

Fourth quarter and year-end report

2021



AIR CLEANER REVENUES INCREASED BY 120%, WHILE CLEANROOMS INCREASED BY 72%. PROPOSED DIVIDEND INCREASE OF 15%.

October – December 2021 in summary

- Net revenues SEK 118.1m (106.4), currency-adjusted net revenues totaled SEK 119.6m (113.1).
- Installed units 11,396 (9,551)
- Recurring revenue SEK 65.2m (64.6)
- Order intake SEK 72.9m (82.1)
- EBITDA¹ SEK 25.4m (28.2)
- EBITDA margin 21.5% (26.5%)
- Operating profit² (EBIT) SEK 17.9m (20.5)
- Operating margin 15.2% (19.3%)
- Net profit for the period SEK 7.3m (22.7)
- Earnings per share SEK 0.49 (1.53)
- Operating cash flow SEK 22.1m (19.7)

January – December 2021 in summary

- Net revenues SEK 450.5m (493.0), currency-adjusted net revenues amounted to SEK 477.6m (497.9).
- Installed units 11,396 (9,551)
- Recurring revenue SEK 262.0m (258.7)
- Order intake¹ SEK 356.3m (368.0)
- EBITDA¹ SEK 112.4m (123.7)
- EBITDA margin 25.0% (25.1%)
- Operating profit² (EBIT) SEK 83.4m (95.0)
- Operating margin 18.5% (19.3%)
- Profit for the period SEK 59.3m (67.0)
- Earnings per share SEK 3.99 (4.51)
- Operating cash flow SEK 104.2m (72.1)
- The Board of Directors proposes a dividend of SEK 1.50 per share (1.30)

Significant events during the fourth quarter

- QleanAir wins major order from Deutsche Bahn for Air Cleaners, Germany

Significant events after the end of the period

- QleanAir renews its contract with Porsche worth EUR 2m within Cabin Solutions
- QleanAir delivered cleaned indoor air equivalent to 12.38 Avicii Arenas per hour by the end of the fourth quarter
- On February first, QleanAir launched its new website, www.qleanair.com
- QleanAir has changed names of two of its product categories. Air Cleaners was previously called Facility Solutions and Cleanrooms was previously called Room Solutions.

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Sales, TSEK	118 055	106 436	450 576	492 970
Installed units, at the end of the period	11 396	9 551	11 396	9 551
Recurring revenue, TSEK	65 210	64 429	261 975	258 688
Recurring revenue from units in own balance sheet, %	55%	61%	58%	52%
Order intake ¹ , TSEK	72 890	82 103	356 282	368 000
EBITDA, TSEK	25 434	28 217	112 437	123 749
EBITDA-margin, %	21,5%	26,5%	25,0%	25,1%
EBIT, TSEK	17 887	20 542	83 397	95 038
EBIT-margin, %	15,2%	19,3%	18,5%	19,3%
Result for the period, TSEK	7 318	22 742	59 258	67 005
Earnings per share ² , SEK	0,49	1,53	3,99	4,51
Earnings per share after full dilution, SEK	0,49	1,51	3,93	4,44
Cash flow from operations, TSEK	22 076	19 654	104 153	72 133
Net working capital, TSEK	-56 969	-46 599	-56 969	-46 599
Equity/Asset ratio, %	32%	27%	32%	27%

¹Definition of key figures appears from page 21. ²Explanation for EBITDA and operating profit can be found on page 9.

CEO COMMENT

“I am proud that QleanAir continues to grow in its two growth areas: Air Cleaners (formerly Facility Solutions) and Cleanrooms (formerly Room Solutions). In the fourth quarter, sales of Air Cleaners increased by 120% to SEK 30m (13) and for Cleanrooms the corresponding increase was 72% to SEK 21m (12). In the quarter, the two product categories combined represented 43% (24%) of QleanAir's total sales. This is a clear confirmation that we are delivering in accordance with the company's strategy. We increased our installed base by 19% and the volume of cleaned air delivered increased by 26.7% compared to the previous year. I am very pleased with the fact that we are growing in our new product categories, at the same time as we continue to deliver strong profitability, during a challenging year,” says CEO Christina Lindstedt.



Continued strong growth in Air Cleaners. Germany at the forefront of continued growth

The growth for Air Cleaners during the fourth quarter took place both in warehousing, logistics and production environments, but also in offices, schools, and hospitals, where the corona pandemic contributed to raising awareness of the importance of air cleaning to create safe and secure working environments. During the quarter, we received a significant order of SEK 7.9m from DB Cargo, a Deutsche Bahn company, for QleanAir's Air Cleaner solutions for office environments. After the end of the period, it was announced that QleanAir had won the continued trust of Porsche in Germany, and received a renewed five-year contract within Cabin Solutions, worth EUR 2m. Air Cleaners was launched as a new product category in Japan at the end of 2020, and in 2021 we have established ourselves in the market and successfully increased our sales. Total sales increased by 12% in the quarter which, in addition to growth in Germany, came from Cleanrooms in Sweden. The total order intake for the quarter was lower than the corresponding quarter last year, -11%. This was due partly to a higher level of activity in the US in Q4 2020, and partly to the fact that operations within Cabin Solutions in Japan continued to be somewhat affected by shutdowns due to the pandemic. We are well on our way back to previous levels of activity in Japan and, as in Germany, we had a strong quarter in Japan in terms of renewed contracts.

Strong closing quarter for the Cleanrooms product category. Strong growth in Sweden during the fourth quarter.

Sales in the Cleanrooms product category grew by 72% in the quarter, which is attributable to projects in the Swedish market. The US portion of the cleanroom business continued to generate a lower level of sales than in the corresponding quarter last year, and sales decreased by 21% in the US for the full year. QleanAir's current customers for Cleanrooms in the USA, especially pharmacies in the hospital system, have been hit hard by the pandemic, and decision-making processes have been longer than normal. We have a strong focus on reversing the level of activity in the US and broadening our customer base. We are in a transition phase in the US. The president of our US subsidiary, QleanAir Inc, is going into retirement in April 2022 and his successor, Carl-Henrik Wiberg started on February 1st 2022. Carl-Henrik will be based in our office in Columbus, Ohio. With a significant installed base in the US and a large proportion of returning customers, we see good opportunities to return to growth in the US market.

Growth of 19 percent in the installed base increased the volume of cleaned air

We continue to grow our installed base, which increased by 19% in the quarter. The amount of delivered clean air increased by 26.7% in the quarter. Sustainability has always been a central part of QleanAir's offering and business model. Since 2015, we have measured the volume of cleaned air and we are proud to each quarter contribute to a healthier, safer, and more productive workplace for more and more customers. Our solutions also help ensure product durability, performance, and energy consumption.

Awareness of the importance of clean indoor air has increased significantly during the pandemic, and we see that it has contributed to an increased demand for advanced air cleaning solutions. An increase that we expect to continue in the medium and longer term.

High material costs and disruptions in the supply chain during the quarter

QleanAir continued to be negatively impacted by high material and transportation costs during the quarter, as well as by poor reliability in deliveries. To some extent, the cost increases have been passed on in the form of price increases, though also had a negative impact on our gross margin. This has meant longer delivery times at points, but we have not lost business opportunities due to the disruptions. We expect continued disruptions during the first part of 2022 and continue to work closely with our partners to handle this in the best possible way.

