forma income statement, 1 January 2018 to 31 December 2018**Pro forma income statement, 1 January 2018 to 31 December 2018**

SEK Thousands	QA Holding Jan-Dec 2018	SFS Jan-Dec 2018	Financing arrangement	Other adjustments	Pro forma Jan-Dec 2018	Note
Net sales	400,813	48,498	-	-41,481	407,830	1) 2)
Other operating income	-	4,681	-	-4,538	143	1)
Total income	400,813	53,179	-	-46,019	407,973	
Cost of goods sold	-137,888	-	-	4,498	-133,390	2)
Other external expenses	-90,852	-195	-	-392	-91,439	1)
Personnel expenses	-98,728	-	-	-	-98,728	
Depreciation, amortization and impairment of intangible and tangible fixed assets	-11,106	-29,075	-	24,143	-16,038	3)
Other operating costs	-447	-	-	447	-	
Scrapping of fixed assets	-	-17,488	-	17,488	-	3)
Operating income (EBIT)	61,792	6,421	0	165	68,378	
Financial income	443	338	-	-	781	
Financial expenses	-22,172	-4,561	14,069	-1,512	-14,176	4) 5)
Income before tax	40,064	2,198	14,069	-1,348	54,983	
Deferred tax	2,333	-484	-	288	2,138	2) 3)
Tax on income for the period	-21,395	-3,122	750	-	-23,767	5)
Net income	21,002	-1,408	14,818	-1,059	33,353	
Other comprehensive income for the period	2,232	-94	-	-	2,138	
Comprehensive income for the period	23,234	-1,502	14,818	-1,059	35,492	

Notes to pro forma income statement, 1 January 2018 to 31 December 2018

- 1) Elimination of internal purchases and sales between companies. Net sales, SEK 4,484,000; other operating income, SEK -4,538,000 and other external expenses, SEK -392,000, net: SEK 0.
- 2) Adjustment of the year's purchases of fixed assets between companies at original historical cost. Net sales adjusted by SEK -45,964,000; cost of goods sold adjusted by SEK 4,498,000; financial expenses by SEK -227,000 and deferred tax by SEK 8,922,000, net: SEK -32,771,000.
- 3) Depreciation, amortization and impairment and scrapping in SFS down to amortization and depreciation on original historical cost. Amortization and depreciation adjusted by SEK 24,143,000, Other operating expenses adjusted by SEK 17,488,000 and deferred tax adjusted by SEK -8,909,000, net: SEK 32,722,000.
- 4) Elimination of internal balances between companies. Unrealized exchange rate difference on SEK -1,285,000 against financial expenses and deferred tax of SEK 275,000, net: SEK -1,010,000.
- 5) Adjustment for new financing. Interest expenses in companies adjusted by SEK 24,794,000 as well as estimated new interest payments on SEK 10,725,000 and tax effect of SEK 750,000: net SEK 14,818,000.

Supplementary disclosure to the pro forma income statement, 1 January 2018 to 31 December 2018

Presented below are selected pro forma key performance indicators that are not defined in accordance with IFRS. Guidelines with respect to alternative key performance have been issued by the European Securities and Market Authority (ESMA). The purpose of the guidelines is to make alternative key performance indicators in financial statements more comprehensible, reliable and comparable, thereby promoting their usability. In these guidelines, an alternative key performance indicator refers to a financial measurement of historical or future earnings trends, financial position, financial result or cash flows that is not defined or stated in applicable rules for financial reporting: IFRS and the Annual Reports Act.

The following tables show selected alternative key performance indicators that have not been defined or specified in accordance with IFRS. Certain descriptions of pro forma key performance indicators present trends as regards operational and financial key performance indicators that are not defined in accordance with IFRS. The Company makes the assessment that these alternative key performance indicators provide a better understanding of the Company's financial trends and that they are widely used by the Company's senior management and key employees, investors, equity analysts and other stakeholders as supplementary measures of the Company's development. Since not all companies calculate financial measurements in the same way, these are not always comparable with measures used by other companies. Therefore, these measurements should not be regarded as a substitute for measurements defined in accordance with IFRS.

Pro forma key performance indicators

SEK Thousands	Pro forma Jan-Dec 2018
SALES MEASURES	
Net sales pro forma	407,830
Total income pro forma	407,973
PROFITABILITY MEASURES	
Gross income pro forma	274,440
EBITDA pro forma	84,416
Operating income (EBIT) pro forma	68,378
Adjusted EBITDA pro forma	95,715
Adjusted EBIT pro forma	79,677
MARGIN MEASURES	
Gross margin pro forma, %	67.3
EBITDA margin pro forma, %	20.7
EBIT margin pro forma, %	16.8
Adjusted EBITDA margin pro forma, %	23.5
Adjusted EBIT margin pro forma, %	19.5

Reconciliation table for alternative key performance indicators

PROFITABILITY MEASURES	
SEK Thousands	Jan-Dec 2018
Net sales	407,830
Cost of goods sold	-133,390
Gross income pro forma	274,440
EBITDA pro forma 84,416	
Depreciation, amortization and impairment of intangible and tangible fixed assets	-16,038
Operating income (EBIT) pro forma	68,378
SEK Thousands Jan-Dec 2018	
Items affecting comparability	
Reversal of FX rate adjustments	88
Severance pay and insurance compensation in the Netherlands	978
Severance pay - former CEO	8,516
Pension liability and consultant expenses in Japan	461
Other adjustments	1,256
Total items affecting comparability	11,299
Adjusted EBITDA pro forma	95,715
Depreciation, amortization and impairment of intangible and tangible fixed assets	-16,038
Adjusted EBIT pro forma	79,677

Pro forma income statement, 1 January 2019 to 31 December 2019**Pro forma income statement, 1 January 2018 to 31 December 2019**

SEK Thousands	QA Holding Jan-Dec 2019	SFS Jan-Dec 2019	Financing arrangement	Other adjustments	Pro forma Jan-Dec 2019	Note
Net sales	333,032	37,133	-	-26,094	344,071	1) 2)
Other operating income	114	4,540	-	-4,776	-122	1) 4)
Total income	333,146	41,673	-	-30,870	343,949	
Cost of goods sold	-110,994	-	-	3,044	-107,949	2)
Other external expenses	-70,679	-948	-	478	-71,149	1)
Personnel expenses	-78,298	-	-	-	-78,298	
Depreciation, amortization and impairment of intangible and tangible fixed assets	-15,834	-21,580	-	18,093	-19,321	3)
Scrapping of fixed assets	-	-20,998	-	20,998	-	3)
Operating income (EBIT)	57,341	-1,853	-	11,743	67,231	
Financial income	16	2	-	-	18	
Financial expenses	-19,533	-4,600	10,671	-1,024	-14,486	2) 4) 5)
Income before tax	37,824	-6,450	10,671	10,719	52,763	
Deferred tax	29	-	-	-2,294	-2,265	2) 3) 4)
Tax on income for the period	-17,122	-	747	-	-16,375	5)
Net income	20,731	-6,450	11,418	8,425	34,124	
Other comprehensive income for the period	6,559	474	-	-	7,033	
Comprehensive income for the period	27,290	-5,976	11,418	8,425	41,157	

Notes to pro forma income statement, 1 January 2019 to 30 September 2019

- 1) Elimination of internal purchases and sales between companies. Net sales, SEK 10,019,000; other operating income, SEK -10,497,000 and other external expenses, SEK 478,000, net: SEK 0.
- 2) Adjustment of the year's purchases of fixed assets between companies at original historical cost. Net sales adjusted by SEK -36,113,000; cost of goods sold adjusted by SEK 3,044,000; financial expenses by SEK -263,000 and deferred tax by SEK 7,020,000, net: SEK -25,785,000.
- 3) Depreciation, amortization and impairment and scrapping in SFS down to depreciation and amortization on original historical cost. Depreciation and amortization adjusted by SEK 18,093,000, other operating expenses adjusted by SEK 20,998,000 and deferred tax adjusted by SEK -8,365,000, net: SEK 30,725,000.
- 4) Elimination of internal balances between companies. Realized exchange rate difference on SEK 5,721,000 against other operating income, SEK -1,287,000 against financial expenses and deferred tax of SEK -949,000, net: SEK 3,485,000.
- 5) Adjustment for new financing. Interest expenses in companies adjusted by SEK 18,715,000 as well as estimated new interest payments on SEK -8,044,000 and Tax effect of SEK 747,000: net SEK 11,418,000.

Supplementary disclosure to the pro forma income statement, 1 January 2019 to 30 September 2018

Presented below are selected pro forma key performance indicators that are not defined in accordance with IFRS. Guidelines with respect to alternative key performance indicators have been issued by the European Securities and Market Authority (ESMA). The purpose of the guidelines is to make alternative key performance indicators in financial statements more comprehensible, reliable and comparable, thereby promoting their usability. In these guidelines, an alternative key performance indicator refers to a financial measurement of historical or future earnings trends, financial position, financial result or cash flows that is not defined or stated in applicable rules for financial reporting: IFRS and the Annual Accounts Act.

The following tables show selected alternative key performance indicators that have not been defined or specified in accordance with IFRS. Certain descriptions of pro forma key performance indicators present trends as regards operational and financial key performance indicators that are not defined in accordance with IFRS. The Company makes the assessment that these alternative key performance indicators provide a better understanding of the Company's financial trends and that they are widely used by the Company's senior management and key employees, investors, equity analysts and other stakeholders as supplementary measures of the Company's development. Since not all companies calculate financial measurements in the same way, these are not always comparable with measurements used by other companies. Therefore, these measures should not be regarded as a substitute for measurements defined in accordance with IFRS.

Pro forma key performance indicators

SEK Thousands	Pro forma Jan-Dec 2019
SALES MEASURES	
Net sales pro forma	344,071
Total income pro forma	343,949
PROFITABILITY MEASURES	
Gross income pro forma	236,121
EBITDA pro forma	86,553
Operating income (EBIT) pro forma	67,231
Adjusted EBITDA pro forma	93,653
Adjusted EBIT pro forma	74,331
MARGIN MEASURES	
Gross margin pro forma, %	68.6
EBITDA margin pro forma, %	25.2
EBIT margin pro forma, %	19.5
Adjusted EBITDA margin pro forma, %	27.2
Adjusted EBIT margin pro forma, %	21.6

Reconciliation table for alternative key performance indicators

SEK Thousands	Jan-Sep 2019
PROFITABILITY MEASURES	
Net sales	344,071
Cost of goods sold	-107,949
Gross income pro forma	236,121
EBITDA pro forma	
Depreciation, amortization and impairment of intangible and tangible fixed assets	-19,321
Operating income (EBIT) pro forma	67,231
SEK Thousands	
Jan-Sep 2019	
Items affecting comparability	
Termination of contract with a distribution partner in Germany	3,500
Upgrading of installed cabins as a consequence of new Japanese legislation	3,600
Total items affecting comparability	7,100
Adjusted EBITDA pro forma	93,653
Depreciation, amortization and impairment of intangible and tangible fixed assets	-19,321
Adjusted EBIT pro forma	74,331

Pro forma balance sheet as of 30 September 2019

Pro forma balance sheet as of 30 September 2019

SEK Thousands	QA Holding 30 Sep 2019	SFS 30 Sep 2019	Financing arrangement	Other adjustments	Pro forma 30 Sep 2019	Note
ASSETS						
Capitalized expenditures	6,128	-	-	-	6,128	
Customer contracts	1	-	-	-	1	
Goodwill	343,704	-	-	-	343,704	
Intangible fixed assets	349,834	-	-	-	349,834	
Tangible fixed assets	31,319	95,276	-	-86,349	40,247	1)
Lease assets (IFRS 16)	25,799	-	-	-	25,799	
Tangible fixed assets	57,119	95,276	-	-86,349	66,046	
Non-current receivables	12,178	-	-	-12,178	-	2)
Fixed assets	419,130	95,276	-	-98,527	415,880	
Inventories	31,266	-	-	-	31,266	
Accounts receivables	47,005	4,579	-	-15,446	36,138	2)
Tax receivables	-	4,881	-	-	4,881	
Other receivables	9,378	2,933	-	-	12,311	
Prepaid expenses and accrued income	64,565	2	-	-	64,567	
Cash and cash equivalents	80,804	6,786	-24,690	-8,700	54,201	3) 4)
Current assets	233,019	19,181	-24,690	-24,146	203,365	
TOTAL ASSETS	652,149	114,457	-24,690	-122,673	619,244	
EQUITY AND LIABILITIES						
Equity	92,049	26,137	89,636	-76,566	131,257	1) 2) 3) 4)
Deferred tax liabilities	3,020	2,511	-	-18,479	-12,948	1)
Shareholder's loan	251,464	-	-251,464	-	-	4)
Liabilities to credit institutions	65,000	-	206,425	-	271,425	4)
Other leasing liabilities	16,812	12,178	-	-12,178	16,812	2)
Non-current liabilities	336,295	14,689	-45,039	-30,657	275,289	
Liabilities to credit institutions	15,000	-	-15,000	-	-	4)
Bank overdraft	-	52,790	-52,790	-	-	4)
Liabilities to group companies	9,762	14,679	-	-14,679	9,762	2)
Accounts payables	40,667	667	-	-668	40,666	2)
Tax liabilities	3,485	-	-1,497	-	1,988	4)
Other current liabilities	10,698	-	-	-103	10,595	2)
Accrued expenses and deferred income	144,193	5,495	-	-	149,687	
Current liabilities	223,805	73,632	-69,287	-15,450	212,699	
Liabilities	560,100	88,321	-114,326	-46,107	487,988	
TOTAL EQUITY AND LIABILITIES	652,149	114,457	-24,690	-122,673	619,244	

Notes till pro forma balance sheet as of 30 September 2019

- Adjustment of fixed assets in SFS down to original historical cost and depreciation and amortization thereon. Tangible fixed assets adjusted by SEK -86,349,000; Equity adjusted by SEK -67,870,000 and deferred tax liabilities adjusted by SEK -18,479,000.
- Elimination of internal balances between companies. Non-current receivables adjusted by SEK -12,178,000, accounts receivables by SEK -15,446,000, equity by SEK 5,000, other leasing liabilities by SEK -26,857,000, trade payables by SEK -668,000 and other current liabilities by SEK -103,000.
- Elimination of acquisition of SFS. Cash SEK -8,700,000, equity SEK -8,700,000.
- Adjustment for new financing. Cash and cash equivalents by SEK -24,690,000; redemption of shareholder loan, SEK -251,464,000; redemption of external loans, SEK -80,000,000; redemption of bank overdraft, SEK -52,790,000; new loans, SEK 275,000,000; prepaid loan expenses, SEK -3,575,000 and tax effect SEK -1,497,000; new issue, SEK 63,400,000; other interest effect in equity, SEK 26,236,000.

