



Second quarter

2023

25% GROWTH AND IMPROVED OPERATING MARGIN

MSEK 135 Net revenue, +25%

MSEK 78 Recurring revenue, +11%

15.6% EBIT margin (10.4%)

"We prioritize to reach our financial targets. Q2 2023 continues to show that we are on the right track. The demand for premium indoor air solutions increased. All three geographies and all three product categories grew during the quarter. Japan continues to exhibit a high level of growth in APAC and grew by 18%. In EMEA revenue increased by 14%. In the Americas, USA, revenue increased strongly by 188% from a low level. Cabin Solutions increased by 9%, Air Cleaners by 40% and Cleanrooms by 218% during the quarter. We already see an effect of the focused work on sales follow-up and sales efficiency. We are growing organically and revenue increased by 25%", CEO Sebastian Lindström remarks.

April–June 2023 in summary

- Net revenue MSEK 134.9 (108.3), currency adjusted net revenue amounted to MSEK 128.7.
- Recurring revenue MSEK 77.5 (69.8)
- Order intake MSEK 105.0 (89.3)
- EBITDA 29.7 MSEK (18.9)
- EBITDA margin 22.0% (17.4%)
- Operating income (EBIT) MSEK 21.1 (11.3)
- Operating margin 15.6% (10.4%)
- Earnings per share SEK 1.18 (0.51)
- Cash flow from operating activities MSEK 18.9 (9.0)

January–June 2023 in summary

- Net revenue MSEK 255.9 (223.7), currency adjusted net revenue amounted to MSEK 247.0.
- Recurring revenue MSEK 152.0 (138.8)
- Order intake MSEK 219.1 (206.3)
- EBITDA MSEK 54.5 (44.0)
- EBITDA margin 21.3% (19.7%)
- Operating income (EBIT) MSEK 37.7 (28.8)
- Operating margin 14.7% (12.9%)
- Adjusted operating income MSEK 40.3 (28.8)
- Adjusted operating margin 15.7% (12.9%)
- Earnings per share SEK 1.86 (1.44)
- Cash flow from operating activities MSEK 29.9 (8.8)

Significant developments during the second quarter

- QleanAir received information that Qevirp 41 Ltd. has reduced its ownership. The new major shareholder is Staffan Persson (Swedia Capital) with 12.5% of the votes and capital. After the sale, Qevirp 41 Ltd (Priveq) controls 10.9% of the shares and votes in the company before dilution.

Significant events after the end of the period

- QleanAir signs new \$503,000 agreement with a large east coast IDN for an investigational drug cleanroom.
- QleanAir in the US signs three new cleanroom contracts in two days, totaling approximately \$510,000.

A WORD FROM THE CEO



We prioritize to reach our financial targets. Q2 2023 continues to show that we are on the right track. Demand for premium indoor air solutions increased. All three geographies and all three product categories grew during the quarter. Japan continues to exhibit a high level of growth in APAC and grew by 18%. In EMEA revenue increased by 14%. In the Americas, USA, revenue increased strongly by 188% from a low level. Cabin Solutions increased by 9%, Air Cleaners by 40% and Cleanrooms by 218% during the quarter. We already see an effect of the focused work on sales follow-up and sales efficiency. We are growing organically and revenue increased by 25%. Operating income amounted to MSEK 21.1, an improvement from MSEK 11.3. The operating margin showed a positive increase to 15.6% (10.4%).

GROWTH AND PROFITABILITY

Growth and profitability is our goal and we will achieve this through our three priorities; Customer Focus, Sales Efficiency and Cost Control. We started this work at the beginning of 2023 and we see that things are gradually improving, which had a positive impact on the second quarter.

Customer focus

So far, we have conducted some 30 workshops with customers and our own sales and service organization. More than 100 people have contributed valuable experience across all regions, APAC, EMEA and the Americas, to lay the groundwork for an updated strategic plan. During these workshops, we reviewed our customer offering in order to identify future opportunities on the product side and in our commercial approach. The meetings were extremely rewarding and appreciated and will lead to a greater involvement of both customers and employees in our strategic plan.