QleanAir has a business model with a high proportion of recurring income from long leases. The share of recurring income was 55% for the quarter. In addition, a high proportion of revenue comes from sales to finance companies, where 75% of contracts from existing installations are extended. This means that only a small proportion of QleanAir's sales, new sales, have been affected by cost increases and delivery disruptions. QleanAir's business model thus continues to contribute to QleanAir's stable development and strong level of profitability during very turbulent times.

Investments in marketing, sales resources, and innovation

QleanAir increased its investments in marketing during the quarter. After the end of the period, we launched a new global website that will act as the hub of our digital marketing and contribute positively to the company's growth strategy. We recruited more new sales resources and we also continued our work with innovation and new products and are planning new launches during the first half of 2022.

QleanAir continues to deliver high margins during a challenging 2021

We continue to deliver exceptionally good margins in our underlying business. Our EBITDA margin for the full year 2021 was 25.0% (25.1%) and our EBIT margin was 18.5% (19.3%), despite a challenging fourth quarter with higher material costs.

Outlook

QleanAir has a strong growth focus. Within Air Cleaners, we have established a strong position in Sweden and Germany. We continue to see good opportunities to grow our business in these countries, as well as in other countries where QleanAir has an established customer base. We have a broader product portfolio than ever before, and we see great opportunities to continue to drive growth through this and new innovative developments. We are in an early stage of development for our business within Cleanrooms and see good opportunities for growth in existing and new customer segments and geographic areas. We also see good growth opportunities in Japan, both in Cabin Solutions and Air Cleaners. We continue to grow sales teams and develop our distribution partnerships to reach more customers with solutions for healthy working environments.

I would like to take this opportunity to thank the entire team at QleanAir for a fantastic job during a challenging 2021, and our customers and partners for a good collaboration. Together, we are contributing to a healthier and safer society.

Christina Lindstedt, CEO, QleanAir
Solna February 11, 2022



FINANCIAL DEVELOPMENT

QleanAir's geographic home markets are EMEA (Germany, Austria, Switzerland, Holland, Belgium, France, Poland, and the Nordic countries), APAC (Japan) and Americas (USA).

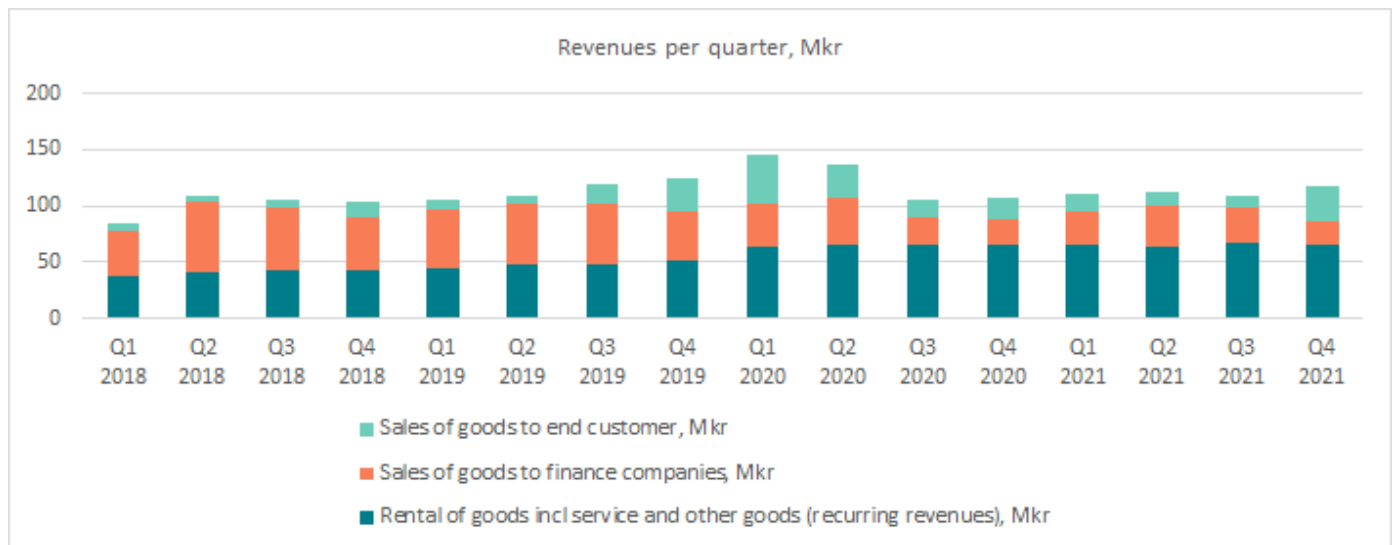
NEW PRODUCT CATEGORY NAMES

As of the interim financial report for Q4 2021, we have changed the names of two of our product categories to increase transparency and clarity. QleanAir has three product categories; the original product category for cabin solutions that protect people from exposure to harmful tobacco smoke, Cabin Solutions, stand-alone air cleaners for industrial, office and healthcare environments, Air Cleaners (formerly Facility Solutions), and cleanrooms used in healthcare environments, Cleanrooms (formerly Room Solutions).

RECURRING REVENUE AND TYPES OF REVENUE

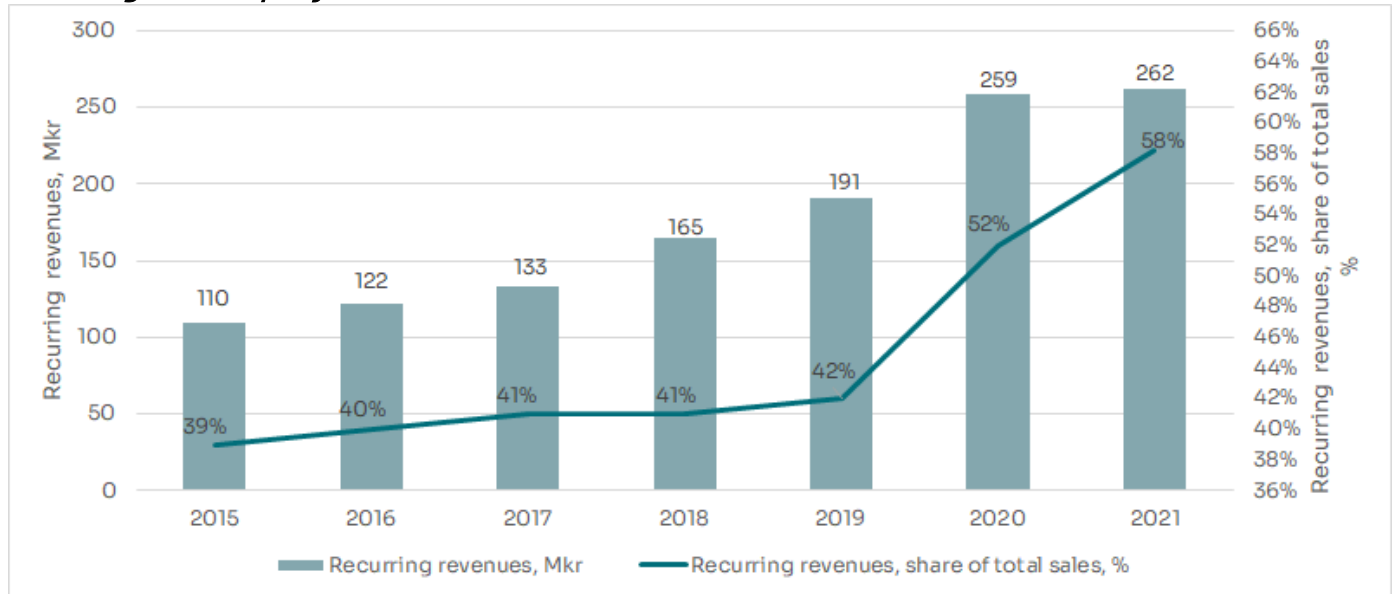
The Group's revenues consist of rental revenues, sales of goods to financing companies and end customers, service revenues and others.