Auditor's report on pro forma financial statements

**To the board of directors of QleanAir Holding AB,
reg. no. 556879-4548**

We have audited the pro forma financial information presented on pages 72-76 of the prospectus of QleanAir Holding AB dated December 2, 2019.

The purpose of the consolidated pro forma financial statements is to present the hypothetical impact which the acquisition, the new loan financing and the new issue (debt for equity swap) would have had on QleanAir's consolidated income statement for the full year 2018 and for the period January – September 2019, and on the consolidated balance sheet in brief as of 30 September 2019.

Responsibility of the board of directors

It is the responsibility of the board of directors to prepare the pro forma financial information in accordance with the Regulation (EU) 2017/1129 (the Prospectus Regulation).

The auditor's responsibility

It is our responsibility to provide an opinion pursuant to Annex 20, sec 3 of the Commission Delegated Regulation (EU) 2019/980. We are not responsible for expressing any other opinion on the pro forma financial information or any of its constituent elements. We do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that we have for auditor's reports regarding historical financial information issued in the past.

Work performed

We have conducted our work in accordance with FAR's recommendation RevR 5 Examination of Financial Information in Prospectuses. This requires that we comply with FAR's ethical requirements and

have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of QleanAir Holding AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

Our work, which involved no independent review or audit of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations that we considered necessary to obtain reasonable assurance that the pro forma financial information has been properly compiled on the basis stated on pages 72-76 and that such basis is consistent with the accounting policies of the company.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated on pages 72-76 of the prospectus; and that basis is consistent with the accounting policies of QleanAir Holding AB.

Stockholm December 2, 2019

Grant Thornton Sweden AB
Anders Meyer
Authorized public Accountant

Capital structure, indebtedness, and other financial information

The information in this section should be read together with the section entitled "Operational and financial review" and the Company's consolidated financial statements with related notes. See the section entitled "Share capital and ownership structure" for more information about the Company's share capital and shares.

Capital structure and indebtedness

The tables in this section describe QleanAir's capital structure and net indebtedness on a group level as of 30 September 2019, both on an actual basis based on the Company's capital structure and indebtedness as of 30 September 2019 and also on an adjusted basis in order to illustrate effects on the Company's capital structure and net indebtedness that certain planned events that have not yet occurred will have on the Company's capitalisation and indebtedness.

The column "Reported" below shows the Company's capital structure and indebtedness as of 30 September 2019. The column "Adjustments" refers to adjustments made in light of the Company's repayment of the shareholder loan through a combination of debt for equity swap and cash repayment, as well as adjustments made in light of QleanAir's acquisition of SFS Finance. Repayment of the shareholder loan and the acquisition of SFS Finance are conditional on completion of the Offering. In connection with the acquisition, SFS Finance's existing bank financing from Swedbank AB (publ) will be replaced by the Group's new financing arrangements. For more information, please refer to the sections entitled "Capital structure, indebtedness and other financial information" under "Shareholder loan" as well as the section entitled "Legal is-

sues and supplementary information" under "Acquisition of Smoke Free Systems Finance AB".

Effects upon acquisition of SFS Finance

In connection with QleanAir's acquisition of SFS Finance, historical profits which arose upon sales between QleanAir and SFS Finance will be eliminated in the group accounts. This will take place through a one-off write-down of the acquired fixed assets whose value, in the acquisition analysis, includes what are referred to as internal profits. The internal profits that arose in 2019 will, in the group accounts, adversely affect earnings as a write-down of fixed assets and will affect EBIT but not EBITDA 2019. The historical internal profit will be eliminated directly in the balance sheet against retained earnings. As of 30 September 2019, the total internal profit in the acquired fixed assets amounted to approximately SEK 51 million, of which approximately SEK 19 million, as a one-off effect, will adversely affect profit for the year. In connection with the acquisition of SFS Finance, including the refinancing of the Group, the Principal Shareholder will contribute SEK 63 million in equity to the Group by means of a debt for equity swap.

Capital structure

SEK Thousands	30 Sep 2019 reported	Adjustments (unaudited)	Summation after adjustments (unaudited)
Current interest-bearing liabilities			
Secured by suretyship or guarantee	-	-	-
Secured by collateral	-	-	-
Not guaranteed or secured	15,000	-	15,000
Total current interest-bearing liabilities	15,000	-	15,000
Non-current interest-bearing liabilities			
Secured by suretyship or guarantee	-	-	-
Secured by collateral	-	-	-
Not guaranteed or secured	316,464	-56,464 ¹	260,000
Total long-term interest-bearing liabilities	316,464	-56,464	260,000
Total current and non-current interest-bearing liabilities	331,464	-56,464	275,000
Equity			
Share capital	6,642	-	6,642
Other contributed capital	58,929	63,000 ²	121,929
Other provisions	10,205	-	10,205
Retained earnings, including net income for the period	16,275	-51,124 ³	34,849
Total equity	92,051	11,876	103,927

1) Part of repayment of the shareholder loan, acquisition of SFS Finance and the Group's new financing arrangement with Swedbank.

2) The amount refers to a new issue of ordinary shares with payment by way of set-off of the shareholder loan of SEK 63 million.

3) The amount refers to the internal profit in fixed assets of SFS Finance, which the Company acquires in connection with the Offering, and as of September 30, 2019, amounted to approximately SEK 51 million.

Net indebtedness

SEK Thousands	30 Sep 2019	Adjustments (unaudited)	Adjusted (unaudited)
(A) Cash	80,804	-55,604 ¹	25,200
(B) Other cash and cash equivalents	-	-	-
(C) Short-term financial investments	-	-	-
(D) Liquidity (A) + (B) + (C)	80,804	-55,604	25,200
(E) Current financial receivables	-	-	-
(F) Short-term bank loans	-	-	-
(G) Current part of long-term liabilities	15,000	-	15,000
(H) Other current financial liabilities	-	-	-
(I) Current financial liabilities (F) + (G) + (H)	15,000	-	15,000
(J) Current financial net indebtedness (I) - (E) - (D)	-65,804	55,604	-10,200
(K) Long-term bank loans	65,000	195,000 ²	260 000
(L) Issued bonds	-	-	-
(M) Other long-term loans (incl. IFRS 16)	251,464	-251,464 ³	-
(N) Long-term financial liabilities (K) + (L) + (M)	316,464	-56,464	260,000
(O) Financial net indebtedness (J) + (N)	250,660	-860	249,800

Indirect indebtedness and contingent liabilities

As of 30 September 2019 there is neither any indirect indebtedness nor any contingent liabilities.

Financing arrangements

The main financing arrangements of the Group currently consist of bank financing in the form of facility agreements totalling SEK 170 million (nominal amount) with Swedbank AB (publ) and a shareholder loan from the Company's principal shareholder, Qevirp 41 Limited, which as of 30 September 2019 amounted to approximately SEK 251 million, including accrued interest, and as of the date of the Prospectus, amounted to approximately SEK 255 million, including accrued interest.

QleanAir has recently entered into an agreement with the Company's principal shareholder, Qevirp 41 Limited, for the acquisition of all shares in Smoke Free Systems Finance AB ("SFS Finance"). The acquisition, which will be carried out with the subsidiary QleanAir Scandinavia AB as the buyer, is conditional upon the completion of the Offering and repayment of the existing shareholder loan. In connection with the acquisition, SFS Finance's existing bank financing from Swedbank AB (publ) will be replaced by the Group's new financing arrangements, (please refer to section "Legal considerations and supplementary information" under "Acquisition of Smoke Free Systems Finance AB" for more information). SFS Finance has entered into two overdraft facility agreements with Swedbank AB (publ), one totalling EUR 9,985,000 and one totalling CHF 800,000 (the "Overdraft Facility Agreement").

In connection with the completion of the Offering, the shareholder loan will be repaid. Due to the repayment and the acquisition of SFS Finance, which is conditional upon the completion of the Offering and repayment of the existing shareholder loan, the main financing arrangement of the Group and the Overdraft Facility Agreements will be replaced by a new financing arrangement, consisting of a facility agreement with Swedbank AB (publ) totalling SEK 335 million (nominal amount). Detailed below is the existing financing arrangement and the new financing arrangement for the Group as well as SFS Finance.

The Group's current facility agreement with Swedbank

The Company and QleanAir Scandinavia AB have entered into a facility agreement with Swedbank AB (publ) totalling SEK 170

million (nominal amount) (the "Facility Agreement"). The Facility Agreement consists of four facilities, (i) a credit facility totalling SEK 65 million, (ii) a credit facility totalling SEK 65 million, (iii) an overdraft facility totalling SEK 20 million, and (iv) a facility totalling SEK 20 million.

The agreement contains, *inter alia*, financial obligations connected to EBITDA, obligations to provide Swedbank with certain information, and restrictions on divestments, pledging of securities, changes in operations and commitments to ensure that property is insured. The Facility Agreement further contains grounds for termination and grounds for early repayment. In the event of early repayment in accordance with the Facility Agreement, a termination fee is to be paid corresponding to the interest that would have been paid to Swedbank for the period until the end of the current interest period if early repayment had not taken place, reduced by an amount corresponding to what Swedbank could have received by investing the repaid amount with a leading bank until the end of the current interest period. An interest period runs over three months. The Company has not breached any commitments or obligations under the Facility Agreement.

In accordance with the Facility Agreement, the Company has provided security to the benefit of Swedbank in the form of pledged shares in QleanAir Scandinavia AB and a floating charge of SEK 40 million in QleanAir Scandinavia AB.

The existing Facility Agreement will be replaced by a new financing arrangement in connection with the completion of the Offering. The new financing arrangement is described below (under "New financing arrangement with Swedbank").

Shareholder loan

In February 2012, the Company received a shareholder loan totalling SEK 179,763,000 from Qevirp 41 Limited (the "Shareholder Loan"). The Shareholder Loan carries an annual interest rate of 8 percent, to be paid in connection with the final repayment of the Shareholder Loan. All Qevirp 41 Limited's claims against the Company under the Shareholder Loan are subordinated to any claims against the Company in accordance with the Facility Agreement. With due consideration of the Shareholder Loan's subordination, the Company may choose to repay the Shareholder Loan with interest without any additional fees. Qevirp 41 Limited may also choose to convert the Shareholder Loan, in whole or in part, into equity in the Company

1) Part of repayment of the shareholder loan and acquisition of SFS Finance.

2) Part of the Group's new financing arrangement with Swedbank.

3) The amount refers to repayment of the shareholder loan, which as of September 30, 2019 amounted to approximately SEK 251 million, including accrued interest, and as of the date of the Prospectus, amounted to approximately SEK 255 million, including accrued interest.

by making shareholder contributions or subscribing for shares in the Company. In the event that the Company's equity should be less than 50 percent of the registered share capital, Qevirp 41 Limited shall convert all or part of the Shareholder Loan into equity in the Company by making shareholder contributions. The Shareholder Loan was partially repaid in April 2017 by utilizing one of the credit facilities under the Facility Agreement. As of the 30 September 2019, the Shareholder Loan amounted to approximately SEK 251 million, including accrued interest and as of the date of the Prospectus, amounted to approximately SEK 255 million, including accrued interest. The Shareholder Loan will be repaid by the Company through a combination of cash and a set-off share issue in connection with the completion of the Offering. Consequently, 1,575,000 new shares will be issued by the Company and will be subscribed by the Principal Shareholder in connection with the completion of the Offering, whereby payment totalling SEK 63 million for the new shares will be made through set-off, thus refunding a part of the claim the Principal Shareholder has against the Company under the existing shareholder loan. The subscription price for the new shares in the set-off issue will correspond to the Offering price. The remaining part of the Shareholder Loan will be repaid by the Company in cash, in connection with the completion of the Offering.

Overdraft facilities - Smoke Free Systems Finance AB

QleanAir has recently entered into an agreement with the Company's principal shareholder, Qevirp 41 Limited, regarding the acquisition of all shares in Smoke Free Systems Finance AB ("SFS Finance"). The acquisition, which will be carried out with the subsidiary QleanAir Scandinavia AB as the buyer, is conditional upon the completion of the Offering and the repayment of the existing shareholder loan. In connection with the acquisition, SFS Finance's existing bank financing from Swedbank AB (publ) will be replaced by the Group's new financing arrangements (please refer to section "Legal considerations and supplementary information" under "Acquisition of Smoke Free Systems Finance AB" for more information). SFS Finance has entered into one overdraft facility agreements with Swedbank AB (publ), amounting to a value corresponding to SEK 100 million, which can be used for financing operations with foreign currency (the "Overdraft Facility Agreement"). The outstanding amount under the Overdraft Facility Agreement totals EUR 8,985,000 and CHF 800,000 respectively. The Overdraft Facility Agreement is due for payment on 31 December 2019. Swedbank can terminate the facilities for immediate repayment if SFS Finance fails to fulfil (or there is reasonable cause to assume that SFS Finance will fail to fulfil) its obligations to the bank, if SFS Finance overdraws the account or if the security provided under the facilities is no longer satisfactory. At maturity, SFS Finance will be obliged to pay outstanding loan amounts, interest and any fees and expenses to Swedbank.

In accordance with the Overdraft Facility Agreement, SFS Finance has provided security to the benefit of Swedbank in the form of a floating charge of SEK 100 million in SFS Finance.

The Overdraft Facility Agreements will be replaced by the Group's new financing arrangements in connection with the completion of the Offering. The new financing arrangement is described below (under "New financing arrangement with Swedbank").

The Group's new financing arrangement with Swedbank

The Company has entered into an agreement with Swedbank regarding a new financing arrangement (the "New Financing Arrangement") which, effective as of the listing of the Company's shares on First North Premier, will replace the Facility Agreement, the Shareholder Loan, as well as the Overdraft Facility Agreement following an acquisition of SFS Finance (please refer to section "Legal considerations and supplementary information" under "Acquisition of Smoke Free Systems Finance AB" for more information).

The New Financing Arrangement consists of three facilities together amounting to SEK 335,000,000, structured as set forth below:

- (i) One term facility with amortization amounting to SEK 137,500,000, with an annual interest rate of IBOR¹ + 3.25% and a maturity period of five years;
- (ii) One term facility without amortization amounting to SEK 137,500,000, with an annual interest rate of IBOR¹ + 3.75% and a maturity period of five years; and
- (iii) One revolving facility amounting to SEK 60,000,000, with an annual interest rate of IBOR¹ + 3.25%.

The New Financing Arrangement contains customary provisions such as financial covenants relating to a minimum interest cover rate of 3.0:1 and a total gross debt in relation to EBITDA of no more than 3.0 times higher until the fourth quarter of the year 2020, no more than 2.75 times higher until the second quarter of the year 2021, and thereafter no more than 2.5 times higher.