Sales efficiency

During the second quarter, we have continued to refine and systematize our follow-up on sales work and sales, starting the journey of simplifying and streamlining the sales process. The aim is to get more out of the existing salesforce.

Cost control

We will continue to invest in our markets in order to build long-term growth. However, these investments will be made more carefully and regions will make the decision to carry out marketing and sales activities, with clear requirements for return on investment. Through this shift to the regions, we will be more accurate in identifying the activities that actually contribute to increased sales. This work has already begun on each individual market.

BUSINESS MODEL

The foundation of our business, the installed base of products and solutions, delivered a stable revenue of MSEK 135 (108) and a gross margin of 68% (72%). The installed base increased by 7%. Our recurring revenue increased by 11%. Our rolling 12-month revenue now amounts to MSEK 487.

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

We clean indoor air by reducing harmful particles. The working environment for people is improved. Furthermore, the quality of customers' products and the efficiency of their processes is improved. We work systematically on growth combined with profitability.

OUTLOOK

In Europe, we continue to see customer restraint due to the geopolitical situation and higher interest rates. Right now, many of our customers are mainly interested in energy efficiency. Our air cleaning solutions are energy efficient and contribute positively to the customer's overall energy consumption.

In Japan, we have a positive outlook for 2023 with a clear strategy to broaden sales to small and medium-sized companies and continue to invest heavily in industrial air cleaning with air cleaners.

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

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

Solna on August 10, 2023

Sebastian Lindström, CEO QleanAir AB

FINANCIAL DEVELOPMENT

KEY RATIOS

	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Sales, TSEK	134 864	108 273	255 911	223 676	455 172
Installed units, at the end of the period	12 401	11 625	12 401	11 625	11 878
Recurring revenue, TSEK	77 503	69 783	151 979	138 808	276 790
Recurring revenue from units in own balance sheet, %	57%	64%	59%	62%	61%
Order intake ¹ , TSEK	104 968	89 331	219 082	206 285	407 625
Gross profit, TSEK	92 310	77 729	178 687	161 364	311 018
Gross margin, %	68,4%	71,8%	69,8%	72,1%	68,3%
Gross profit, TSEK, <u>adjusted</u>	92 310	77 729	178 687	161 364	324 218
Gross margin, %, <u>adjusted</u>	68,4%	71,8%	69,8%	72,1%	71,2%
EBITDA ² , TSEK	29 720	18 892	54 510	44 046	59 781
EBITDA-margin, %	22,0%	17,4%	21,3%	19,7%	13,1%
EBIT, TSEK	21 080	11 265	37 675	28 825	28 578
EBIT-margin, %	15,6%	10,4%	14,7%	12,9%	6,3%
EBIT, TSEK, <u>adjusted</u>	21 080	11 265	40 275	28 825	49 778
EBIT-margin, %, <u>adjusted</u>	15,6%	10,4%	15,7%	12,9%	10,9%
Result for the period, TSEK	17 544	7 634	27 582	21 335	13 291
Earnings per share ² , SEK	1,18	0,51	1,86	1,44	0,89
Earnings per share after full dilution, SEK	1,18	0,49	1,86	1,40	0,89
Cash flow from ongoing operations, TSEK	18 900	9 004	29 936	8 761	29 731
Net working capital, TSEK	-31 044	-32 051	-31 044	-32 051	-38 804
Equity/Asset ratio, %	29%	29%	29%	29%	28%