The recurring revenue comes from the rental of units on own balance sheet, service, and others, and amounted to 55% (61) of total revenue for the fourth quarter of 2021. Recurring revenue increased by 1% during the fourth quarter and amounted to SEK 65.2m (64.6). During January–September 2021, recurring revenues amounted to SEK 262.0m (258.7), corresponding to 58% (52) of total sales. For recurring revenues and the revenue stream from sales of leases to finance companies it generally applies that a high proportion, more than 75%, of leases are renewed or extended. When selling directly to customers, QleanAir always signs separate service agreements that run for three years.



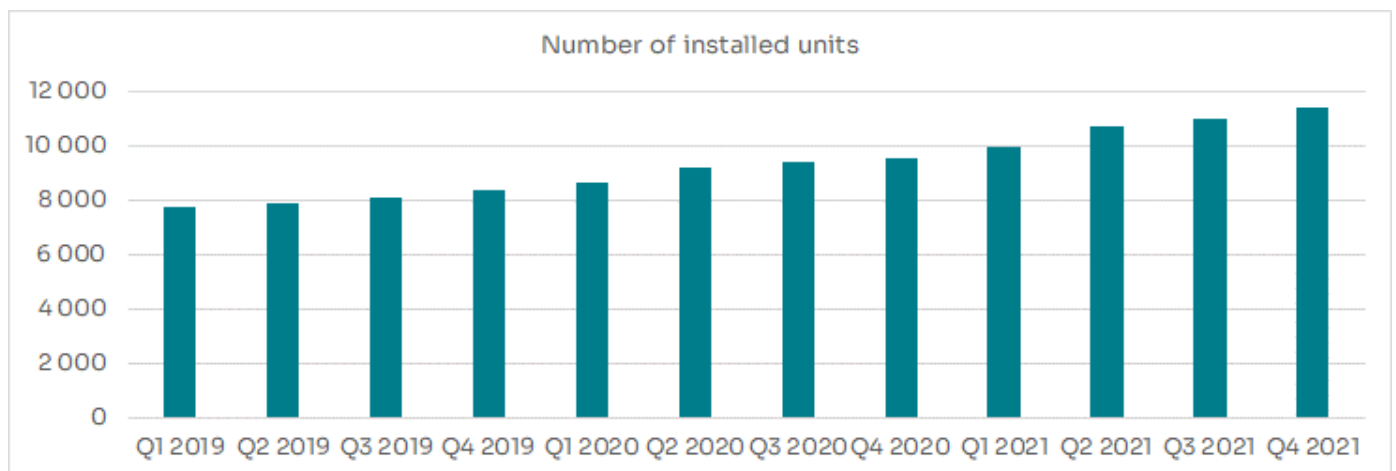
TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Rental of goods incl service and other goods (recurring revenues)	65 210	64 629	261 975	258 688
Sales of goods to finance companies	20 211	23 932	116 172	130 476
Sales of goods to end customer incl sale and installation of cleanrooms	32 634	17 876	72 429	103 807
Total	118 055	106 436	450 576	492 970

Recurring revenue per year



INSTALLED UNITS

The number of installed units increased by 19 percent in 2021, with Cabin Solutions growing in Japan and Air Cleaners showing strong growth in Germany and Sweden. At the end of the period, the total number of units installed was 11,396 (9,551), of which 4,534 (3 749) were units on own balance sheet.



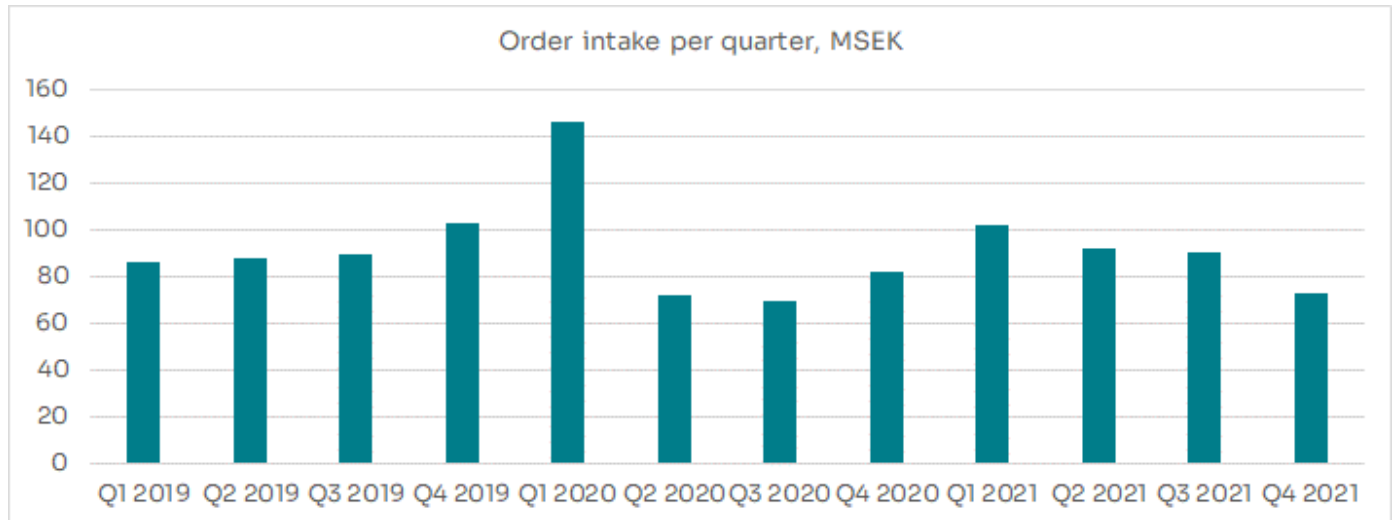
	December 2021	December 2020
Accounted value installed units, TSEK (accounted for in tangible fixed assets)	48 982	46 470
Installed units in balance sheet, number	4 534	3 749
Installed units sold to finance companies, number	2 423	2 383
Sold units with service agreement, number	4 439	3 419
Total installed units, number	11 396	9 551

QleanAir calculates the installed base in cleanrooms as one unit per SEK 100,000 in order value.