Any significant intra-group loans will, according to the New Financing Arrangement, be subordinated to Swedbank's receivable and are pledged to the benefit of Swedbank. Furthermore, the Company will provide security to the benefit of Swedbank, *inter alia*, in the form of first priority pledging of the shares in QleanAir Scandinavia AB and SFS Finance, and floating charges in QleanAir Scandinavia AB and SFS Finance of SEK 40 million and SEK 100 million respectively.

Other financial information

Statement concerning working capital

The Company believes that the existing working capital is sufficient to meet the Company's needs during the coming 12-month period. In this context, 'working capital' means QleanAir's possibility to access to cash and cash equivalents in order to perform its payment obligations as they fall due.

Trends

To the best knowledge of the board of directors, as of the date of the Prospectus, other than as stated under "Drivers" in the section entitled "Market overview", there are no uncertainty factors, potential claims or other demands, undertakings or events, apart from those stated in the section entitled "Risk factors", which might be expected to have a material impact on the Company's prospects for the future.

Other than as stated above and in the section entitled "Risk factors", the Company is also unaware of any public, financial, tax policy, monetary policy or other policy measures which directly or indirectly have materially impacted, or might materially impact, the Company's business.

1) No less than 0%.

Board of directors, senior management and auditors

This section contains selected information regarding the board of directors, senior management and auditors. As far as the board of directors is aware, there have been no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which a board member, member of the senior management or auditor have been appointed or elected, other than described in this section.

Board of directors

The board of directors has its registered office in Stockholm, Sweden. According to the Company's articles of association, the board of directors shall consist of at least three and not more than seven ordinary members, without any deputy members. The board of directors currently consists of four ordinary board members elected until the end of the annual general meeting to be held in 2020. Please refer to section "Corporate Governance" under "Board of directors" for more information.

The table below sets forth the board members, their position, the year they were appointed and their independence in relation to QleanAir, senior management and major shareholders. Major shareholders are defined in accordance with the Swedish Code of Corporate Governance (*Sw. Svensk kod för bolagsstyrning*) such as shareholders who directly or indirectly control ten percent or more of the shares or votes in the Company.

Name	Position	Member since	Independent in relation to:	
			QleanAir and its senior management	Major shareholders as of today
Rolf Classon	Chairman	2012	Yes	Yes
Christina Lindstedt	Board member	2016	Yes	Yes
Maria Perez Hultström	Board member	2017	Yes	No
Mats Hjerpe	Board member	2012	Yes	No

Below is further information on the board members' age, position, other ongoing assignments, previous assignments completed within the past five years, other relevant experience, independence and ownership of shares and share related instruments in the Company as of the date of this Prospectus. Assignments in subsidiaries within the Group have been excluded.



Rolf Classon
(chairman of the board)

--

Born: 1945

Position: Chairman of the board of directors since 2012.

Other ongoing assignments: Chairman of the board of directors of Metenova AB, Metenova Holding AB, Perrigo Plc. (Ireland) and Orion Diagnostica Oy (Finland). Deputy chairman of the board of directors of Fresenius Medical Care GmbH (Germany). Member of the board of directors of Catalent Inc. (USA).

Previous assignments completed within the past five years: Chairman of the board of directors of Aerocrine Aktiebolag, Tecan Group Ltd. (Switzerland) and Hill-Rom Inc. (USA).

Other relevant experience: Rolf has studied at the University of Gothenburg, from which he has received a degree in Chemical Engineering and a Master of Political Sciences. He has extensive experience from leading positions within the pharmaceutical and MedTech industries in particular. For the past 25 years, he has served as Chief Executive Officer and board member/chairman of private as well as listed companies in Sweden, Germany, Switzerland, England, Ireland and the United States. Rolf was, among other things, Chief

Executive Officer of Bayer Diagnostics between 1995 and 2002 and subsequently chairman of the Executive Committee of Bayer HealthCare for two years. Prior to this, Rolf held various senior positions within Pharmacia Corporation. At present, Rolf has several board assignments in Swedish and international companies, including Metenova, Perrigo, Fresenius Medical Care and Catalent.

Independent of QleanAir and the senior management: Yes.
Independent of major shareholders as of today: Yes.

Holdings in QleanAir: 120,000 shares (held by affiliated natural persons). Please refer to section "Legal considerations and supplementary information" under "Share acquisition intentions among major shareholders, board members and senior management" for more information.



Christina Lindstedt
(board member)

--

Born: 1968

Position: Member of the board of directors since 2016.

Other ongoing assignments: Managing director and member of the board of directors of XploreBiz AB. Member of the board of directors of Swedish Lorry Parts AB, Handicare Group AB and Scanfil Oyj.

Previous assignments completed within the past five years: Member of the board of directors of Neybers AB and Minalyze AB.

Other relevant experience: Christina has studied at the Gothenburg School of Business, Economics and Law, from which she received a Master of Science in Business and Economics, with a

specialization in international economics. She has experience from positions as a board member in owner-managed companies, listed companies, family companies and startups since 2009, and has held international, operational leadership roles within AB Electrolux and Sony Group from 1994-2013.

Independent of QleanAir and the senior management: Yes.

Independent of major shareholders as of today: Yes.

Holdings in QleanAir: 60,000 shares.



Maria Perez Hultström

(board member)

--

Born: 1981

Position: Member of the board of directors since 2017 (previously deputy board member between 2012-2017).

Other ongoing assignments: Member of the board of directors of Lamiflex Aktieföretag, Lamiflex Group AB, Lamiflex Holding AB, Smoke Free Systems Finance AB, Parfym Sverige Holding AB, Parfym Sverige AB, PSAB Holding AB and Fume AB. Deputy member of the board of directors of Monas Deli AB, Zerep Investment AB and Zerep Pref Investment AB.

Previous assignments completed within the past five years:

Deputy member of the board of directors of MYBW-gruppen Holding AB, MYBW Office Management Gruppen Holding AB, MYBW Office Management International AB, Crem International Holding AB and Avaj International Holding AB.

Other relevant experience: Maria has studied at the Royal Institute of Technology in Stockholm, at Georgia College and State University in the USA, and at the Stockholm School of Economics from which she received a Master of Science in Business and Economics. Maria works as an investment manager at Priveq Investment where her area of responsibility extends throughout the entire investment process – from identifying profitable investment objects to implementing owned companies strategies for growth and development. Maria is also a board member of several of Priveq's current and former portfolio companies. Previously, Maria worked with corporate finance at Svenska Handelsbanken and Erik Penser Bank.

Independent of QleanAir and the senior management: Yes.

Independent of major shareholders as of today: No. Maria Perez Hultström is employed by Priveq Advisory AB and advisor to Priveq Investment Fund (IV) L.P. which owns 84.6 percent of the shares in Qevirp 41 Limited, which in turn owns 11,984,200 shares in the Company.

Holdings in QleanAir: -



Mats Hjerpe

(board member)

--

Born: 1974

Position: Member of the board of directors since 2012.

Other ongoing assignments: Chairman of the board of directors of Smoke Free Systems Finance AB. Member of the board of

directors of Mediaplanet International AB, Mediaplanet Holding AB, Mediaplanet LP AB, 4C Group AB, Hedskog Equity AB, Priveq Investment V(B) AB, Priveq Investment V(A) AB, Priveq Holding V AB, Aquilonis AB, Aquilonis Invest AB and CSAM Health AS (Norway). Deputy member of the board of directors of Priveq Advisory AB.

Previous assignments completed within the past five years:

Member of the board of directors of MYBW-gruppen Holding AB, MYBW Office Management Gruppen Holding AB and MYBW Office Management International AB.

Other relevant experience: Mats has studied at Stockholm University, from which he received a Master of Science in Business and Economics. He has experience as investment manager at Priveq Investment where he has been partner for eight years. Mats' area of responsibility within Priveq ranges from identifying new profitable investment opportunities to, along with other owners, the board of directors and management, implementing owned companies' growth strategies. Mats has played an active role in a number of Priveq's portfolio companies on issues such as IPOs and geographical expansion. He also holds board assignments in several of Priveq's portfolio companies, including 4C Group AB, Mediaplanet, and CSAM (Norway). Previously, Mats worked as a financial analyst with focus on the health sector at Aragon Fondkommission AB. Apart from this, Mats has ten years of experience from board assignments in companies within different industries, generally having a turnover between SEK 100 million and SEK 2,300 million.

Independent of QleanAir and the senior management: Yes.

Independent of major shareholders as of today: No. Mats Hjerpe is employed by Priveq Advisory AB and advisor to Priveq Investment Fund (IV) L.P. which owns 84.6 percent of the shares in Qevirp 41 Limited, which in turn owns 11,984,200 shares in the Company.

Holdings in QleanAir: -

Senior management

As of today, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company constitute the senior management of QleanAir. Below is information on the senior management's age, position, other ongoing assignments, previous assignments completed within the past five years, other relevant experience and ownership of shares and share related instruments in the Company. Assignments in subsidiaries within the Group have been excluded.



Andreas Göth

(CEO)

--

Born: 1974

Position: CEO since 2018.

Other ongoing assignments: CEO and deputy member of the board of directors of Smoke Free Systems Finance AB.

Previous assignments completed within the past five years: -

Other relevant experience: Andreas has studied at Stockholm University, from which he received a Bachelor of Science in Business Administration and Economics with a specialization in international economics. He has experience as CFO from SkandiaBanken Bolån, and has held senior positions within QleanAir since 2001, such as CFO and COO.

Holdings in QleanAir: 100,000 shares. Please refer to section "Legal considerations and supplementary information" under "Share acquisition intentions among major shareholders, board members and senior management" for more information.



Henrik Resmark
(CFO)

--

Born: 1969

Position: CFO since 2013.

Other ongoing assignments: -

Previous assignments completed within the past five years:

Deputy member of the board of directors of Rökfritt AB.

Other relevant experience: Henrik has studied at Lund University, from which he received a Master of Science in Business and Economics, with an international specialization. He has experience as controller at a listed company, management consultant at Carta Corporate Advisors, project leader at Aros Securities/Nordea Securities Corporate Finance from 1998-2003 and CFO at NeuroNova/Newron between 2003-2013.

Holdings in QleanAir: 100,000 shares. Please refer to section "Legal considerations and supplementary information" under "Share acquisition intentions among major shareholders, board members and senior management" for more information.

Auditors

According to the Company's articles of association, the Company shall have minimum one and maximum two auditors with maximum two deputy auditors. The auditor(s), or deputy auditor(s) (as applicable), shall be an authorized public accountant or a registered public accounting firm.

In respect of the period of time covered by historical financial information in this Prospectus, Per-Göran Mattis from Grant Thornton Sweden AB (Sveavägen 20, 103 94 Stockholm) has been the Company's auditor. At the extraordinary general meeting held on 7 October 2019, it was resolved to elect Grant Thornton Sweden AB as auditor, with Anders Meyer as auditor-in-charge. The change of auditor was made due to the planned listing of the Company's shares on First North Premier. The auditor was appointed for the period until the end of the annual general meeting to be held in 2020. Both Per-Göran Mattis and Anders Meyer are authorized auditors and members of FAR (professional institute for authorized public accountants, approved public accountants, and other advisers in Sweden). The auditor holds no shares or share related instruments in QleanAir.

Other information regarding the board members and senior management

All members of the board of directors and senior management are available through the Company (postal address P.O. Box 1178, 171 23 Solna, Sweden and visiting address Torggatan 13, 171 54 Solna, Sweden).

There are no family relations between any members of the board of directors or senior management of the Company. No member of the board of directors or the senior management has been convicted in relation to fraudulent offences during the past five years. No member of the board of directors or of the senior management has been involved in any bankruptcy, receivership or mandatory liquidation in which he or she acted in the capacity as a member of the administrative, management or supervisory bodies or as any senior manager at any time in the previous five years.

No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated profes-

sional bodies) against any of the board members or members of the senior management in the previous five years. No board member or member of the senior management has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company in the previous five years.

All of the current board members of the Company have been appointed in accordance with the provisions of the current shareholders' agreement, which will terminate in connection with the listing of the Company's shares on First North Premier.

Potential conflicts of interest among the board of directors and senior management

As set out above in this section, some board members and members of the senior management have private interests in the Company through holding of shares. Board members and members of the senior management of the Company may serve as board members or officers of other companies or have ownership interest in other companies and, to the extent that such other companies enter into business relationships with the Company, members of the board of directors or senior management of the Company may have a conflict of interest in which case the relevant person is not involved in the handling of the matter on behalf of the Company.

Other than aforementioned, none of the board members or members of the senior management has any private interests which may conflict with the interests of the Company.

Remuneration for board members, senior management and auditors

Remuneration for the board of directors is resolved by the general meeting. At the annual general meeting held on 17 June 2019, it was resolved that fees to the board of directors shall be payable in the total amount of SEK 300,000 until the annual general meeting to be held in 2020, out of which SEK 200,000 shall be paid to the chairman and SEK 100,000 to Christina Lindstedt. Board members Maria Perez Hultström and Mats Hjerpe are employed by Priveq Advisory AB and advisors to Priveq Investment Fund (IV) L.P. which owns 84.6 percent of the shares in the Principal Shareholder, and therefore they receive no fees from the Company.

The table below sets forth the remuneration for board members in 2018 including any contingent or deferred compensation, as well as benefits in kind granted by QleanAir for services in all capacities performed for QleanAir, regardless of by whom or in what capacity the services have been performed. All amounts are expressed in TSEK.

Remuneration for board members 2018

Name	Board remuneration (TSEK)	Total (TSEK)
Rolf Classon	200	200
Christina Lindstedt	100	100
Dan Pitulia ¹	-	8,500
Maria Perez Hultström	-	-
Mats Hjerpe	-	-
TOTAL	300	8,800

1) Dan Pitulia has, at his own request, resigned from the board of directors in accordance with a resolution adopted at the extraordinary general meeting held on 7 October 2019. Remuneration in 2018 refers to salary and other remuneration, social security contributions and pension costs in relation to previous employment as CEO of the Company. The employment was terminated in 2018. According to a special agreement, compensation mainly comprising severance pay was also paid in 2019 and with an amount of a total of SEK 4,498,424, which was accounted for in 2018. Please refer to section "Legal considerations and supplementary information" under "Transactions with related parties" regarding rent paid for office space.

Remuneration for the senior management may consist of fixed salary, variable remuneration, pension and other benefits. The tables below set forth the remuneration for senior management in 2018 and the current agreed annual compensation, including any contin-

gent or deferred compensation, as well as benefits in kind granted by QleanAir for services in all capacities performed for QleanAir, regardless of by whom or in what capacity the services have been performed. All amounts are expressed in TSEK.