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

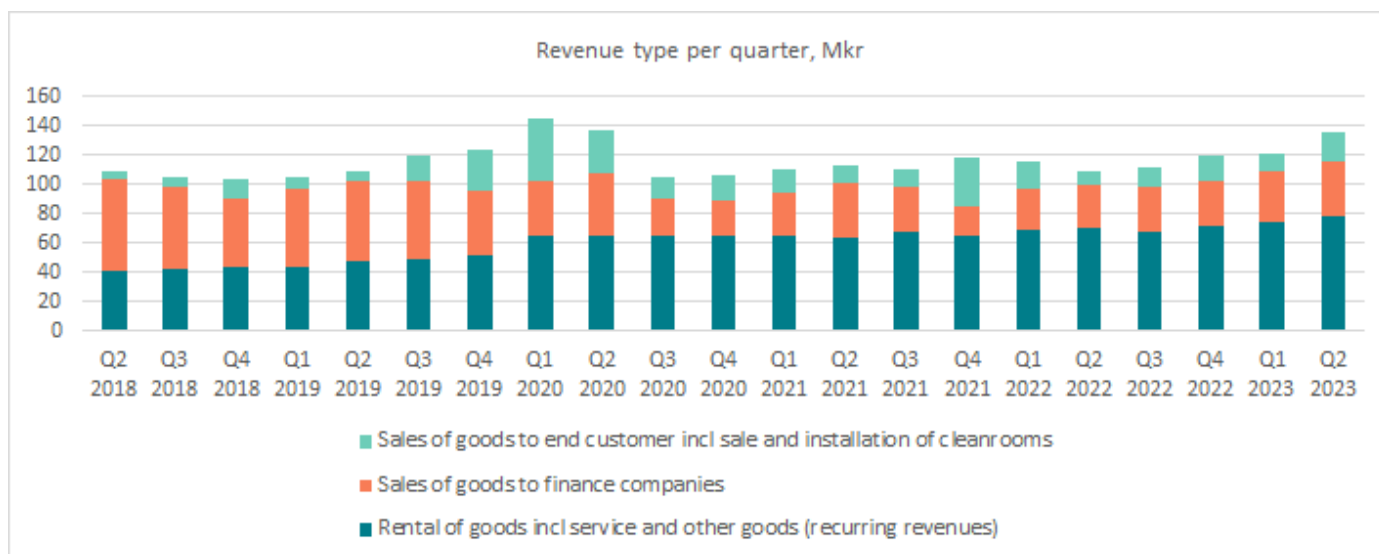
RECURRING REVENUE AND TYPES OF REVENUE

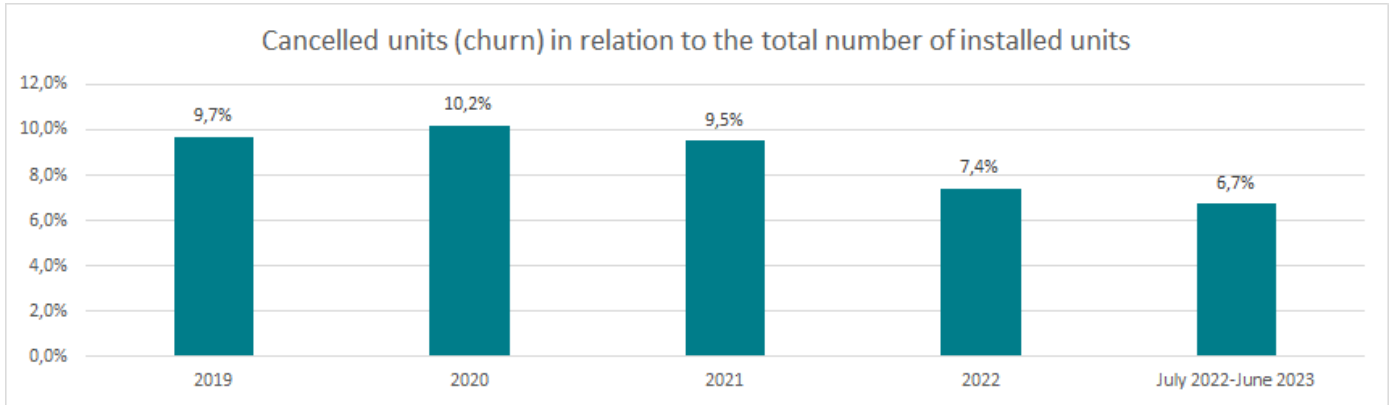
The Group's revenue comes from the Rental of goods including service and other (recurring revenue), Sale of goods to financing companies and Sale of goods including sale and installation of cleanrooms. When selling directly to customers, QleanAir always signs separate service agreements that run for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

Recurring revenue increased by 11% during the second quarter and amounted to MSEK 77.5 (69.8). The recurring revenue comes from the rental of units on own balance sheet, service and other and amounted to 57% (64) of the total revenue in the second quarter of 2023.