ORDER INTAKE

Order intake¹ for the fourth quarter of 2021 amounted to SEK 72.9m (82.1), a decrease of 11%. Order intake January–December 2021 amounted to SEK 356.3m (368.0), a decrease of 3%. EMEA accounted for 55% (60) of order intake in the fourth quarter, APAC for 40% (30) and Americas for 5% (10).

Order intake per quarter



Order intake per geography, TSEK

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
EMEA	40 318	49 119	209 934	150 373
APAC	28 772	24 411	122 887	194 944
Americas	3 800	8 573	23 460	22 683
Total	72 890	82 103	356 282	368 000

1. The definition of Order intake has been revised from 2021-01-01. All customer contracts are included in the order intake. Previously, short-term leases and extensions were not included in the order intake. These contracts are now also included in the order intake. Comparative figures for 2020 have been recalculated for comparability.

SALES

October–December 2021

Sales for the fourth quarter amounted to SEK 118.1m (106.4), an increase of 11% compared with the previous year. Currency-adjusted, this is increase of 12%. By geographic area, sales for the fourth quarter amounted to SEK 68.1m (50.2) for EMEA, SEK 42.2m (46.2) for APAC and SEK 7.7m (10.0) for the Americas. Sales per product category amounted to SEK 67.7m (80.8) for Cabin Solutions, SEK 28.9m (13.1) for Air Cleaners and SEK 21.4m (12.5) for Cleanrooms. During the quarter, the two product categories Air Cleaners and Cleanrooms combined represented 43% (24%) of QleanAir's total sales.

Sales increased by 36% in EMEA during the fourth quarter. Air Cleaners and Cleanrooms have contributed to good growth in EMEA. These are two strategic growth areas for QleanAir. Overall, Air Cleaners increased by 120% in the quarter. Germany continues to drive growth in Air Cleaners. Cleanrooms grew by 72% and the Swedish domestic market delivered here. Sales in Japan decreased by 9% during the fourth quarter of 2021. Japan has faced challenges following lockdowns due to COVID-19. However, we see this as a temporary decline. QleanAir has maintained a strong position in protection against passive smoking in Japan. In the Americas, Cleanrooms had a weak quarter where new sales were below our expectations.

In the US, we are in renegotiation with a returning customer to convert a USD 1 million contract for the redevelopment of a large cleanroom to prioritize other cleanrooms for the customer. The delay in the project had a negative effect on revenue during the fourth quarter in the form of lost income. Sales in the Americas were below expectations in the quarter.

Sales of goods increased by 83% in the quarter. Cleanrooms in Sweden made a strong contribution to this. Recurring revenues increased by 1% and amounted to 55% (61) of total revenues in the quarter. An increase in the number of installed units on own balance sheet means an increase in recurring revenue. Sales to finance companies fell by 16% during the quarter.

Sales for the fourth quarter were negatively impacted by currency effects of SEK 1.6m (-6.6) and currency-adjusted organic sales growth amounted to 12.4% (-8.7).

January-December 2021

Sales for January-December 2021 amounted to SEK 450.6m (493.0), a decrease of 9%. Sales by geographic area for January-September 2021 amounted to SEK 226.9m (210.2) for EMEA, SEK 190.3m (240.6) for APAC and SEK 33.4m (42.2) for the Americas. Sales of Cabin Solutions in Japan have declined in 2021 in relation to the same period in 2020, where the new Health Promotion Act gave us an exceptionally strong 2020. Broken down by product category, sales for January-December 2021, amounted to SEK 302.2m (393.5) for Cabin Solutions, SEK 92.5m (45.9) for Air Cleaners and SEK 55.9m (53.6) for Cleanrooms. A positive element for the period is the sharp increase in sales in Air Cleaners, an increase of 102% in 2021. It is primarily in Germany and Sweden that we are seeing good growth. Sweden is a major contributor in Cleanrooms. In 2021, January-September sales were impacted negatively by currency effects of SEK 27.1m (-4.9) and currency-adjusted organic sales growth amounted to -3.1% (+9.0).

Turnover per geography, TSEK

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
EMEA	68 145	50 239	226 866	210 180
APAC	42 250	46 182	190 298	240 574
Americas	7 660	10 015	33 412	42 216
Total	118 055	106 436	450 576	492 970

Turnover per product category, TSEK

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Cabin Solutions	67 714	80 816	302 178	393 457
Air Cleaners	28 900	13 148	92 528	45 908
Cleanrooms	21 441	12 472	55 870	53 605
Total	118 055	106 436	450 576	492 970

SEASONAL VARIATIONS

Historical revenues and costs have not significantly been affected by seasonal variations for QleanAir. This is due to the company's revenue model, which largely consists of recurring revenues from rental contracts. Historically, QleanAir has not experienced significant fluctuations in sales and operating profit between quarters.

OPERATING PROFIT

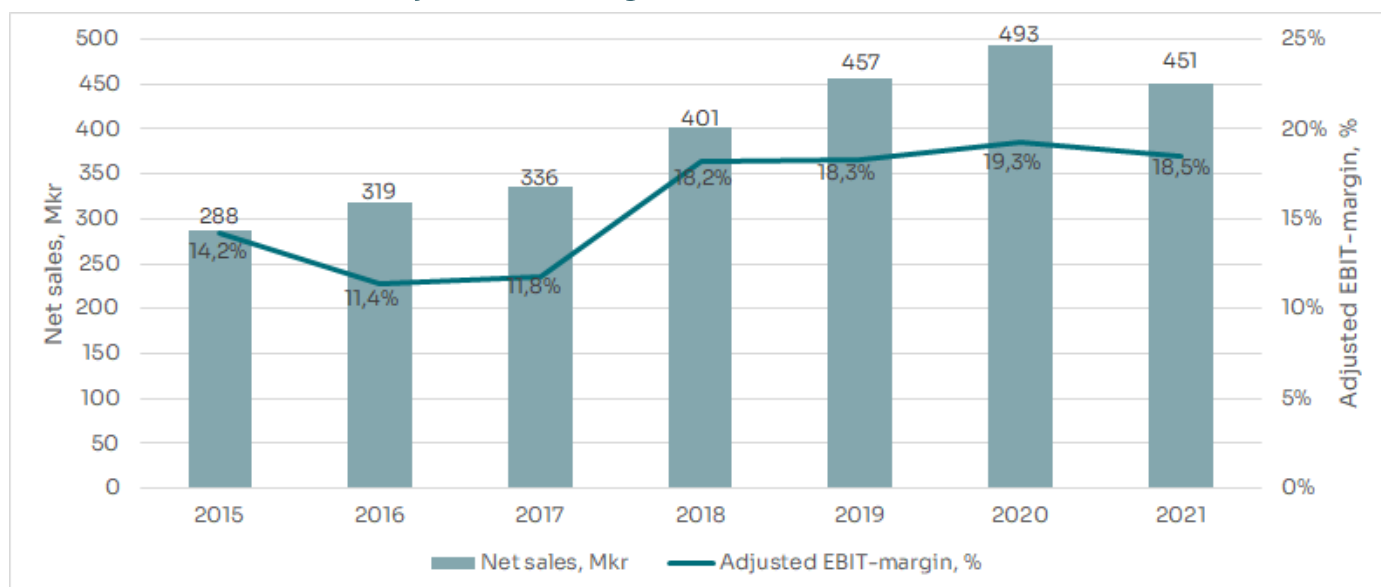
During the fourth quarter of 2021, operating profit amounted to SEK 17.9m (20.5) and the operating margin was 15.2% (19.3). The reduction in EBIT is partly due to a lower share of recurring income in the quarter. We also had increased material and logistics costs in the quarter. Furthermore, the changed product mix had a negative impact on the margin.