Remuneration for senior management 2018

Name	Salary and other benefits (TSEK)	Social security contributions (TSEK)	Pension costs (TSEK)	Total (TSEK)
Andreas Göth (CEO)	1,597	502	421	2,520
Henrik Resmark (CFO)	1,460	459	266	2,185
TOTAL	3,057	961	688	4,706

Current agreed annual compensation for senior management

Name	Salary and other benefits (TSEK)	Social security contributions (TSEK)	Pension costs (TSEK)	Total (TSEK)
Andreas Göth (CEO)	1,638	515	492	2,645
Henrik Resmark (CFO)	1,332	419	264	2,015
TOTAL	2,970	933	756	4,660

Remuneration for the auditors

In 2016, the remuneration paid to the Company's auditor amounted to TSEK 106 (for the Company) and TSEK 486 (for the Group). For the Company, TSEK 68 referred to audit services and for the Group, TSEK 333 referred to audit services.

In 2017, the remuneration paid to the Company's auditor amounted to TSEK 275 (for the Company) and TSEK 772 (for the Group). For the Company, TSEK 267 referred to audit services and for the Group, TSEK 731 referred to audit services.

In 2018, the remuneration paid to the Company's auditor amounted to TSEK 307 (for the Company) and TSEK 884 (for the Group). For the Company, TSEK 184 referred to audit services and for the Group, TSEK 747 referred to audit services.

Audit services refer to the audit of the annual report and book-keeping as well as the management of the Company's operations by the board of directors and the CEO, other tasks that are incumbent on the Company's auditors, and the provision of advice or other assistance resulting from observations made in connection with the auditing or the performance of such other tasks. Remuneration to the Company's auditor is paid according to approved invoices.

Employment agreements for senior management

In addition to fixed salary, the Company's senior management can receive variable remuneration corresponding to a maximum of 75 percent (CEO) and 50 percent (CFO) of the fixed annual salary respectively. Variable remuneration to the CEO shall be paid in cash and based on the result in relation to performance goals that are determined annually in advance, and paid out in a discretionary manner by decision of the board of directors. Variable remuneration to the CFO shall be paid in cash and based on the outcome in relation to targets set by the CEO.

The Company's CEO is entitled to pension benefits corresponding to 30 percent of the pension qualifying income. The Company's CFO is entitled to pension benefits corresponding to 5 percent of the pension qualifying income up to a maximum of 7.5 percent of the price basic amount (Sv. *prisbasbelopp*), and corresponding to 25 percent of the pension qualifying income exceeding 7.5 of the price basic amount. Only fixed salary (and not variable remuneration) is pension qualifying.

The mutual notice period for the CEO is six months. For the CFO the notice period is eight months upon termination by the Company, and four months upon termination by the CFO. Upon termination by the Company, the CEO is entitled to redundancy payment

corresponding to not more than 100 percent of the fixed salary for a maximum of six months. The CFO is not entitled to redundancy payment. Furthermore, the CEO's and the CFO's employment agreements contain undertakings regarding confidentiality, non-competition and non-solicitation following termination of the employment.

Salary and other fringe benefits to the senior management are considered to be in accordance with the market and based on the importance, requirement on competence, experience and performance of the duties of the senior management.

Guidelines for remuneration to senior management

At the extraordinary general meeting held on 7 October 2019, it was resolved to adopt guidelines for remuneration and other employment conditions for the senior management. In summary, the main principle is that remuneration and other employment conditions for members of the senior management shall be based on market terms and competitive in order to ensure that the Group can attract and retain competent members of the senior management at a reasonable cost for the Company. The total remuneration for the senior management may consist of fixed salary, variable remuneration, pension and other benefits.

Variable remuneration shall be paid in cash and be based on the result in relation to performance goals within the respective area of responsibility and be in line with the shareholders' interests. Variable remuneration shall correspond to a maximum of 75 percent of the fixed annual salary for the CEO and a maximum of 50 percent of the fixed annual salary for other members of the Group's senior management. Members of the senior management shall, unless otherwise specifically agreed upon, be offered pension terms which are in accordance with the market in the country where the members of the senior management are habitually resident. Variable remuneration shall, as a main rule, not be pension qualifying.

Other benefits such as a company car, additional health insurance and medical benefits shall be limited in value in relation to other remuneration and shall be paid only in so far as it is considered to be in accordance with the market for other members of senior managements holding corresponding positions on the employment market where the member in question is operating.

The notice period upon notice given by the Company shall be no longer than 12 months for all members of the senior management, with a right to redundancy payment after the expiration of the notice period corresponding to not more than 100 percent of the fixed

salary for a maximum of 12 months, meaning that the fixed salary and redundancy payment shall together not exceed 24 months' fixed salary. Any right to redundancy payment shall, as a main rule, decrease in situations where remuneration is received from another employer. Upon notice given by a member of the senior management, the notice period shall generally be 6 months for the CEO and 3-6 months for other members of the senior management.

In so far as board members elected by the general meeting are performing work that stretches beyond the tasks of the board of directors, it shall be possible to pay them for such work. Such remuneration shall be market based and shall be approved by the board of directors.

These guidelines shall encompass those persons that are members of the senior management during the period when the guidelines are in force. The guidelines are applicable on agreements entered into after the listing of the Company's shares on First North Premier, and as far as changes are made to existing agreements, thereafter. The board of directors shall be entitled to deviate from the guidelines in an individual case if there are special reasons for doing so.

Agreements regarding remuneration upon termination of assignment

Other than as disclosed in this section, the Group has not entered into any agreements with any member of the administrative, management or supervisory bodies pursuant to which any such member is granted any pension or other similar benefit upon termination of service. The Group has not set aside or accrued amounts to provide pension, retirement or similar benefits upon termination of employment or assignment.

Agreement on special compensation in connection with the planned listing of the Company's shares on First North Premier

Upon completion of the Offering, special compensation will be paid to certain persons. The compensation will be financed by the Company's principal shareholder, Qevirp 41 Limited (which will thus bear the costs for the compensation). The persons concerned are the chairman of the board of directors, the CEO and the CFO of the Company. Remuneration will be paid in cash and amount to SEK 1.5 million for the chairman of the board of directors, SEK 3.5 million for the CEO and SEK 1.9 million for the CFO (all amounts refer to net amounts). In connection with this, the chairman of the board of directors, the CEO and the CFO have undertaken to acquire shares in the Company in the Offering for an amount of SEK 1 million, SEK 2 million and SEK 1 million respectively. The shares acquired will be covered by the lock-up agreements that will be entered into by shareholders in connection with the Offering, which are described further in section "Share capital and ownership structure" under "Undertakings not to sell shares (lock-up)".

Corporate Governance

Legislation and articles of association

The Company is a Swedish public limited liability company and is governed by Swedish legislation, mainly the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)). As a result of the listing of the Company's shares on First North Premier, the Company will also apply Nasdaq's regulations and be subject to the EU Market Abuse Regulation (MAR). In addition to aforementioned, the Company's articles of association and its internal guidelines for corporate governance form the basis for the Company's corporate governance. The articles of association contain e.g. the registered office of the board of directors, the object of the Company's business, the limits for the share capital and number of shares and the conditions for participation at general meetings. The most recently adopted and registered articles of association are included in this Prospectus in their entirety; please refer to section "Articles of association" below.

The Swedish Code of Corporate Governance

It constitutes good stock market practice for companies whose shares or depositary receipts are being traded on a regulated market in Sweden to apply the Swedish Code of Corporate Governance (Sw. *Svensk kod för bolagsstyrning*) (the "Code"). According to Nasdaq's regulations, the Code shall be applied by companies whose shares are being traded on First North Premier, and the Company will apply the Code from the time of admission of trading of the Company's shares on First North Premier. The Code forms part of the system of self-regulation within the Swedish private sector and acts as complement to legislation and other regulations by specifying a norm for what is generally regarded as good corporate governance at a higher level of ambition than the statutory regulation. The Code is thus complementary to the Swedish Companies Act by setting higher requirements in some areas, while simultaneously allowing the Company to deviate from such requirements if it would be considered to lead to better corporate governance ("comply or explain"). The Company currently expects not to report any deviation from the Code.

General meetings

The shareholders' influence in the Company is exercised at general meetings, which, in accordance with the Swedish Companies Act is the Company's highest decision-making body. As the Company's highest decision-making body, the general meeting may resolve upon every matter for the Company, not specifically reserved for another corporate body's exclusive competence. Thus, the general meeting has a sovereign role over the board of directors and the CEO.

At the annual general meeting, which according to the Swedish Companies Act shall be held within six months from the end of each financial year, resolutions must be passed on adoption of the profit and loss account and balance sheet (as well as of the consolidated profit and loss account and the consolidated balance sheet), allocation of the Company's profit or loss, discharge from liability for the board of directors and the CEO, elections of members of the board of directors and auditor and on remuneration for the board of directors and the Company's auditor. At general meetings, the shareholders also resolve on other key matters in the Company, such as amending of the articles of association, any new issue of shares etc. If the board of directors considers there is reason to hold a general meeting before the next annual general meeting, or if an auditor of the Company or owners of at least one-tenth of all shares in the Company so demand in writing, the board of directors must issue a notice to convene an extraordinary general meeting.

Notice to attend a general meeting shall, in accordance with the Company's articles of association, be made by announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by making the notice available on the Company's website. At the same time as notice is given, it shall be announced in Dagens Industri that a notice has been made. Notice of a general meeting must be issued no earlier than six weeks and not later than two weeks before the meeting. Notice of the annual general meeting and any general meeting at which changes to the articles of association is to be dealt with must be issued no earlier than six weeks and not later than four weeks before the meeting.

All shareholders who are registered directly in the Company's share register, kept by Euroclear Sweden AB, five weekdays prior to the general meeting (i.e. on the record date) and who notify the Company of their intention to attend the general meeting not later than the date specified in the notice of the meeting shall be entitled to attend and vote at the general meeting, either in person or through a proxy. A shareholder may be accompanied by an assistant at general meetings upon notification. Each shareholder of the Company submitting a matter with sufficient foresight has the right to have the matter dealt with at the general meeting.

To be able to determine who is entitled to participate and vote at general meetings Euroclear shall, upon the request of the Company, supply the Company with a list of all holders of shares as of the record date to be set in connection with each general meeting. Shareholders that have their shares nominee-registered need to instruct the nominee to register the shares temporarily in the name of the shareholder in order to be entitled to attend and vote for their shares at general meetings (voting rights registration). Such registration must be conducted by the applicable record date at the latest and ceases to apply once the record date has passed. Shareholders that have their shares directly registered on an account in the Euroclear system will automatically be included in the list of shareholders.

Notices, communiqués and minutes from general meetings will be kept available on the Company's website.

Nomination committee

Provisions on the establishment of a nomination committee can be found in the Code. The nomination committee is a body of the general meeting with the sole task of preparing the general meeting's decision on electoral and remuneration issues and, where applicable, procedural issues of the next nomination committee.

At the extraordinary general meeting held on 7 October 2019, it was resolved to adopt principles for the appointment of and instructions concerning a nomination committee to apply until otherwise decided by the general meeting. According to these principles, the nomination committee shall be comprised of the chairman of the board of directors and three members appointed by the three largest shareholders by votes at the end of the third quarter each year. The term "three largest shareholders by votes" may also include known groups of shareholders. The chairman of the board of directors shall annually contact the shareholders who are entitled to appoint a member. Should any of the entitled shareholders waive their right to appoint a member to the nomination committee, the right is transferred to the fourth largest share holder by votes, and so on. However, no more than five additional shareholders need be contacted, unless the chairman of the board of directors finds that there are special reasons for doing so. When a shareholder is contacted with a request to appoint a member of the nomination committee, the chairman of the board of directors shall set out the requisite rules of procedure, such as the last date of response, etc.

The names of the members of the nomination committee and the names of the shareholders appointing members shall be made public no later than six months prior to the annual general meeting. The nomination committee appoints a chairman among its members. The chairman of the board of directors shall not be the chairman of the nomination committee. Should a member resign before the work of the nomination committee is concluded, and if deemed appropriate by the nomination committee, a replacement member shall be appointed by the shareholder that appointed the member who resigned, or, if that shareholder no longer represents one of the three largest shareholders by votes, by the shareholder representing such group. If a shareholder who has appointed a certain member has substantially decreased its shareholding in the Company, and the nomination committee does not deem it inappropriate in view of a potential need of continuity prior to an impending general meeting, the member shall resign from the nomination committee and the nomination committee shall offer the largest shareholder who has not yet appointed a member of the nomination committee to appoint a new member.

The nomination committee shall further be composed and perform such tasks that from time to time are stated in the Code. The members of the nomination committee shall not receive remuneration from the Company. Any costs incurred in connection with the work of the nomination committee shall be paid by the Company, provided that they have been approved by the chairman of the board of directors.

Board of directors

Subsequent to the general meeting, the board of directors is the Company's highest decision-making body. The board of directors is also the Company's highest executive body and the Company's representative. Further, the board of directors is, according to the Swedish Companies Act, responsible for the organisation of the Company and management of the Company's affairs, and must regularly assess the Company's and the Group's financial position and ensure that the Company's organisation is arranged so that the Company's accounts, asset management, and finances in general are satisfactorily monitored. The chairman of the board of directors has a special responsibility to preside over the work of the board of directors and to ensure that the board of directors fulfils its statutory duties.

The responsibilities of the board of directors include e.g. to set the Company's overall goals and strategies, oversee major investments, ensure that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines. The responsibilities of the board of directors also include ensuring that the Company's disclosure to the market and investors is transparent, correct, relevant and reliable and to appoint, evaluate and, if necessary, dismiss the Company's CEO.

The registered office of the board of directors is in Stockholm, Sweden. According to the Company's articles of association, the board of directors shall consist of at least three and not more than seven ordinary members, without any deputy members. Members of the board of directors are elected annually at the annual general meeting for the period until the next annual general meeting. There is no limit for how long a member may sit on the board of directors.

At the annual general meeting held on 17 June 2019, it was resolved that the board of directors is to consist of five ordinary members until the end of the annual general meeting to be held in 2020 and to re-elect Rolf Classon (also re-elected as chairman), Christina Lindstedt, Dan Pitulia, Maria Perez Hultström and Mats Hjerpe as ordinary board members. Dan Pitulia has, at his own request, resigned from the board of directors in accordance with a resolution adopted by the extraordinary general meeting held on

7 October 2019. The board of directors therefore consists of four ordinary board members. Further information about the board members, including information on remuneration to the board of directors, can be found in section "Board of directors, senior management and auditors" above.