In January–June 2023, recurring revenue amounted to MSEK 152.0 (138.8), an increase of 9%.

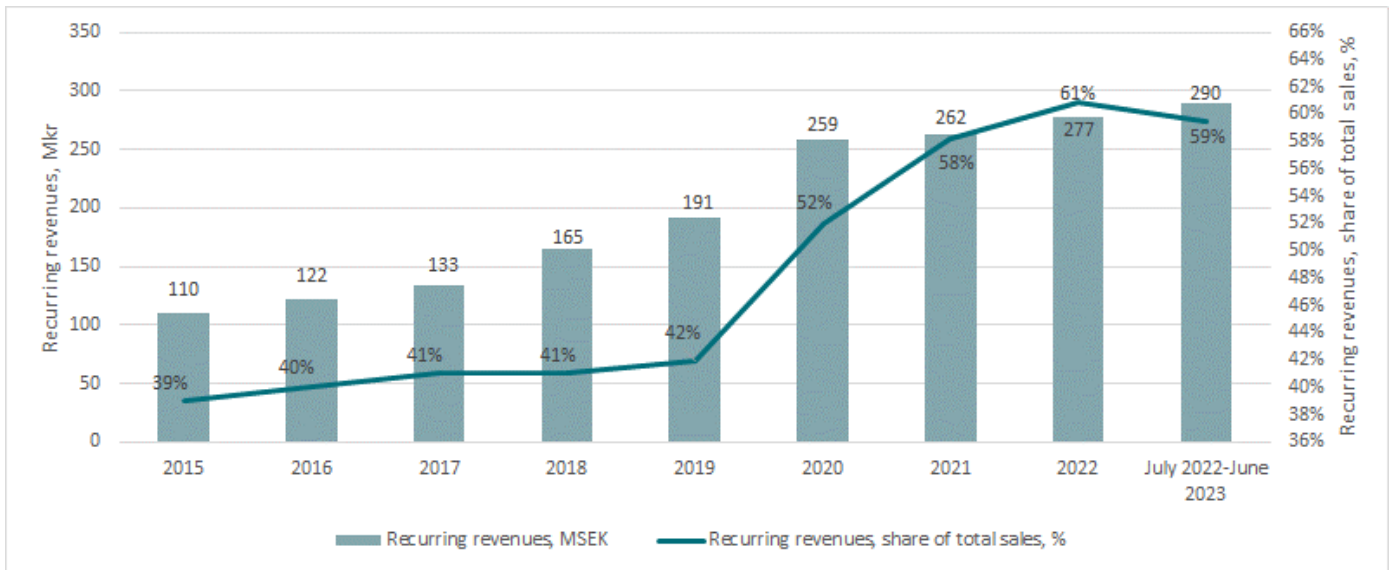
The number of terminations of installed units, often referred to as churn, relative to the total number of installed units amounted to 6.7% (8.4%) for the period between July 2022–June 2023.