In 2021, QleanAir Scandinavia Inc received COVID-19 related support attributable to personnel costs, totaling approximately SEK 3.8m, of which SEK 0.9m was received during the fourth quarter. These other sources of revenue positively impact gross profit, EBITDA, EBIT and earnings for the period.

During January–December 2021, operating profit amounted to SEK 83.4m (95.0) and the operating margin was 18.5% (19.3). The reduction is partly due to lower net sales.

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Operating income (EBIT)	17 887	20 543	83 397	95 038
Depreciations fixed assets	7 547	7 675	29 039	28 711
EBITDA	25 434	28 218	112 437	123 749

Net sales in SEK million and adjusted EBIT margin



Adjusted EBIT margin refers to 2018 and 2019.

OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, sales commission to market partners/sales agents, rents, travel expenses and consulting costs. During the fourth quarter of 2021, other external costs amounted to SEK 25.3m (22.5). The increase was mainly due to increased marketing costs.

During January–December 2021, they amounted to SEK 92.8m (95.9). The decrease is related to lower revenue compared to the previous period.

PERSONNEL COSTS AND EMPLOYEES

During the fourth quarter of 2021, personnel costs amounted to SEK 30.4m (26.0). The increase is partly attributable to higher sales commissions during the fourth quarter. During January–December 2021, they amounted to SEK 116.6m (119.6). The average number of employees in the Group was 108 (106). The distribution between men and women in the Group was 72 (71) men and 36 (35) women. The number of employees at the end of the period was 110 (108).

NET FINANCIAL ITEMS

Net financial items for the fourth quarter of 2021 amounted to SEK -1.9m (-1.8). During January–December 2021, net financial items amounted to SEK -7.9m (-9.4).

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

Profit before tax for the fourth quarter amounted to SEK 16.0m (18.7). Reported tax for the period was SEK -8.7m (-4.0). A new global policy for transfer pricing was implemented in the fourth quarter of 2020.

Reported tax for the period January–December 2021 amounted to SEK 16.3m (18.6). The Group's tax expense as a percentage amounted to 21.6% (21.7) for the full year 2021. Net income for the fourth quarter was SEK 7.3m (22.7). Earnings per share were SEK 0.49 (1.53) and after full dilution, SEK 0.49 (1.51).

OPERATING CASH FLOW AND INVESTMENTS

For the fourth quarter, cash flow from operating activities, operating cash flow, amounted to SEK 22.1m (19.7). Cash flow from investment activities during the fourth quarter amounted to SEK -6.0m (-5.1). During the full year 2021, they amounted to SEK 28.3m (26.4). The investments mostly refer to units (Cabin Solutions, Air Cleaners and Cleanrooms) that are leased to customers and where QleanAir thus owns the units. Operating cash flow January–December 2021 amounted to SEK 104.2m (72.1). The increase is mainly due to a lower tax payment and a positive change in working capital.

CASH AND FINANCIAL POSITION

Cash excluding available overdraft facilities at the end of the period amounted to SEK 69.7m (52.6). Interest-bearing net debt, i.e., liabilities to credit institutions less cash and cash equivalents, amounted to SEK 153.2m (198.7). QleanAir continues to amortize quarterly according to plan. During January–September 2021, the Group has amortized interest-bearing loans and made a dividend payment to shareholders. The Group's total assets amounted to SEK 610.8m (585.2). Fixed assets amounted to SEK 416.4m (418.5) and are mainly attributable to goodwill of SEK 343.7m (343.7). The book value of inventories and installed units amounted to SEK 49.0m (41.6). Inventories have increased from SEK 27.1m to SEK 44.0m. Among other things, the increase is attributable to components for cleanroom projects. Reported values for financial assets and liabilities correspond in all material respects to fair value.

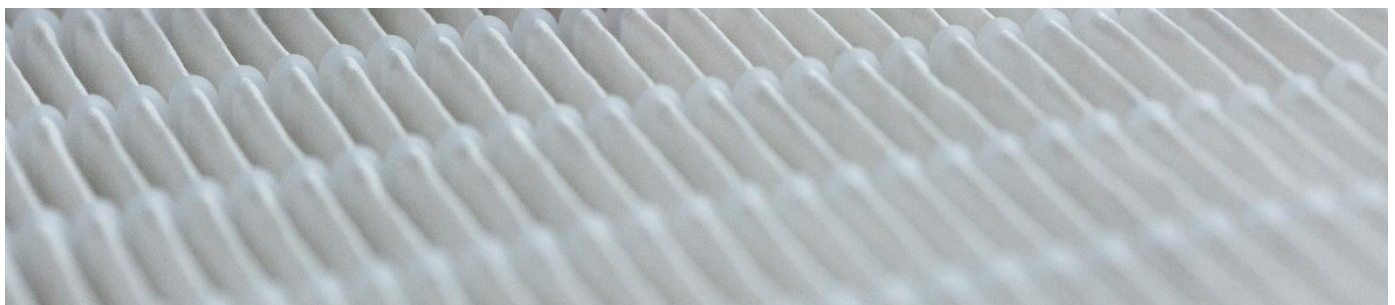
The Board's dividend proposal of SEK 1.50 per share (1.30) is in line with QleanAir's dividend policy. The proposal is an increase of 15% compared to the previous year.

FOLLOW-UP ON FINANCIAL OBJECTIVES

In 2021, QleanAir achieved currency-adjusted growth of -3.1%. This was lower than the Group's strategic target of about 10% average annual growth over time. The Group's financial target of 15–20% EBIT margin was achieved. The outcome was 18.5%. The Board's proposal for a dividend of SEK 1.50 per share corresponds to approximately 38% of the net profit for the year. The dividend policy allows for dividends of 30–50% of net profit.