The board of directors has, in accordance with the Swedish Companies Act, adopted written rules of procedure for its work, to be evaluated, updated and re-adopted annually. The board of directors meets regularly in accordance with a program set out in the rules of procedure containing certain permanent items and certain items when necessary.

Provisions on the establishment of an audit committee are found in the Swedish Companies Act. Provisions on the establishment of a remuneration committee are found in the Code. In this respect, the provisions of the Swedish Companies Act only apply to companies whose shares are being traded on a regulated market, which does not include First North Premier. In light of the scope of the operations and the Group's current size, it is the opinion of the Company's board of directors that it is not justified to establish a specific audit and remuneration committee in the present situation. Instead, the board of directors believes that the responsibilities of the audit and remuneration committee are best dealt with within the board of directors.

CEO

The Company's CEO is, in accordance with the provisions of the Swedish Companies Act, responsible for the day-to-day management of the Company in line with guidelines and instructions from the board of directors. Measures of an unusual nature or of great significance in view of the scope and nature of the Company's operations are not considered as "day-to-day management" and should therefore, as a main rule, be prepared and presented to the board of directors for its decision. The CEO must also take any measures necessary to ensure that the Company's accounts are maintained in accordance with applicable law and that its asset management is conducted satisfactorily. The CEO is subordinated to the board of directors, and the board of directors itself may also decide on matters that are a part of the day-to-day management. The work and role of the CEO as well as the allocation of duties between, on the one hand, the board of directors and, on the other, the CEO is established by written instructions (a so-called "instruction for the CEO") adopted by the board of directors.

The Company's CEO is Andreas Göth. Further information about the CEO and other senior management, including information on remuneration to the CEO as well as to other senior management can be found in section "Board of directors, senior management and auditors" above.

Internal control

The Company's board of directors is, according to the Swedish Companies Act, responsible for the organisation of the Company and management of the Company's affairs and must regularly assess the Company's and the Group's financial position and ensure that the Company's organisation is arranged so that the Company's accounts, asset management, and finances in general are satisfactorily monitored.

The overall purpose of the internal control is to ensure that the Company's strategies and objectives can be implemented within the business and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The board of directors' responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports Act (Sw. *årsredovisningslagen (1995:1554)*) and the Code. In the rules of procedure for the board of directors, the instruction for the CEO

and the instruction for financial reporting, all of which have been adopted by the board of directors, the allocation of the roles and responsibilities have been stated in order to contribute to an effective management of the Company's risks. The board of directors also has the task to monitor the Company's financial position, to monitor the effectiveness of the Company's internal control and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence.

Audit

Being a public company, the Company must have at least one auditor for the examination of the Company's and the Group's annual report and accounts as well as the management by its board of directors and CEO. The audit must be as detailed and extensive as required by generally accepted auditing standards. The Company's auditor is, according to the Swedish Companies Act, appointed by the general meeting. Thus, auditors of Swedish limited liability companies are given their assignment by, and are obliged to report to, the general meeting, and must not allow their work to be governed or influenced by the board of directors or the senior management. The auditor's reporting to the general meeting takes place at the annual general meeting through the auditor's report. The auditor's reports comprising the historical financial information in this Prospectus did not deviate from the standard formulations and did not contain any remarks or equivalent.

According to the Company's articles of association, the Company shall have minimum one and maximum two auditors with maximum two deputy auditors. The auditor(s), or deputy auditor(s) (as applicable), shall be an authorized public accountant or a registered public accounting firm.

Per-Göran Mattis from Grant Thornton Sweden AB (Sveavägen 20, 103 94 Stockholm, Sweden) has been the Company's auditor for the period covered by the historical financial information in this Prospectus. At the extraordinary general meeting held on 7 October 2019, it was resolved to elect Grant Thornton Sweden AB as auditor, with Anders Meyer as auditor-in-charge. The change of auditor was made due to the planned listing of the Company's shares on First North Premier. The auditor has been appointed for the period up to the end of the annual general meeting to be held in 2020. More information about the auditor, including information on remuneration to the auditor, can be found in section "Board of directors, senior management and auditors" above.

Stock market information and insider rules

Being a listed company, there are requirements on ensuring that all stakeholders on the stock market have simultaneous access to inside information concerning the Company and insider rules in order to prevent market abuse.

The board of directors has e.g. adopted communication and insider policies in order to ensure correct and good quality of the Company's information and handling of inside information both internally and externally. The chairman of the board of directors handles overall ownership related issues, while the CEO holds the overall responsibility for the Company's external communication.

The Company's regulatory framework is drawn up according to Swedish law, Nasdaq's regulations and the Code as well as the EU Market Abuse Regulation (MAR). All financial reports and press releases will be published on the Company's website directly adjacent to the publication.

Share capital and ownership structure

General information

The Company's articles of association contains provisions pursuant to which the Company's share capital shall be not less than SEK 6,500,000 and not more than SEK 26,000,000, divided into no less than 13,000,000 shares and no more than 52,000,000 shares. These limits in the articles of association may be changed by the general meeting.

The Company only has one class of shares. The shares are not subject to any redemption rights or redemption obligation and there are no provisions regarding conversion linked to the shares. All shares are fully paid and denominated in Swedish kronor (SEK).

The shares are issued in dematerialised form through the services of Euroclear Sweden AB (P.O. Box 191, 101 23 Stockholm, Sweden). Euroclear is the central securities depository and clearing organisation for the shares in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). Hence, no share certificates are issued and any transfers of shares are made electronically. The ISIN-code for the Company's shares is SE0013382066.

As of 1 January 2018 and 31 December 2018, the Company's share capital amounted to SEK 6,642,100 divided into 6,642,100 shares, giving each share a quotient (par) value of SEK 1. As of the date of this Prospectus, the Company's share capital amounts to SEK 6,642,100 divided into 13,284,200 shares, giving each share a quotient (par) value of SEK 0.5. The number of shares has changed since the turn of the year as a result of a split of the Company's shares in accordance with a resolution adopted at the extraordinary general meeting held on 7 October 2019. The share split was carried out in order to adjust the value per share prior to the Offering under this Prospectus.

As of the date of this Prospectus, the Company has no outstanding convertible or exchangeable securities or other financial instruments which would result in a dilution for existing shareholders if exercised. There are no issued options or commitments to issue options as far as the share capital of the Company or its subsidiaries are concerned. Neither the Company nor any of its subsidiaries own shares in the Company and no other party owns shares in the Company on their behalf.

Rights associated with the shares

The Company's shares are issued in accordance with Swedish law and the rights of the shares may only be modified or altered through a change of the articles of association in accordance with the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*). Changes to the articles of association is made by a decision of the general meeting, in accordance the Swedish Companies Act which lays down certain qualified majority requirements for such decisions to be valid.

Voting rights and transferability of shares

The shareholders' influence in the Company is exercised at the general meeting, which, in accordance with the Swedish Companies Act, is the Company's highest decision-making body. Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at the shareholders' meeting.

All shares are freely transferable. The shares are not subject to any transfer restrictions.

Dividends, share in the Company's profits and proceeds on liquidation

All shares in the Company give equal rights to dividends; share in the Company's profits and the Company's assets and any surplus in the event of liquidation. Any dividends are decided by the shareholders' meeting, which may in general not decide on dividends

exceeding the amount proposed by the board of directors. Shareholders registered in Euroclear's central securities register on the record date, decided by the shareholders' meeting, or by the board of directors if authorized by the general meeting, shall be entitled to dividends. According to the Swedish Companies Act, dividends may only be paid to the amount that there still is unrestricted equity (*Sw. fritt eget kapital*) available, i.e. there must be full coverage for the Company's restricted equity (*Sw. bundet eget kapital*) after the distribution of dividends. It is the Company's latest adopted balance sheet that sets out the amount available for payment of dividends. Furthermore, dividends may only be paid if prudent, taking into consideration the demands of the Company's equity which are imposed by the nature, scope and risks associated with the business as well as the Company's need to strengthen its balance sheet, liquidity and financial position in general.

Normally, dividends is paid in cash but may also be paid in kind. The shareholders are entitled to a *pro rata* share of the dividends in relation to their shareholding. The distribution of the dividends is managed by Euroclear. Should a shareholder not be able to get paid by distribution of Euroclear, the shareholder will have a claim for payment of the same amount against the Company. Such claim is under provision of statutory limitation of ten years after which the dividend amount is forfeited to the Company.

There are no restrictions regarding dividend rights of shareholders domiciled outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders in Sweden. For more information regarding taxes on payment of dividends, please refer to section "Certain tax considerations in Sweden".

Preferential rights when issuing new securities

Existing shareholders normally have a preferential right to subscribe for new shares, warrants and convertibles *pro rata* to their shareholding. However, the shareholders' meeting or the board of directors, with authorization from the shareholders' meeting, may decide to disregard the preferential rights of the shareholders in accordance with the Swedish Companies Act.

Takeover offer and compulsory redemption

As a result of admission to trading on First North Premier, the Company's shares will be covered by the takeover rules for certain trading platforms that have been issued by the Swedish Corporate Governance Board (*Sw. Kollegiet för svensk bolagsstyrning*). According to these rules, the obligation to bid is triggered when shareholders, through the acquisition of shares alone or together with any affiliated party, achieve a holding that represents at least three tenths of the voting rights for all shares in the Company. In the event of such a bid, other shareholders have the right to reject the bid.

According to the Swedish Companies Act, majority shareholders with a holding of more than nine tenths of the shares in a company are given the right to redeem the minority's shares, while the minority is given the right to have their shares redeemed.

The Company's shares are not subject to any offer made as a result of mandatory bid, redemption rights or redemption obligation. The Company's shares have not been and are not subject to any public takeover offer.

Dividend policy

The Company's goal is to distribute between 30-50 percent of the profit for the year as dividends. The dividend proposal must take into account QleanAir's long-term development potential, financial position and investment needs. No dividend has been paid during the period covered by the historical financial information.

Set-off share issue in connection with the Offering and authorization for the board of directors

No new shares are issued by the Company as part of the Offering. In connection with the completion of the Offering, however, 1,575,000 new shares will be issued by the Company and subscribed by the Principal Shareholder (*i.e.* Qevirp 41 Limited) against payment through set-off at a subscription price corresponding to the Offering price.

The new shares that are covered by the set-off issue are issued by the board of directors, with the support of the general meeting's authorization, and with deviation from the shareholders' preferential rights. The authorization was granted by the extraordinary general meeting held on 7 October 2019 and may only be used for the purpose of the set-off issue. As of the date of this Prospectus, there are no other authorizations that may affect the share capital of the Company.

Through the above described set-off issue, the share capital will increase from SEK 6,642,100 to SEK 7,429,600 and the num-

ber of shares in the Company will increase from 13,284,200 to 14,859,200, corresponding to approximately 11.9 percent of the share capital and the number of shares and votes in the Company before the set-off issue, resulting in a dilution of approximately 10.6 percent (calculated as share capital and number of shares and votes generated by the set-off issue divided by the total share capital and number of shares and votes after the set-off issue).

As of the date of the latest balance sheet (30 September 2019) before the Offering the net asset value amounted to SEK 4.82 per share.

Share capital development and new shares in connection with the Offering

The table below sets forth the development of the share capital of the Company from its establishment until and including the Offering.

Year	Transaction	Increase of the share capital, SEK	Increase of the total number of shares	Total share capital, SEK	Total number of shares	Quota value, SEK
2012	Incorporation	50,000	50,000	50,000	50,000	1
2012	New share issue	6,272,100	6,272,100	6,322,100	6,322,100	1
2012	New share issue	205,000	205,000	6,527,100	6,527,100	1
2013	New share issue ¹	30,000	30,000	6,557,100	6,557,100	1
2015	New share issue ²	85,000	85,000	6,642,100	6,642,100	1
2019	Share split 1:2	-	6,642,100	6,642,100	13,284,200	0.50
2019	New share issue in connection with the Offering ³	787,500	1,575,000	7,429,600	14,859,200	0.50

1) Registration with the Swedish Companies Registration Office in 2014.

2) Registration with the Swedish Companies Registration Office in 2016.

3) All shares will be subscribed for by the Principal Shareholder and paid for through set-off against part of the claim the Principal Shareholder has against the Company under existing shareholder loan, at a subscription price corresponding to the Offering price.

No new shares are issued by the Company as part of the Offering. In connection with the completion of the Offering, however, 1,575,000 new shares will be issued by the Company and will be subscribed by

the Principal Shareholder against payment through set-off (for more information please refer to "Set-off issue in connection with the Offering and authorization for the board of directors" above).

Ownership structure

At the date of this Prospectus, there are approximately 30 shareholders in the Company. The largest shareholder is Qevirp 41 Limited, with a holding of 90.2 percent of the total number of shares and votes in the Company. All individual holdings among other shareholders (mainly previous and current key employees in the Company and family members of such employees) are less than one (1) percent of the total number of shares and votes in the Company. The Swedish Companies Act contains minority protection rules to protect the minority's interests.

Qevirp 41 Limited is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).

The table below shows the ownership structure as of the date of this Prospectus.

Shareholder	Ownership before the Offering (shares and votes)		Ownership after the Offering (shares and votes) assuming that the Over-allotment Option is not exercised		Ownership after the Offering (shares and votes) assuming that the Over-allotment Option is fully exercised	
	Number	Percentage	Number	Percentage	Number	Percentage
Major shareholders						
Qevirp 41 Limited ¹	11,984,200	90.21%	6,059,200	40.78%	4,934,200	33.21%
In total	11,984,200	90.21%	6,059,200	40.78%	4,934,200	33.21%
Board members and senior management						
Rolf Classon ²	120,000	0.90%	145,000	0.98%	145,000	0.98%
Christina Lindstedt	60,000	0.45%	60,000	0.40%	60,000	0.40%
Andreas Göth ³	100,000	0.75%	150,000	1.01%	150,000	1.01%
Henrik Resmark	100,000	0.75%	125,000	0.84%	125,000	0.84%
In total	380,000	2.87%	480,000	3.23%	480,000	3.23%
Other shareholders	920,000	6.93%	920,000	6.19%	920,000	6.19%
New shareholders	-	-	7,400,000	49.80%	8,525,000	57.37%
SUM	13,284,200	100%	14,859,200	100%	14,859,200	100%

Note: Based on the assumption that the Offering is fully subscribed and completed to the highest level and, insofar as ownership after the Offering is completed, also includes the 1,575,000 new shares that will be subscribed for by the Principal Shareholder and paid through set-off against part of the claim the Principal Shareholder has against the Company under the existing shareholder loan.