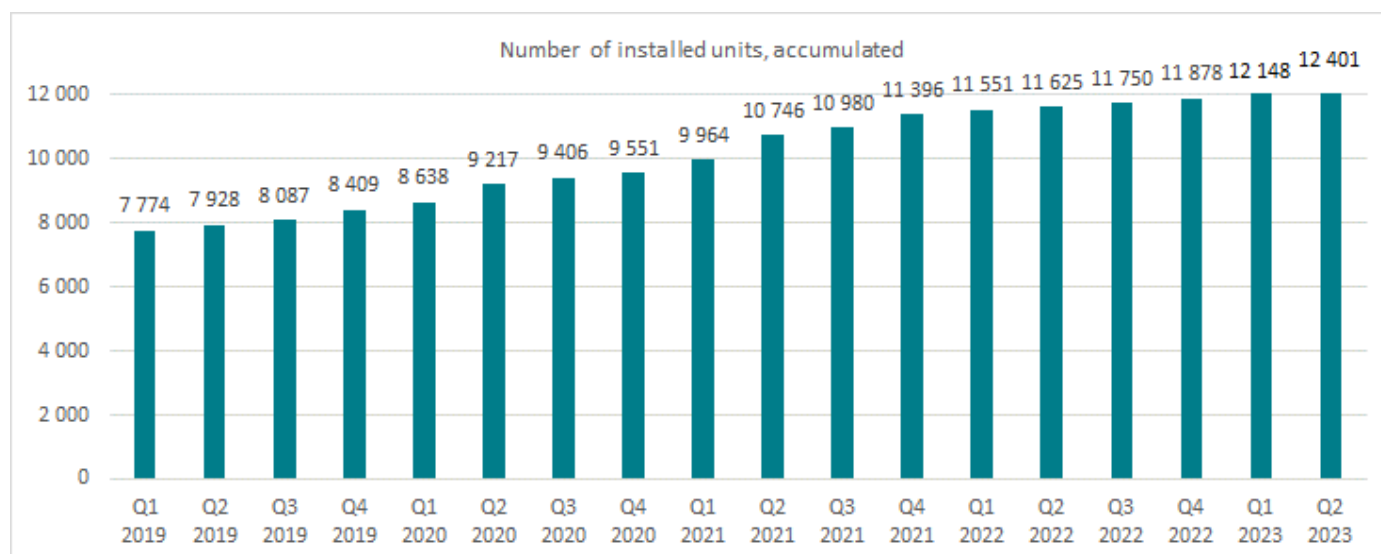
TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Rental of goods incl service and other goods (recurring revenues)	77 503	69 783	151 979	138 808	276 790
Sales of goods to finance companies	38 555	30 138	73 265	57 438	120 459
Sales of goods to end customer incl sale and installation of cleanrooms	18 806	8 353	30 667	27 430	57 924
Total	134 864	108 273	255 911	223 676	455 172

Recurring revenue per year



INSTALLED UNITS

The number of installed units increased by 7% from June 2022 to June 2023, with Cabin Solutions in particular growing in Japan and Europe and Air Cleaners showing growth in Germany and Sweden. The total number of installed units at the end of the period was 12,401 (11,625), of which 5,288 (4,586) units were on own balance sheet.



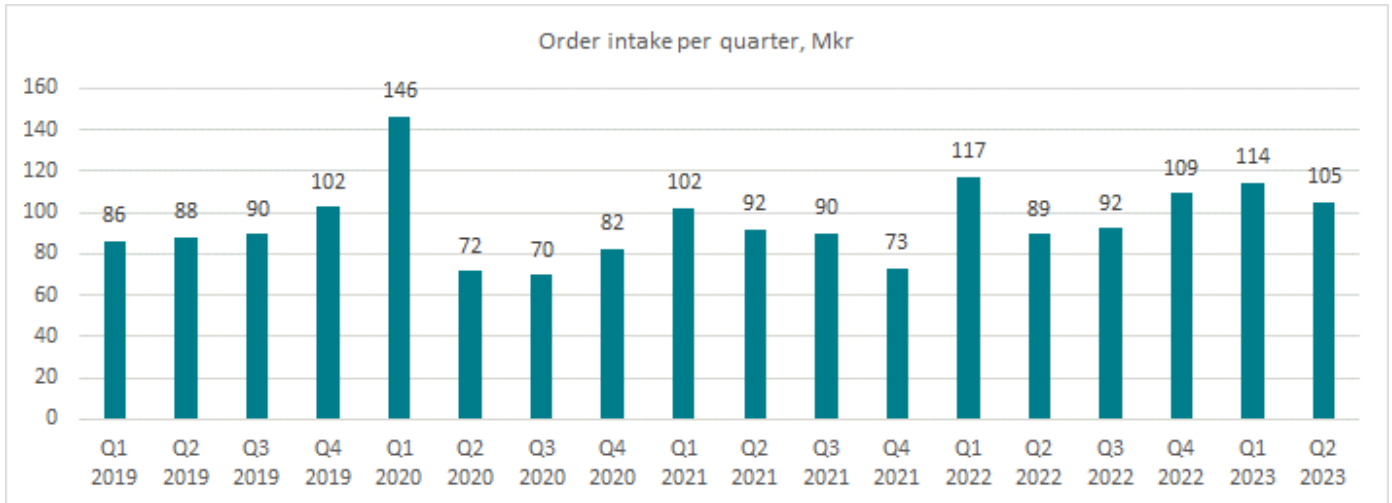
	June 2023	June 2022
Accounted value installed units, TSEK (accounted for in tangible fixed assets)	56 201	49 982
Installed units in balance sheet rented out, number	5 288	4 586
Installed units sold to finance companies, number	1 879	2 301
Sold units with service agreement, number	5 234	4 738
Total installed units, number	12 401	11 625