GOODWILL

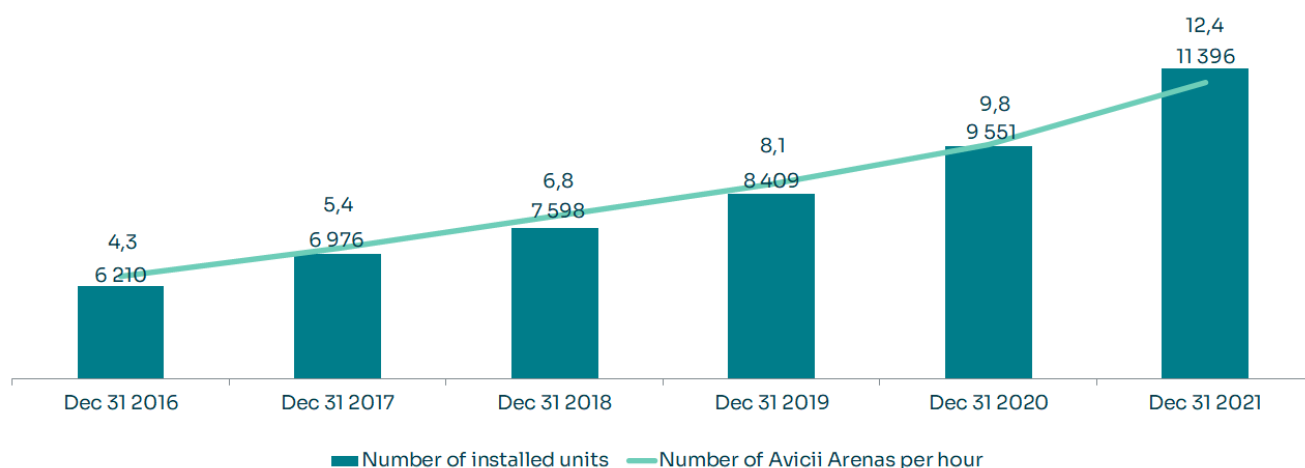
Goodwill is attributable in its entirety to QleanAir AB's acquisition of the operating subsidiary QleanAir Scandinavia AB and can be derived from the change of ownership that took place in 2012. Goodwill is assessed for impairment annually by comparing its value in use, based on the discounted value of future cash flows, with its carrying value. The impairment test carried out shows no need for impairment of the goodwill item.



SUSTAINABILITY

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

The total number of installed units and the amount of indoor air cleaned per month, measured in billions of cubic meters of cleaned indoor air, converted into the number of Avicii Arenas in Stockholm cleaned per hour



RISKS

QleanAir is exposed to market risks and especially currency risks, interest risk and other price risks as part of its ongoing operations and investment activities. One market risk is regulation concerning tobacco smoke. This market risk applies to EMEA and APAC. QleanAir is exposed to different financial risks on financial instruments, mainly market risk, credit risk and liquidity risk. Risk management is focused on the management of financial risks via a centralized finance department.

The Board's assessment continues to be that the corona pandemic has primarily affected new sales and thus financial developments. The management and the Board actively monitor the development and take regular measures to limit the negative effects on the business.

For more information about company risks, see QleanAir annual report 2020, available on www.qleanair.com.

PARENT COMPANY

Sales for the parent company for the fourth quarter of 2021 amounted to SEK 2.6m (2.6). Profits for the fourth quarter amounted to SEK 35.4m (32.0). QleanAir AB delivers management services to QleanAir Scandinavia AB. QleanAir AB, with company registration number 556879-4548, is a Swedish limited liability company with its registered office in Solna, Sweden.

DISPUTES

The Group had no pending disputes.

TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties have taken place in 2021.

SHARE CAPITAL, THE SHARES AND OWNERS

The total number of shares amounted to 14,859,200 as of December 2021, and the share capital to SEK 7.4m. After full dilution, the number of shares amounts to 15,170,692 shares. The dilution consists of a maximum of 311,492 warrants issued to employees in senior positions. The maximum dilution effect of the issued warrants in relation to the number of shares amounts to 2.1%.

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

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

In January–December 2021, the average number of shares was 14,859,200 shares before dilution and 15,082,088 after full dilution. All shares are ordinary shares with equal voting rights. The shares have a quota value of SEK 0.5 per share. QleanAir AB is a listed company on Nasdaq First North Premier Growth Market. FNCA is a certified advisor, telephone +46 8 528 00 399.

2021-12-31	
Shareholder	%, capital and votes
Qevirp 41 Ltd	23,6%
BankInvest	13,7%
Aktia Nordic	4,9%
Brown Brothers Harriman	4,9%
Livförsäkringsbolaget Skandia	4,6%
Enter Småbolagsfond	4,0%
Avanza Pension	3,0%
BNY Mellon	2,7%
LGT Bank Ltd	2,7%
BNP Paribas	2,4%
Ten largest shareholders	66,5%
Others	33,5%
Total	100,0%

CALENDAR

- April 21, 2022 Publication of annual report 2021
- April 21, 2022 Publication of sustainability report 2021
- May 12, 2022 First quarter 2022
- May 12, 2022 Annual General Meeting 2022:
- August 10, 2022: Second quarter and first half of 2022
- November 10, 2022: Third quarter 2022
- February 10, 2023: Fourth quarter and full year 2022

OTHER INFORMATION

This interim report provides a true and fair view of the Group's business, financial position, and performance. In the event of any discrepancies between the English and Swedish versions of the report, the Swedish version shall apply.

This information is information that QleanAir Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was provided by the contact person below, for publication on February 11, 2022, at 08:00 a.m. CET.

GENERAL REVIEW

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

PRESENTATION

QleanAir invites you to a conference call/audiocast on February 11, 2022, at 10.00. The company's CEO, Christina Lindstedt, and CFO, Henrik Resmark, will present the company's quarterly report in English.

Link to watch the presentation online:

<https://tv.streamfabriken.com/qleanair-holding-q4-2021>

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Board of Directors of QleanAir AB
Solna on February 11, 2022

Bengt Engström, Chairman
Johan Westman
Mats Hjerpe
Towe Ressman
Johan Ryrberg
Christina Lindstedt, CEO



THE GROUPS INCOME STATEMENT IN SUMMARY

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	118 055	106 436	450 576	492 970
Other income	893	2 831	3 768	2 831
Sales	118 948	109 267	454 345	495 801
Cost of goods sold	-37 723	-32 567	-132 533	-156 567
Gross profit	81 225	76 700	321 811	339 234
Other external costs	-25 343	-22 500	-92 814	-95 872
Personnel costs	-30 448	-25 982	-116 560	-119 614
Depreciation of tangible and intangible assets	-7 547	-7 675	-29 039	-28 711
Operating income	17 887	20 542	83 397	95 038
Financial income	93	0	1 617	55
Financial expenses	-1 994	-1 842	-9 472	-9 475
Income before tax	15 986	18 700	75 543	85 618
Deferred tax	-3 760	-1 003	-4 129	-6 798
Tax on result for the period	-4 908	5 045	-12 156	-11 815
Net result for the period	7 318	22 742	59 258	67 005
Profit/Loss attributable to:				
Shareholders parent company	7 318	22 742	59 258	67 005
Non-controlling interest	0	0	0	0
Net result for the period	7 318	22 742	59 258	67 005
Earnings per share basic, SEK	0,49	1,53	3,99	4,51
Earnings per share basic, after dilution, SEK	0,49	1,51	3,93	4,44
Net result for the period	7 318	22 742	59 258	67 005
Currency translation differences foreign subsidiaries	93	-6 688	-2 469	-8 104
Total result for the period	7 411	16 054	56 788	58 901
Profit/loss attributable to:				
Shareholders parent company	7 411	16 054	56 788	58 901
Non-controlling interest	0	0	0	0
Total net result for the period	7 411	16 054	56 788	58 901