- 1) Qevirp 41 Limited (contact address Aztec Financial Services (Jersey) Limited, Aztec Group House 11-15 Seaton Place, St Helier JE4 0QH, Jersey) is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).
- 2) Refers to shares held by affiliated natural persons (family members), and insofar as the number of shares after the completion of the Offering, also the number of shares comprised by the acquisition intention in connection with the agreement on special compensation (please refer to section "Legal considerations and supplementary information" under "Share acquisition intentions among major shareholders, board members and senior management" for more information).
- 3) The stated number of shares after the completion of the Offering includes the number of shares comprised by the acquisition intention in connection with the agreement on special compensation (please refer to section "Legal considerations and supplementary information" under "Share acquisition intentions among major shareholders, board members and senior management" for more information).

More information about sale of existing shares in the Offering

The Offering comprises existing shares in QleanAir Holding AB that are offered by the Principal Shareholder, i.e. Qevirp 41 Limited, with organization number 109963 and LEI code 894500XH-5769KLA9V619 (contact address Aztec Financial Services (Jersey) Limited, Aztec Group House 11-15 Seaton Place, St Helier JE4 0QH, Jersey).

Qevirp 41 Limited is a registered private company, incorporated and domiciled in Jersey and conducts its operations in accordance with the laws of Jersey. Qevirp 41 Limited is owned by Priveq Investment Fund (IV) L.P. (84.6 percent) and Calandrella Ltd. (15.4 percent). Calandrella Ltd. is owned and controlled by Dan Pitulia (former member of the board of directors and before that CEO of the Company) and to him related natural person (family member).

Current key employees, shareholding board members and senior management of the Company do not offer any shares for sale in the Offering.

Shareholders' agreement

All existing shareholders have entered into a shareholders' agreement governing their ownership in the Company. This shareholders' agreement will terminate in connection with the listing of the

Company's shares on First North Premier. Thus, upon completion of the Offering, there will be no shareholders' agreements or similar agreements between the shareholders regarding joint influence over the Company, or which may result in a change of control of the Company.

Undertaking not to sell shares (lock-up)

In connection with the Offering, certain existing shareholders will sign a lock-up undertaking towards Pareto Securities not to sell or otherwise transfer their shares in the Company, or support a share capital increase in the Company, for a certain period of time after the first day of trading of the Company's shares on First North Premier. This so called lock-up period will be 180 days for the Principal Shareholder and comprise the shares that are already held and the new shares which in connection with the completion of the Offering will be issued by the Company and subscribed by the Principal Shareholder against payment through set-off (please refer to section "Share capital and ownership structure" under "Set-off issue in connection with the Offering and authorization for the board of directors"), but not the shares that are sold through the Offering or Over-allotment Option respectively.

The period will be 360 days, and comprise all shares which are held prior to the Offering, for the Company's board members and

senior management with shareholdings in the Company (and to them affiliated natural persons) and for Calandrella Ltd. (Calandrella Ltd. is owned and controlled by Dan Pitulia, former member of the board of directors and before that CEO of the Company, and to him related natural person (family member)). For shareholding members of the board of directors and senior management, also the shares acquired in the Offering in accordance with an agreement on special compensation, will be comprised (please refer to section "Board of directors, senior management and auditors" under "Agreement on special compensation in connection with the planned listing of the Company's shares on First North Premier"). The period will be 360 days, and comprise 90 percent of the shares held prior to the Offering, for shareholders with a total holding of 620,000 shares. For shareholders with a total holding of 160,000 shares the period will be 180 days and comprise 50 percent of the shares held prior to the Offering. The shareholders who are not comprised by the undertaking described above, have a total shareholding of 190,000 shares, corresponding to approximately 1.43 percent of the total amount of shares in the Company before the set-off issue, and approximately 1.29 percent of the total amount of shares in the Company including the set-off issue.

The undertakings contain certain customary exceptions such as: (i) a right and obligation to vote in favour of any and all resolutions adopted prior to the Offering in order to prepare for and effectuate the Offering; (ii) a right to sell shares in the Offering and/or lend shares within the scope of the Offering; (iii) accept a general offer made to all shareholders of the Company on terms that treat all shareholders equally, including offers made to all shareholders in the Company in accordance with the Swedish takeover rules on terms which treat all such shareholders alike, or (iv) executing and delivering an irrevocable commitment or undertaking to accept a general offer as referred to in (iii) above; (v) selling or otherwise disposing of shares pursuant to any offer by the Company to purchase its own shares which is made on identical terms to all holders of shares in the Company; (vi) selling any subscription rights or similar rights received in a rights issue or other pre-emptive share offering by the Company; (vii) transferring shares to any family member or any family trust (and upon change of trustees of a trust, to the new trustees of such family trust) and by the trustees of such family trusts to the beneficiaries thereof provided that such persons, trusts, trustees or beneficiaries agree in writing to abide by the restrictions to the sale of shares; (viii) transferring shares to any entity in the same group or to any entity which is otherwise, directly or indirectly, wholly owned by the undersigned, provided that such entity agrees in writing to abide by the restrictions to the sale of shares; (ix) transferring shares to or by personal representatives of an individual who dies during the lock-up period; (x) transferring shares where a disposal is required by law or by any competent authority or by order of a court of competent jurisdiction; or (xi) transferring shares to (endowment) insurance policy (Sw. *kapitalförsäkring (KF)*) or investment saving accounts (Sw. *investeringssparkonto (ISK)*), subject to, with respect to (endowment) insurance policy, the restriction that the undersigned may not instruct the insurance company to divest any shares transferred to such scheme other than as permitted under the lock-up undertaking. Except for shares that are acquired in accordance with the agreement on special compensation, the lock-up undertaking does not include shares acquired in the Offering or thereafter (however, the new shares that will be issued by the Company and subscribed by the Principal Shareholder against payment through set-off in connection with the completion of the Offering, are included), and does not prevent the shareholder from voting in favour of decisions regarding incentive programs or acquisitions in which the Company offers as a purchase price, shares or similar instruments. The transfer restrictions for Priveq Investment Fund (IV) L.P. (indirect owner through Qevirp 41 Limited) also exclude dividends to limited partners, shareholders, senior management and board mem-

bers, provided that such recipients of shares declare themselves, in writing, to be bound by the transfer restrictions. In addition, Pareto Securities may grant exemptions from the undertaking if it is deemed appropriate by Pareto Securities from case to case in which situations where the shares may be offered for sale. After the respective lock-up period has expired, the shareholders affected by the lock-up will be free to sell their shares. For a description of the lock-up arrangements that will be entered into by the Company in relation to the Offering, please refer to section "Legal considerations and supplementary information" under "Placing agreement".

Listing of the shares on First North Premier

The Company's board of directors has applied for the shares to be admitted to trading on First North Premier. First North Premier is an alternative marketplace operated by the various exchanges within the Nasdaq Group. Companies on First North Premier are not subject to the same rules as companies on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to smaller growth companies. The exchange approves the application for admission to trading. The exchange has on 26 November 2019 assessed that the Company complies with the applicable listing requirements, provided that customary conditions, including the distribution requirement, are fulfilled no later than on the first day of trading. The Company's board of directors intends to complete the application for listing of the shares on First North Premier and the first day of trading is expected to be on 12 December 2019.

The shares will be traded under the short name QAIR.

Legal considerations and supplementary information

General Company information

The Company's legal name and trade name is QleanAir Holding AB. The Company is a Swedish public limited liability company governed by the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). The Company was incorporated on 15 December 2011 and was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 2 January 2012. The Company's corporate identity number is 556879-4548 and the Company's LEI-code is 5493007ZANR5SVHOK63. The board of directors' registered office is in Stockholm, Sweden.

The Company's postal address is P.O. Box 1178, 171 23 Solna, Sweden and its visiting address is Torggatan 13, 171 54 Solna, Sweden. The Company can be reached through telephone number +46 8 545 788 00. The Company's website is (www.qleanair.com). Information on the Company's website does not constitute part of the Prospectus unless this information is incorporated by reference into the Prospectus.

According to the Company's articles of association (§ 3), the objects of the Company's business are to, directly or indirectly through subsidiaries, conduct development, production and sales of energy saving products, clean air solutions and technical systems for environmental enhancement and thereto related service and maintenance, provide consultancy services and education within the aforementioned and conduct information and business development activities own and manage real property and movables as well as other activities compatible therewith. Please refer to the complete articles of association in section "Articles of association".

Group structure

The Company is the parent company of the Group with the following wholly-owned subsidiaries: (i) QleanAir Scandinavia AB (formed in Sweden with corporate identity number 556303-9162), (ii) International Facility Solutions B.V. (formed in Holland with corporate identity number 32088469), (iii) QleanAir Scandinavia K.K. (formed in Japan with corporate identity number 0104-01-077796), (iv) QleanAir Scandinavia GmbH (formed in Germany with corporate identity number HRB 95279), (v) QleanAir Scandinavia Inc. (formed in USA (Delaware) with corporate identity number 5767624), and (vi) LvZhe Environmental Protection Technology (Shanghai) Co., Ltd. (formed in China with corporate identity number 91310115MA1K-438WXU). The Group also has branches in Norway, Denmark, Finland, Belgium and France.

The Company is the holding company. The Swedish subsidiary operates in sales, development and intra-group services such as finance and administration, etc. Other subsidiaries mainly operate in sales.

In addition to the aforementioned, QleanAir has entered into an agreement with the Company's principal shareholder, Qevirp

41 Limited, for the acquisition of all shares in Smoke Free Systems Finance AB (formed in Sweden with corporate identity number 556789-5536). The acquisition, which is conditional upon the completion of the Offering and repayment of the existing shareholder loan, is described in more detail below under "Acquisition of Smoke Free Systems Finance AB" in this section.

Agreements in the ordinary course of business

Presented below is a general description of the Group's agreements in the ordinary course of business. The agreements are described in order to illustrate the business activities of the Group.

Customer agreements

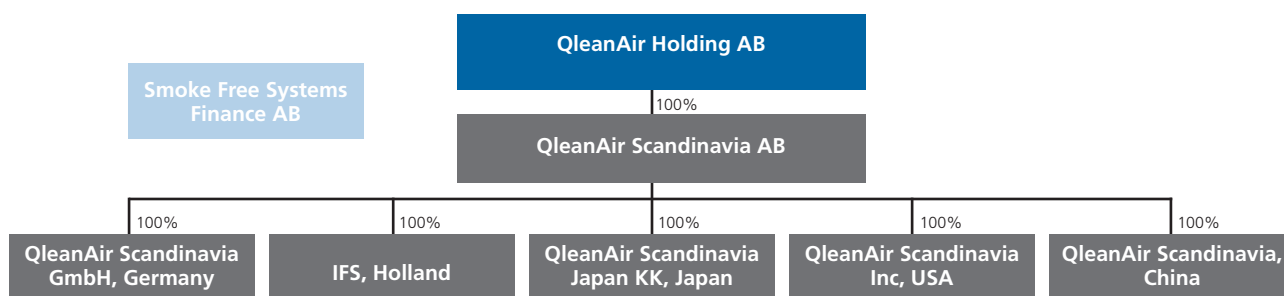
All customer agreements are entered into by the subsidiaries in Sweden, the US or Japan, but might be negotiated by other Group Companies with a closer connection to the market the agreement relates to. Customer agreements are entered into primarily on the basis of one of three contractual arrangements: (i) *purchase agreements* where the products are sold and paid directly, (ii) *flexible lease agreements* for an indefinite period of time with a short mutual period of notice or (iii) *long-term lease agreements* for a longer fixed period of time. All of the aforementioned arrangements are applied for all product categories, with the exception that clean rooms (Room Solutions) are not offered with a flexible lease agreement. Conditions regarding test periods, special product adaptation and payment terms are often negotiated individually, but service and maintenance are generally included at least during the initial period, regardless of whether the product is purchased or leased. For delivery, Incoterms 2010 is generally incorporated in the agreements. In the US market, a special arrangement is also applied whereby QleanAir becomes a customer's exclusive supplier of modular cleanrooms during a fixed period of time.

QleanAir has a relatively high customer spread, and in 2018, the Company's ten largest customers together accounted for only approximately 14.7 percent of the Group's net sales. No individual customer agreement is to be deemed as significant for QleanAir's operations. The most revenue-generating individual customer generated about 2.6 percent of the Group's revenue in 2018.¹

Supplier agreements

QleanAir outsources manufacturing, assembly and logistics as well as installation, service and maintenance of its products to third-party suppliers. Manufacturing, assembly and logistics are outsourced to suppliers and partners in Sweden, Germany, Poland and China. Installation, service and maintenance are outsourced to external service partners in the local markets, who represent QleanAir to customers

QleanAir has a larger number of suppliers, of which about five



1) Based on unaudited information derived from QleanAir's internal reporting system.

to ten suppliers are considered critical and needed to buy larger volumes or strategic components. The components that are particularly critical for the Company's products are aluminium, electronic components and filters. As of the date of this Prospectus, the Company has two suppliers that are considered critical in terms of aluminium, electronic components and filters respectively (*i.e.* two suppliers for each of the specified components). In 2018, the 10 largest suppliers accounted for 61 percent of the Company's total purchases. The average length of the Company's cooperation with suppliers is approximately 11 years.¹

Distribution and agent agreements

The Company's sales are made through the Company's sales representatives and external market partners who are tasked, in exchange for remuneration, with placing products in specific markets. QleanAir signs contracts with the customers, while the Company's partners act as resellers against commission. In 2018, external market partners accounted for approximately one third of QleanAir's total sales. In some smaller and less accessible markets where QleanAir does not have its own presence, external distributors who purchase the products on their own behalf and provide product-related services in their own name (with exclusive rights in a specific geographical area) are used instead. Distributors pay a fee for the right to act as a distributor and prepay QleanAir on product calls. As of the date of this Prospectus, the Company cooperates with seven external distributors, including South Korea, Morocco, Israel and the United Arab Emirates. In 2018, external distributors accounted for about two percent of QleanAir's total sales. In the Japanese market, a special distribution arrangement is also applied where the distributors lease cabin solutions from QleanAir, with the right to in turn lease them to the final customers.²

Financing agreements linked to sales of products

QleanAir collaborates with a number of financing partners, including Smoke Free Systems Finance AB, on financing solutions for the products. When a customer chooses to lease a product, QleanAir enters into a lease agreement with the customer. The product is then transferred to the financing partner, together with all rights under the applicable lease agreement. The financing partner will continue to lease the product to the customer and receive the payments under the lease agreement. At the end of the lease period, QleanAir, as a rule, repurchases the product from the financing partner.

Material agreements

Presented below is a summary of material agreements entered into by the Group during the past two years, as well as other agreements entered into by the Group containing rights or obligations of material importance for the Group (apart from agreements entered into as part of the ordinary course of business). For information regarding additional material agreements in the form of financial agreements, please refer to section "Capital structure, indebtedness, and other financial information". Also refer to "Placing agreement" below.

Acquisition of Smoke Free Systems Finance AB

QleanAir has recently entered into an agreement with the Company's principal shareholder, Qevirp 41 Limited, for the acquisition of all shares in Smoke Free Systems Finance AB ("SFS Finance"). The acquisition, which will be carried out with the subsidiary QleanAir Scandinavia AB as the buyer, is conditional upon the completion of the Offering and repayment of existing shareholder loan (for further description please refer to section "Capital structure, indebtedness, and other financial information" under "Shareholder loan"). In connection with the acquisition, SFS Finance's existing bank financing from Swedbank AB (publ) will be replaced by the Group's new

financing arrangements (please refer to section "Capital structure, indebtedness and other financial information" under "Financing arrangements" for more information). The purchase price, which has been determined on basis of a valuation performed by an independent appraiser, amounts to SEK 8.7 million to be paid in cash in connection with closing, which will take place after the completion of the Offering. According to the purchase agreement, the seller undertakes to ensure that the operations of SFS Finance are conducted unchanged until access. According to the purchase agreement, the seller also provides guarantees mainly relating to ownership, share capital, the most recently submitted annual report, tax, material agreements and absence of disputes. Warranty claims can be presented within a period of 12 months after the acquisition is completed and the seller's liability is limited to 50 percent of the purchase price. Also refer to section "Pro forma financial statements" containing information that aims to illustrate how the acquisition of SFS Finance, the new financing arrangements and the set-off issue in connection with the completion of the Offering would have affected the Company's consolidated audited income statement for the financial year 2018 and the Company's unaudited consolidated income statement for the period 1 January 2019 through 30 September 2019, as well as the Company's consolidated unaudited balance sheet as of 30 September 2019, if it had already been realized.

Real estate and lease agreements

The Group does not own and has never owned any real estate. The Group conducts its operations at leased office premises and production facilities located in Solna, and a smaller office in Mölndal. The Group leases four office premises in Germany, one combined office and stock premise in the US and one office premise in Holland and Japan respectively. The lease agreements are not considered material as it is the board of directors' assessment that the Group would without great difficulty be able to find other suitable premises.

Intellectual property

The board of directors assesses that the Company owns the intellectual property needed for the Company to carry out its operations. The Company cooperates with an external patent expert for the management of QleanAir's patent portfolio, which as of the date of this Prospectus consists of 30 patents. Further, the Company also has six ongoing patent applications. Important elements of the Company's products are covered by design protection and the Company has several domain names, and trademark registrations. The Company has a strategy to protect the logotype "QleanAir Scandinavia" on the markets where the Company operates and the markets where the Company intends to expand. The Company's intellectual property rights are further described in section "Business description".

Regulatory approvals and permits

Compliance matters are not centralized within the Group. Product managers are responsible for identifying and listing compliance demands during the product development process. R&D is responsible for the compliance of the ready products in accordance with the listed demands. Sales managers are responsible for compliance matters in connection with sales to other jurisdictions.

The Group holds various certificates, licenses and permits related to its products and to the export of such products. The certificates, licenses and permits related to the products are held e.g. to certify the general safety of the products, to certify electrical-safety requirements, electromagnetic compliance, fire-resistance requirements, and in other ways certify compliance with the Machinery Directive (directive 2006/42/EC on machinery), the RoHS directive (directive

1) Based on unaudited information derived from QleanAir's internal reporting system.

2) Based on unaudited information derived from QleanAir's internal reporting system.

2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment), and the REACH directive (European Parliament and Council Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals). The certificates, licenses and permits related to the exportation of the products are e.g. CE-requirements for sales within the EU and permits in connection with sales to North America (ETL/FCC etc.), Japan (PSE) and the Middle East.

Cleanroom products are in compliance with USP regulations (for the US market) and follow the ISO14644 standards. Installation qualification is always carried out by a third party before Cleanroom is handed over to the customer.

There are no known breaches or infringements of the terms and conditions of the Group's licenses, permits, authorizations, approvals, consents or similar. To the knowledge of management, the Group holds all certificates, licenses and permits necessary to conduct the business of the Group as presently conducted.

Insurance

It is the board of directors' assessment that the current insurance coverage, including the level and terms and conditions of such insurance, gives an adequate level of protection with regard to the insurance premiums and the potential risks of the business. However, the Company cannot provide any assurance that losses will not occur or that claims will not be made that exceed the scope of the current insurance coverage.

Legal proceedings and arbitration

The Company is not, nor has been, involved in any proceedings with authorities, any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months that may have, or have had, a significant effect on the Company's financial position or profitability.

During the ordinary course of business the Group may become involved in proceedings. Such proceedings may involve claims for payment and/or correction of work as well as other possible consequences connected to failure in providing products or services. Moreover, the Group may be subject to outstanding payment from customers, suppliers and partners as well as other situations which could force the Group to take legal actions.

Placing agreement

Pursuant to the terms of an agreement regarding the placement of shares which is intended to be entered into on or around 11 December 2019 between the Company, the Principal Shareholder (i.e. Qevirp 41 Limited) and Pareto Securities (the "Placing Agreement"), the Principal Shareholder undertakes to sell the shares covered by the Offering to the acquirers procured by Pareto Securities. Pareto Securities has undertaken to place the Offering to the best of their ability, but have not undertaken to acquire any shares covered by the Offering.

Pursuant to the Placing Agreement, the Principal Shareholder will issue an option to Pareto Securities, which may be exercised, fully or partially, allowing Pareto Securities, within 30 days from the first day of trading in the Company's shares on First North Premier, to acquire up to an additional 1,125,000 existing shares in the Company, corresponding to at the most 15 percent of the highest number of shares covered by the Offering, at a price corresponding with the Offering price, in order to cover potential over-allotment of the Offering (the "Over-allotment Option").

Pursuant to the Placing Agreement, the Company provides certain customary information, warranties and undertakings to Pareto Securities, mainly that the information in the Prospectus is

correct, that the Prospectus and the Offering comply with relevant legal requirements and that no legal or other restrictions prevent the Company to enter into the agreement or exist in respect of the execution of the Offering. The Placing Agreement stipulates that Pareto Securities' obligation to procure buyers is conditional upon, among other things, that the information and warranties provided by the Company are correct, and that no events occur that have such a material adverse effect on the Company that it would be inadvisable or impracticable to complete the Offering. In such circumstances, Pareto Securities has the right to terminate the Placing Agreement up until the settlement date, and the Offering may then be cancelled. In such an event, neither the delivery nor the payment of shares will take place under the Offering. Pursuant to the Placing Agreement, the Company, with customary exceptions, will undertake to indemnify Pareto Securities against certain claims.

Pursuant to the Placing Agreement, the Company undertakes not to (i) issue, offer, pledge, sell, contract to sell or otherwise dispose, directly or indirectly, of shares in the Company or any other securities that can be converted to or that can be exercised or exchanged for such shares; (ii) nor to purchase or sell any option or any other security or enter into a swap agreement or other arrangement that wholly or partly transfers the financial risk associated with ownership in the Company to another party, within 360 days from the first day of trading of the Company's shares on First North Premier. The undertaking is subject to customary reservations and exceptions, and does not prevent the Company from issuing shares or other securities within the framework of incentive programs and in acquisitions where the Company, as purchase price, offers its own shares or similar securities in the Company, and does not include the shares that will be issued to the Principal Shareholder against payment through set-off in connection with the completion of the Offering. Pareto Securities can also allow exceptions from the undertaking if so deemed appropriate by Pareto Securities from case to case. The lock-up agreements that will be entered into by shareholders in connection with the Offering are described further in section "Share capital and ownership structure" under "Undertaking not to sell shares (lock-up agreements)".

Stabilisation

In connection with the Offering, Pareto Securities may carry out transactions in order to provide support for the shares' market price at a level higher than that which might otherwise prevail on the market. Such stabilisation transactions may be carried out on First North Premier, the OTC market or otherwise, and may be carried out at any time during the period beginning on the first day when the shares are traded on First North Premier and ending no later than 30 calendar days thereafter. However, Pareto Securities is under no obligation to carry out stabilisation of any kind, nor is there any guarantee that stabilisation will be carried out. Moreover, if undertaken, stabilisation may be discontinued at any time without prior notice. No transactions will be carried out under any circumstances in order to provide support for the shares' market price at a level higher than the price set in the Offering. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, Pareto Securities shall disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, Pareto Securities will, through the Company, make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

Transactions with related parties

During the period of time covered by the historical financial information in the Prospectus, until the date of the publication of this Prospectus, the transactions with related parties headlined below have taken place. Please also refer to "Acquisition of Smoke Free Systems Finance AB" under "Material agreements" above. It is the board of directors' assessment that all transactions with related parties have been carried out on market terms (unless otherwise stated below).

Rent of office space

QleanAir Scandinavia AB leases office space in Mölndal from the company Neoventa Holding Aktieföretag, affiliated to Dan Pitulia (former member of the board of directors and CEO of the Company). Payment for rent of office space has amounted to a total of SEK 157,500 for the period 2016-2019 (SEK 42,000 in 2016, SEK 35,000 in 2017, SEK 42,000 in 2018 and SEK 38,500 in 2019). Such costs have also accrued by SEK 226.

Consultant services

A company affiliated with board member Christina Lindstedt has provided the Group with market research services. For these services, remuneration has been paid totalling SEK 549,287 in 2017.

Financing arrangement with SFS Finance and performance of administrative services

QleanAir Scandinavia AB has transferred agreements entered into with customers regarding the lease of air purification products to SFS Finance, which until the completion of the Offering is owned by the Company's principal shareholder, Qevirp 41 Limited (for more information please see above under "Acquisition of Smoke Free Systems Finance AB"). For these customer agreements, remuneration was paid by SFS Finance to QleanAir Scandinavia AB. The remuneration amounted to a total of SEK 182,439,283 during the period 2016-2019 (SEK 51,348,799 in 2016, SEK 45,308,210 in 2017, SEK 46,190,748 in 2018 and SEK 39,591,525 in 2019).

Employees of QleanAir Scandinavia AB continuously provides SFS Finance administrative and management services, to an extent corresponding to 75 percent of a full time employee on average, without compensation. The value of such services has amounted to a total of SEK 2,115,000 during the period 2016-2019 (SEK 540,000 in 2016, SEK 540,000 in 2017, SEK 540,000 in 2018 and SEK 495,000 in 2019).

Interest according to the shareholder loan

The shareholder loan described in section "Capital structure, indebtedness and other financial information" under "Shareholder loan" runs at an annual interest rate of 8 percent, to be paid in conjunction with the final repayment of the shareholder loan. According to the shareholder loan, interest has accumulated to a total of approximately SEK 72,037,000 during the period 2016-2019 (SEK 19,472,000 in 2016, SEK 17,530,000 in 2017, SEK 17,571,000 in 2018 and SEK 17,464,000 in 2019).

Intra-group transactions

Capital adequacy guarantee

QleanAir Scandinavia AB has issued a capital adequacy guarantee in favor of QleanAir Scandinavia GmbH, whereby QleanAir Scandinavia AB undertakes to ensure that QleanAir Scandinavia GmbH is provided with sufficient capital to fulfill outstanding obligations from time to time and, subject to certain limitations, such liabilities that may arise in the future.

Group-wide services

QleanAir Holding AB provides group-wide administrative services for which QleanAir Scandinavia AB pays a monthly fee. Compensation for these services totalled SEK 39,950,000 during the period 2016-2019 (SEK 10,200,000 in 2016, SEK 10,200,000 in 2017, SEK 10,200,000 in 2018 and SEK 9,350,000 in 2019). Such costs have also accrued by SEK 54,839.

Sales of products

QleanAir Scandinavia AB continuously buys products from manufacturers and resells them to QleanAir Scandinavia K.K. Compensation for these products totalled approximately SEK 115,825,205 during the period 2016-2019 (SEK 17,765,541 in 2016, SEK 38,996,470 in 2017, SEK 20,217,317 in 2018 and approximately SEK 38,845,877 in 2019).

Share acquisition intentions among major shareholders, board members and senior management

Among major shareholders, members of the board of directors and senior management of the Company, the following persons have announced their intention to acquire shares in the Offering: Rolf Classon (chairman of the board of directors) for an amount of SEK 1 million, Andreas Göth (CEO) for an amount of SEK 2 million and Henrik Resmark (CFO) for an amount of SEK 1 million. For more information please refer to section "Board of directors, senior management and auditors" under "Agreement on special compensation in connection with the planned listing of the Company's shares on First North Premier".

Share acquisition intentions (Anchor Investors)

Prior to the Offering, a group of new investors (the "Anchor Investors") submitted acquisition intentions and placed orders to acquire shares in the Offering at a total value of SEK 200 million, corresponding to a total of approximately 66.67 percent of the maximum amount of shares in the Offering, or a total of approximately 57.97 percent of the maximum amount of shares in the Offering, assuming a full exercise of the Over-allotment Option. The Anchor Investors may come to be especially taken into account in the allotment, but no guarantee of allotment in the Offering is provided. The Anchor Investors do not receive any compensation for their respective submitted acquisition intentions, which are made under the framework of the institutional Offering, and to the extent that they are allotted shares, the investments will be made on the same terms as for other investors. The submitted acquisition intentions by the Anchor Investors are not secured by bank guarantees, blocked funds, pledging or similar arrangements.

In addition to the Anchor Investors, the Company does not know of any person with the intention of acquiring 5 percent or more of the Offering. The Anchor Investors do not include those that have submitted intentions to acquire shares in the Offering as described under "Share acquisition intentions among major shareholders, board members and senior management" above. None of the Anchor Investors have previously been shareholders in the Company, members of the board of directors or part of the senior management in the Company.

Costs associated with the Offering

The Company's costs associated with the Offering and the admission of the Company's shares to trading on First North Premier are estimated to amount to approximately SEK 15 million. Such costs are mainly attributable to costs for refinancing, auditors, legal and other advisors, printing of the Prospectus, costs related to presentations and the like.

Interests of persons involved in the Offering

The interests of the natural and legal entities involved in the Offering are described below, including conflicts of interest that are significant to the Offering.

Interests of the Principal Shareholder and the Company

The Principal Shareholder offers existing shares for sale and therefore has an interest in the Offering being successful.

Upon completion of the Offering, special compensation will be paid to certain persons. The compensation will be financed by the Company's principal shareholder, Qevirp 41 Limited (which will thus bear the costs for the compensation). The persons concerned are the Company's chairman of the board of directors, the CEO and the CFO. More information about the compensation can be found in section "Board of directors, senior management and auditors" under "Agreement on special compensation in connection with the planned listing of the Company's shares on First North Premier".