SUMMARY OF THE GROUP'S FINANCIAL POSITION

TSEK	2021-12-31	2020-12-31
ASSETS		
Capitalized development cost	11 553	12 950
Goodwill	343 704	343 704
Intangible fixed assets	355 257	356 654
Leasing	11 671	15 662
Tangible fixed assets	48 982	41 566
Tangible fixed assets	60 653	57 228
Deferred tax	495	4 624
Fixed assets	416 405	418 506
Inventories	43 964	27 069
Account receivables	26 674	34 237
Tax receivables	0	8 092
Other receivables	7 560	9 999
Prepaid costs and accrued income	46 547	34 659
Cash and bank	69 662	52 600
Current assets	194 408	166 655
TOTAL ASSETS	610 813	585 161
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	7 430	7 430
Additional paid in capital	121 116	121 401
Translation differences	-5 304	-2 835
Balanced result	11 595	-36 093
Result for the period	59 258	67 005
Shareholders' Equity	194 094	156 907
Long term interest bearing liabilities	196 717	230 388
Other liabilities	5 328	6 643
Long term liabilities	202 045	237 031
Short term interest bearing liabilities	26 171	20 863
Accounts payable	34 770	25 194
Tax liabilities	5 749	0
Other short term liabilities	18 461	11 599
Other liabilities	6 788	9 705
Accrued expenses and deferred income	122 734	123 862
Current liabilities	214 674	191 223
Liabilities	416 719	428 253
TOTAL EQUITY AND LIABILITIES	610 813	585 161

THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY

2021, TSEK	Other paid		Reserves	Ianced result	Total equity
	Share capital	in capital			
Opening balance 2021-01-01	7 430	121 401	-2 835	30 912	156 908
Purchase/re-purchase of warrants, net		-285			-285
Dividend				-19 317	-19 317
Net result for the period				59 258	59 258
Other result			-2 469		-2 469
Closing balance 2021-12-31	7 430	121 116	-5 304	70 853	194 095

2020, TSEK	Other paid		Reserves	Ianced result	Total equity
	Share capital	in capital			
Opening balance 2020-01-01	7 430	121 140	5 269	-36 093	97 746
Net result for the period				67 005	67 005
Purchase of warrants		261			261
Other result			-8 105		-8 105
Closing balance 2020-12-31	7 430	121 401	-2 836	30 912	156 907

THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Operating activities				
Operating income	17 887	20 542	83 397	95 038
Adjustment for non-cash items	5 878	4 286	22 598	18 188
Net finance effect	-1 647	-2 976	-8 059	-11 633
Tax paid	1 926	7 428	1 588	-22 251
Total	24 044	29 280	99 525	79 342
Decrease (+)/Increase (-) inventories	-13 753	1 836	-16 686	-4 032
Decrease (+)/Increase (-) account receivables	11 195	-9 574	8 932	-1 319
Decrease (+)/Increase (-) current assets	796	4 995	-9 068	6 699
Decrease (-)/Increase (+) account payables	11 419	1 913	8 550	-14 411
Decrease (-)/Increase (+) current liabilities	-11 623	-8 795	12 900	5 855
Cash-flow from operations	22 076	19 654	104 153	72 133
Investing activities				
Investments in intangible assets	-1 297	-1 043	-2 705	-4 875
Investments in tangible assets	-4 688	-4 060	-25 592	-21 483
Cash flow from investing activities	-5 985	-5 102	-28 297	-26 357
Financing activities				
Amortization of loan	-9 481	-33 802	-39 599	-47 446
Paid dividend	0	0	-19 317	0
Payment of warrants, net	-336	0	-285	261
Cash flow from financing activities	-9 817	-33 802	-59 200	-47 185
Cash flow for the period	6 274	-19 250	16 656	-1 409
Opening cash balance	62 876	74 379	52 600	56 994
Exchange rate differences on financial items	512	-2 528	406	-2 985
Closing cash balance	69 662	52 600	69 662	52 600

THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

TSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	2 550	2 550	10 200	10 200
Other external costs	-1 100	-2 974	-7 639	-9 737
Personnel costs	-1 605	-2 260	-7 558	-7 993
Depreciation on intangible assets	-2 063	-2 063	-8 254	-8 254
Operating profit	-2 218	-4 748	-13 251	-15 784
Interest costs and similar profit/loss items	-6 822	-2 349	-13 418	-9 866
Result after financial items	-9 040	-7 097	-26 670	-25 650
Group contribution	52 000	45 000	52 000	45 000
Tax on result for the period	-7 517	-5 919	-7 517	-5 919
Net result for the period	35 443	31 985	17 814	13 431

THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY

TSEK	2021-12-31	2020-12-31
<i>Intangible assets</i>		
Goodwill	41 955	50 209
<i>Financial assets</i>		
Shares in Group companies	429 000	429 000
Total fixed assets	470 955	479 209
Current tax receivables	680	654
Other receivables	0	43
Prepaid expenses and accrued income	4 171	5 138
Cash and bank	975	2 203
Total current assets	5 825	8 039
Total assets	476 781	487 248
Shareholders' equity	7 430	7 430
Premium reserve	81 208	87 379
Profit/loss for the period	17 814	13 431
Total equity	106 452	108 240
Long term interest bearing liabilities	200 704	234 375
Total long term liabilities	200 704	234 375
Short term interest bearing liabilities	26 171	20 000
Accounts payable	531	1 530
Liabilities to Group companies	125 679	111 340
Tax liabilities	12 911	6 293
Other current liabilities	307	0
Accrued expenses and prepaid income	4 026	5 470
Total current liabilities	169 625	144 633
Total equity and liabilities	476 781	487 248

ACCOUNTING PRINCIPLES

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

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

The accounting policies applied correspond to those of the previous financial year, as described in the Annual Report of 2020.

New or revised IFRS and interpretative statements from IFRIC with effect from January 1, 2021 have not had a material impact on the Group's financial statements.

Segment

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

Financial instruments and currency exposure

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

Basis of valuations applied in preparing financial statements

Assets and liabilities are recognized at historical cost except for currency derivatives, which are measured at fair value.

Assessments and estimates in financial statements

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

Impairment testing of goodwill and shares in subsidiaries

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

Adjustments, rounded

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



NOTES

Distribution of net sales

QleanAir's geographic markets are EMEA, which includes Germany, Austria, Switzerland, Holland, Belgium, France, Poland, and the Nordic countries, together with the Middle East, APAC with Japan, and the Americas with sales in the United States. QleanAir's solutions can be divided into three product categories: cabin solutions, stand-alone air cleaners and cleanrooms. Net sales by geography and product category, as well as revenue types, appear on pages 5 and 8.

Sales of goods, including the sale and installation of cleanrooms and the sale of goods to financial companies, are reported once. Rental of goods, including service, are reported over time. The full revenue refers to revenue from contracts with customers. As regards the sale of goods to financial companies, revenue recognition is done in accordance with the rules of IFRS 16 for manufacturer lessors, as the company formally retains control of the items after the sale. However, in practice, these rules imply that revenue recognition is done according to the same principle as when selling goods directly to the customer, in which case IFRS 15 applies.