Advisors interests

Pareto Securities is the Sole Global Coordinator and Sole Bookrunner in the Offering, and provides financial advice and other services to the Company and the Principal Shareholder (i.e. Qevirp 41 Limited) in connection with the Offering and the planned listing on First North Premier. The size of the advisory fee to Pareto Securities will, in part, be based on the outcome of the Offering, why Pareto Securities has an interest in the Offering as such. In addition, Pareto Securities or their affiliates may, from time to time, have business relations with the Company and the Principal Shareholder, including lending activities, or may provide services to the Company and the Principal Shareholder in the ordinary course of business.

Setterwalls Advokatbyrå AB is legal advisor to the Company and the Principal Shareholder in connection with the Offering and the planned listing on First North Premier.

Companies that are to be listed on First North Premier are obliged to appoint an adviser (Certified Adviser) in connection with the application process. The adviser has the task of guiding the Company in the application process and supervise that the Company complies with applicable regulations, both during the application process and when the shares are traded. The Company has appointed FNCA Sweden AB as Certified Adviser.

Aktieinvest FK AB acts as an issuing agent for the Company in connection with the Offering and the planned listing on First North Premier.

None of the advisors own shares in the Company and, in addition to pre-agreed remuneration for their services, have no other financial interests in the Company.

Documents incorporated by reference

The following documents (insofar as specific sections are referred to) are incorporated into the Prospectus by reference and should be read as part of it. The parts of the following documents which are not referred to are either not relevant to an investor or are reproduced elsewhere in this Prospectus:

The Company's annual report for the financial year 1 January 2016 – 31 December 2016

- Consolidated income statement, p. 4
- Consolidated balance sheet, pp. 5-6
- Consolidated equity statement, p. 7
- Consolidated cash flow statement, p. 8
- Notes, pp. 9-34
- Auditor's report, pp. 42-43 (appended to the annual report)

The Company's annual report for the financial year 1 January 2017 – 31 December 2017

- Consolidated income statement, p. 4
- Consolidated balance sheet, pp. 5-6
- Consolidated equity statement, p. 7
- Consolidated cash flow statement, p. 8
- Notes, pp. 9-26
- Auditor's report, pp. 34-35 (appended to the annual report)

The Company's annual report for the financial year 1 January 2018 – 31 December 2018

- Consolidated income statement, p. 4
- Consolidated balance sheet, pp. 5-6
- Consolidated equity statement, p. 7
- Consolidated cash flow statement, p. 8
- Notes, pp. 9-28
- Auditor's report, pp. 36-37 (appended to the annual report)

The Company's interim report for the period 1 January 2019 to 30 September 2019 (incorporated in the Prospectus in its entirety)

The Company's annual reports regarding the financial years 2016-2018 have been audited by the Company's auditor and the auditor's report is appended to the respective annual reports. The interim report has not been audited but has been reviewed by the Company's auditor in brief.

Documents incorporated by reference are available on the Company's website (www.qleanair.com) during the Prospectus's validity period. Copies of these documents are also kept available at the Company's head office (visiting address: Torggatan 13 in Solna, Sweden) during the Prospectus's validity period (on weekdays during regular office hours).

Documents available for inspection

Following documents are available on the Company's website (www.qleanair.com) during the Prospectus's validity period. Copies of these documents are also kept available at the Company's head office (visiting address: Torggatan 13 in Solna, Sweden) during the Prospectus's validity period (on weekdays during regular office hours):

- This Prospectus.
- The Company's articles of association.
- The Company's certificate of registration.
- The Company's audited consolidated annual reports for the financial years ending 31 December, 2018, 2017 and 2016.
- The Company's interim report for the period 1 January 2019 to 30 September 2019.

Except as expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

Articles of association

Adopted at the extraordinary general meeting held on 7 October 2019.

1 § Name

The name of the company is QleanAir Holding AB. The company is a public company (publ).

2 § Registered office

The board of directors' registered office is in Stockholm.

3 § Object of the company's business

The objects of the company's business are to, directly or indirectly through subsidiaries, conduct development, production and sales of energy saving products, clean air solutions and technical systems for environmental enhancement and thereto related service and maintenance, provide consultancy services and education within the aforementioned and conduct information and business development activities own and manage real property and movables as well as other activities compatible therewith.

4 § Share capital

The company's share capital shall be not less than SEK 6,500,000 and not more than SEK 26,000,000.

5 § Shares

The number of shares in the company shall be no less than 13,000,000 and no more than 52,000,000.

6 § Board of directors

The board of directors shall consist of not less than three (3) and not more than seven (7) members without deputy members.

7 § Auditor

The company shall have not less than one (1) and not more than two (2) auditors with not more than two (2) deputy auditors. The auditor(s), or deputy auditor(s) (as applicable), shall be an authorized public accountant or a registered public accounting firm.

8 § Notice of general meetings

Notices of general meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens Industri that a notice has been made.

Shareholders wishing to participate in general meetings must be listed as shareholder in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the general meeting and notify the company no later than the date specified in the notice of the general meeting. The last mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

9 § Matters to be addressed at the annual general meeting

The following matters shall be addressed at the annual general meeting:

1. Election of chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one (1) or two (2) persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting has been duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report on the group;
7. Resolution in respect of adoption of the profit and loss statement and the balance sheet and, where applicable, the consolidated profit and loss statement and the consolidated balance sheet;
8. Resolution in respect of allocation of the company's profit or loss according to the adopted balance sheet;
9. Resolution in respect of the members of the board of directors' and the managing director's discharge from liability;
10. Determination of the number of members of the board of directors and the number of auditors and, where applicable, deputy auditors;
11. Determination of fees payable to the members of the board of directors and the auditors;
12. Election of the members of the board of directors, auditors and, where applicable, deputy auditors; and
13. Other matters which are set out in the Swedish Companies Act or the company's articles of association.

10 § Financial year

The company's financial year is 1 January – 31 December.

11 § CSD clause

The shares of the company shall be registered in a CSD register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument).

Certain tax considerations in Sweden

Below is a summary of specific tax rules for individuals and limited liability companies with unlimited tax liability in Sweden, unless otherwise stated. The summary is based on current legislation and is intended only as general information. The summary does not include securities which are held by partnerships or as inventory assets in business operations. Nor does it include any details about special rules pertaining to tax-free capital gains (including prohibition of deduction for capital losses) or corporate dividends which may become applicable should shareholders hold shares which may be considered business-related. Neither are the special rules that may apply to holdings in companies that are or have been so-called closely held companies or to shares purchased on the basis of so-called qualified shares in closely held companies. The summary also does not cover shares held in an investment savings account (Sw. *investeringssparkonto (ISK)*) and which are subject to special rules on standardized rate taxation. Special tax rules apply to certain types of taxpayers, for example investment companies and insurance companies. Each individual shareholders' tax liability will depend on their particular situation. Each holder of shares should consult a tax advisor for information on the special implications that may arise in the individual situation, including the applicability and effect of foreign rules and tax treaties.

The Company's shares will be listed on First North Premier. First North Premier is not considered a regulated market according to the definition of the Income Tax Act (Sw. *inkomstskattelag (1999:1229)*) ("ITA"). Shares that are not listed on a regulated market shall still be seen as marketable (Sw. *marknadsnoterade*) in the ITA's context provided that they are subject to continuous publicly available listing on the basis of market turnover. The Swedish Tax Agency (Sw. *Skatteverket*) has stated that the turnover normally shall occur once every ten days and that the listings are kept available until the sixth year after the listing year.

Shareholders who are tax residents in Sweden

Natural persons

Capital gains taxation

When listed shares are sold or otherwise disposed of, a taxable capital gain or deductible capital loss may occur. Capital gains are taxed in the category income from capital at a flat tax rate of 30 percent. The capital gain or loss is calculated as the difference between the sales proceeds, after deduction for sales costs, and the acquisition cost of the shares. The acquisition cost for all shares of the same type and class are added together and computed collectively in accordance with the average cost method (Sw. *genomsnittsmetoden*). When selling listed shares, the acquisition cost may alternatively be calculated according to the standardized method (Sw. *schablonmetoden*) at 20 percent of the sales proceeds after deduction of sales costs.

Capital losses on listed shares are fully deductible against taxable capital gains incurred that arise during the same tax year on shares and other listed securities except for shares of mutual funds or special funds that consist solely of Swedish receivables, so-called interest funds. Capital losses on shares or other ownership interests that cannot be set-off in this way may be deducted for up to 70 percent of value against other capital income.

Capital gains from shares that are not considered listed in accordance with the ITA are only taxable on five sixths of the gain, resulting in an effective tax rate of 25 percent ($5/6 \times 30$ percent). For listed shares there is no similar quotation, i.e. the gain is taxed with 30 percent as mentioned above.

Capital losses from shares that are not considered listed are deductible to five sixths against other taxable capital gains that has occurred the same year, both on other shares as well as and other listed securities (except for shares of mutual funds or special funds that consist solely of Swedish receivables, so-called interest funds. Capital losses on shares or other ownership interests that cannot be set-off in this way may be deducted for up to five sixths of 70 percent of value against other capital income.

In the event of a deficit in capital income, a tax reduction is allowed against municipal and national income tax, as well as against municipal property tax and national property charges. A tax reduction is allowed for 30 percent of that part of the loss that does not exceed SEK 100,000, and 21 percent of the remainder. Such loss cannot be carried forward to future fiscal years.

Tax on dividends

For natural persons, dividends on listed shares are taxed in the capital income category at a rate of 30 percent. For natural persons who are considered tax residents in Sweden, a preliminary tax of 30 percent is normally withheld from dividends. The preliminary tax is withheld by Euroclear or, for nominee-registered shares, by the nominee.

On dividends on shares that are not considered listed according to the ITA are only taxable on five sixths of the dividend, resulting in an effective tax rate of 25 percent ($5/6 \times 30$ percent).

Limited liability companies

Tax on capital gains and dividends

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 21.4 percent.¹ Capital gains and losses are calculated in the same manner as described above in respect to natural persons. Please note that there are other rules regarding business related shares (Sw. *näringsbetingade andelar*), however they are not included in this document.

Deductible capital losses on shares or other ownership interests can only be deducted against taxable capital gains on shares or other ownership interests. If certain conditions are met, such a capital loss may also be set-off against capital gains on shares or other ownership interests in companies within the same group, provided that a right to make group contributions between companies exists. Any capital loss that cannot be utilized in a given year may be carried forward and set-off against taxable capital gains on shares and other ownership interests in future years, without limitation in time.

1) For fiscal years beginning after 31 December 2018, but before 1 January 2021. As of 1 January 2021, the tax rate will be reduced to 20.6 percent.

Shareholders who are non-residents in Sweden

Withholding tax

Shareholders who are considered non-resident for tax purposes in Sweden and who receive dividends on shares in a Swedish limited liability company are normally subject to withholding tax (Sw. *kupongskatt*). The tax rate is 30 percent, which however is normally reduced through tax treaties that Sweden has entered into with other countries in order to avoid double taxation. Most of Sweden's tax treaties enable a reduction of the Swedish tax to the treaty rate directly at the time of dividend payment if the necessary information about the dividend recipient is provided. In Sweden, the deduction of withholding tax is normally made by Euroclear or, for nominee-registered shares, by the nominee.

If 30 percent is withheld from a dividend payment to a person who has the right to be taxed at a lower rate, or if an excess of tax has otherwise been withheld, repayment can be requested from the Swedish Tax Agency before the end of the fifth calendar year after the dividend payment.

Capital gains taxation

Shareholders who are considered non-residents for tax purposes in Sweden and whose holdings are not attributable to a permanent establishment in Sweden, are not normally taxed in Sweden for capital gains in connection with the sale of shares. Shareholders may, however, be subject to tax in their country of residence. According to a special tax rule, however, natural persons with limited tax liability in Sweden may be subject to Swedish capital gains tax on the sale of shares if at any time during the year of disposal or the ten calendar years, they have been resident or permanently resided in Sweden. This rule may however be limited by tax treaties between Sweden and other countries.

Definitions

“Company”, “QleanAir”, “Group” or “Group Companies”	QleanAir Holding AB, the group in which the Company is parent company, or a subsidiary in the group, as the context may require.
Anchor Investors	A group of new investors who on certain terms and to the same price as other investors have submitted acquisition intentions and placed orders to acquire shares in the Offering at a total value of SEK 200 million, corresponding to a total of approximately 66.67 percent of the maximum amount of shares in the Offering, or a total of approximately 57.97 percent of the maximum amount of shares in the Offering, assuming a full exercise of the Over-allotment Option.
“Code”	Swedish Code of Corporate Governance.
“EUR”	Euro.
“Euroclear”	Euroclear Sweden AB.
“First North Premier”	First North Premier Growth Market in Stockholm.
“Offering”	The Offering to acquire existing shares in the Company in accordance with this Prospectus.
“Pareto Securities”	Pareto Securities AB.
“Principal Shareholder”	Qevirp 41 Limited.
“Prospectus”	This prospectus which has been drawn up on account of the Offering.
“SEK” “TSEK” “MSEK”	Swedish krona. Thousand Swedish kronor. Million Swedish kronor.
“SFS Finance”	Smoke Free Systems Finance AB.
“Sole Global Coordinator & Sole Bookrunner”	Pareto Securities AB.
“Over-allotment Option”	The over-allotment option described in section “Terms and conditions” under “The Over-allotment Option”.

Addresses

THE COMPANY

QLEANAIR HOLDING AB

Address:

QleanAir Scandinavia
P.O. Box 1178
171 23 Solna, Sweden

Visiting address:

QleanAir Scandinavia
Torggatan 13
171 54 Solna, Sweden

Website:

(www.qleanair.com)

Telephone:

+46 8 545 788 00

SOLE GLOBAL COORDINATOR AND SOLE BOOKRUNNER

PARETO SECURITIES AB

P.O. Box 7415
103 91 Stockholm, Sweden
(www.paretosec.com)

ISSUING AGENT

AKTIEINVEST FK AB

P.O. Box 7415
103 91 Stockholm, Sweden
(www.aktieinvest.se)

LEGAL ADVISOR TO THE COMPANY

SETTERWALLS ADVOKATBYRÅ AB

Sturegatan 10
114 36 Stockholm, Sweden

LEGAL ADVISOR TO SOLE GLOBAL COORDINATOR AND SOLE BOOKRUNNER

BAKER MCKENZIE

Vasagatan 7
101 23 Stockholm, Sweden

AUDITOR

GRANT THORNTON SWEDEN AB

Sveavägen 20
103 94 Stockholm, Sweden