Currency effect and organic growth

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales, TSEK	118 055	106 436	450 576	492 970
Growth Net sales, %	10,9%	-14,1%	-8,6%	7,9%
Currency exchange variances, TSEK	-1 572	-6 632	-27 073	-4 939
Currency exchange variances, %	-1,5%	-5,4%	-5,5%	-1,1%
Organic growth Net sales, TSEK	13 191	-10 778	-15 321	41 031
Organic growth Net sales, %	12,4%	-8,7%	-3,1%	9,0%

Alternative key ratios

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

Key ratios	Definition and purpose
Order intake	The definition of Order intake has been revised from 2021-01-01. All customer contracts are included in the order intake. Previously, short-term leases and extensions were not included in the order intake. These contracts are now also included in the order intake. Comparative figures for 2020 have been recalculated for comparability.
Sales	Sales including other income. The ratio shows the company's total sales.
Gross profit	Cost of sold goods deducted from sales.
Gross margin	Gross profit as percentage of turnover.
EBITDA	Earnings before depreciation and write-downs. The ratio is used to show the company's profitability before depreciations and write-downs.
Adjusted EBITDA	Earnings before depreciations and write-downs adjusted for non-operational non-recurring costs such as transaction costs. The ratio is used to show the earning potential of the business before depreciation and write-downs, excluding non-recurring items.
EBITDA margin	Operating profit before depreciation and write-downs as a percentage of turnover. This ratio is used to measure operating profitability before depreciation and write-downs.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of sales. The ratio is used to measure operating profitability, independent of depreciation and write-downs, excluding non-recurring items.
Operating result (EBIT)	Profit before financial items and tax. The measure shows the operational profitability of the company.
Adjusted EBIT	Operating profit before financial items and tax, adjusted for non-recurring non-operating items, such as transaction costs. The ratio is used to show the earning potential of the business before financial items and tax, excluding non-recurring items.

EBIT margin	Operating profit as a percentage of turnover. The measure is used to measure operating profitability after depreciation and write-downs.
Adjusted EBIT margin	Adjusted EBIT as a percentage of sales. The measure is used to show the profitability of the business before financial items and tax, excluding non-recurring items.
Operational cash flow	Adjusted EBITDA minus net investment in tangible and intangible fixed assets and adjustment for cash flow from changes in working capital. Operational cash-flow is stated to track the cash flow generated by operating activities.
Working capital	Current assets excluding cash and cash equivalents minus current liabilities (non-interest-bearing).
Average capital employed	Average equity and interest-bearing liabilities for the period. This ratio is used to analyze how much capital is employed in the business during the period.
Net interest-bearing debt	Interest-bearing short- and long-term liabilities minus cash and cash equivalents. Does not include IFRS 16 items. The ratio shows the financial position of the company.
Equity/asset ratio	Equity as a percentage of the company's total assets. The ratio is used to assess the financial stability of the company.
Net debt/equity ratio	Interest-bearing liabilities minus cash and cash equivalents divided by equity. Does not include IFRS 16 items. Net debt/equity ratio is stated because the Company believes that the ratio contributes to investors' understanding of the company's financial position.
Adjusted return on average capital employed	Adjusted EBIT rolling twelve months as a percentage of average capital employed. This ratio has been included to help investors understand the company's profitability relative to the capital employed in the business during the year. Adjusted EBIT is stated as the Company believes it excludes the impact of non-recurring items, which allows for a comparison of underlying operating profitability.
Recurring revenue	Recurring income is defined as income from the rental of goods including service and other goods.
Earnings per share	Earnings per share have been adjusted for the 2019 stock split for comparability.
Renaming of product categories	Facility Solutions has changed its name to Air Cleaners. Room Solutions has changed its name to Cleanrooms. Cabin Solutions is still called Cabin Solutions.

Quarterly information

	Oct-Dec 2021	July-Sept 2021	April-June 2021	Jan-March 2021	Oct-Dec 2020	July-Sept 2020	April-June 2020	Jan-March 2020	Oct-Dec 2019	Jul-Sept 2019	April-June 2019	Jan-March 2019	Oct-Dec 2018
Sales, TSEK	118 055	109 741	112 286	110 494	106 436	104 851	137 002	144 681	123 847	119 018	108 997	105 151	103 209
Installed units	11 396	10 980	10 746	9 964	9 551	9 406	9 217	8 638	8 409	8 087	7 928	7 774	7 598
Recurring revenues, TSEK	65 210	67 901	64 022	64 841	64 629	64 872	64 833	64 354	51 775	48 260	47 488	43 665	42 965
Order intake, TSEK	72 890	89 921	91 571	101 911	82 103	69 752	71 635	146 190	102 466	89 540	87 753	86 223	74 712
Gross profit, TSEK	81 225	82 353	80 417	77 816	76 700	70 669	93 582	98 283	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	68,8%	75,0%	71,6%	70,4%	72,1%	67,4%	68,3%	67,9%	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	25 434	32 194	27 952	26 856	28 217	24 858	32 400	38 272	24 931	26 384	27 677	28 835	29 252
Adjusted EBITDA-margin, %	21,5%	29,3%	24,9%	24,3%	26,5%	23,7%	23,6%	26,5%	20,1%	22,2%	25,4%	27,4%	28,3%
Adjusted EBIT, TSEK	17 887	24 775	20 809	19 927	20 542	17 837	25 308	31 351	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	15,2%	22,6%	18,5%	18,0%	19,3%	17,0%	18,5%	21,7%	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	22 076	21 550	36 181	24 346	19 654	22 408	34 880	-4 810	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-56 969	-53 928	-57 515	-46 581	-46 599	-57 835	-59 032	-56 804	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	416 716	413 767	414 678	413 214	415 331	421 941	423 625	395 989	394 811	421 063	416 087	413 132	410 749
Net debt, excl. IFRS16, TSEK	153 227	166 555	172 824	183 199	198 651	207 273	223 156	242 223	236 684	250 660	259 029	265 833	260 560
Equity/Asset ratio, %	31,8%	30,8%	28,9%	29,6%	26,8%	22,7%	20,9%	18,5%	16,2%	14,1%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	0,8	0,9	1,0	1,0	1,3	1,5	1,7	2,0	2,4	2,7	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	20,0%	20,8%	19,1%	20,2%	22,9%	22,2%	22,9%	23,1%	21,2%	19,0%	19,5%	20,5%	17,8%
Key figures per share													
Shareholders' equity per share, SEK	13,06	12,59	11,40	11,83	10,56	9,48	8,93	8,13	6,58	6,19	5,79	5,12	4,31
Operating cash-flow per share, SEK	1,49	1,45	2,43	1,64	1,32	1,51	2,35	-0,32	0,69	0,94	1,36	1,21	2,17
Earnings per share, SEK	0,49	1,10	1,00	1,40	1,53	0,61	1,17	1,20	-2,11	0,16	0,60	0,79	-0,16
Earnings per share after full dilution, SEK	0,49	1,06	0,99	1,38	1,51	0,60	1,15	1,20	-2,11	0,16	0,60	0,79	-0,16
QleanAir-share, last day in each quarter	65,8	64,6	66,0	65,0	53,0	40,3	32,6	28,0	40,0	-	-	-	-

ABOUT QLEANAIR

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

BUSINESS IDEA

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

VISION

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

MISSION

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

VALUES

For health and safety with quality and trust.

FINANCIAL GOALS

Growth

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

Profitability

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

Dividend policy

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

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