ORDER INTAKE BY GEOGRAPHY

Order intake for the second quarter 2023 amounted to MSEK 105.0 (89.3), an increase of 18%. APAC increases order intake by 46% for the quarter and EMEA by 1%. Order intake in the Americas was -49%. Work is ongoing to further streamline sales in EMEA to increase order intake and thereby increase EMEA's contribution to the Group's order intake and revenue. Furthermore, order intake in the Americas is more volatile from quarter to quarter. EMEA accounted for 45% (52) of the order intake during the second quarter. APAC accounted for 53% (42) and the Americas 2% (5) of the order intake.

During January–June 2023, order intake amounted to MSEK 219.1 (206.3), an increase of 6%. EMEA accounted for 41% (56) of the order intake received in January–June 2023. APAC accounted for 52% (38) and the Americas 7% (6) of the order intake.

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
EMEA	47 308	46 672	88 977	115 526	195 717
APAC	55 254	37 941	113 687	79 248	160 432
Americas	2 406	4 718	16 419	11 511	51 476
Total	104 968	89 331	219 082	206 285	407 625



REVENUE

April–June 2023

Revenue in the second quarter amounted to MSEK 134.9 (108.3), an increase of 24.6% compared to the previous year. Currency adjusted, an increase of 18.9%. Revenue by geography for the second quarter amounted to MSEK 56.9 (49.9) for EMEA, MSEK 63.0 (53.2) for APAC and MSEK 15.0 (5.2) for the Americas. Revenue per product category amounted to MSEK 91.5 (84.0) for Cabin Solutions, MSEK 26.7 (19.1) for Air Cleaners and MSEK 16.6 (5.2) for Cleanrooms.

Revenue increased by 14% in EMEA in the second quarter, 18% in APAC and 188% in the Americas. Cabin Solutions increased by 9%, Air Cleaners by 40% and Cleanrooms by 218%.

Japan continues to grow from relatively high levels, with a focus on the premium Tokyo office segment, but with a clear strategy to broaden the offering and reach more customers, including outside Tokyo. In EMEA, QleanAir has a strong position in Cabin Solutions and focus is on growing Cabin Solutions here too.

During the second quarter, the focus on Cleanrooms within EMEA was on completing delayed Nordic customer projects. The projects are yet to be completed. This has had a negative impact on new sales as the delayed projects required more time. The heightened level of activity in the Americas is now starting to be reflected in revenue.

Air Cleaners in EMEA grew in the second quarter but the growth rate is not satisfactory. Focus is on increasing growth in that product category. Japan is growing in Air Cleaners and performed better than planned in the quarter.

The April–June 2023 revenue was positively affected by currency effects of MSEK 6.1 (1.3) and the currency-adjusted organic revenue growth amounted to 18.9% (-4.7).

January–June 2023

Revenue January–June 2023 amounted to MSEK 255.9 (223.7), an increase of 14%. Currency adjusted, an increase of 10.4%.

Revenue by geography for January–June 2023 amounted to MSEK 110.7 (113.0) for EMEA, MSEK 121.5 (100.8) for APAC and MSEK 23.7 (9.9) for the Americas. Revenue per product category amounted to MSEK 181.1 (162.5) for Cabin Solutions, MSEK 49.0 (42.9) for Air Cleaners and MSEK 25.8 (18.3) for Cleanrooms.

Revenue January–June 2023 was positively affected by currency effects of MSEK 8.9 (4.2) and currency-adjusted organic revenue growth amounted to 10.4% (-1.5).

Revenue by geography, TSEK

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
EMEA	56 884	49 871	110 745	112 964	216 003
APAC	62 995	53 206	121 454	100 807	206 844
Americas	14 985	5 196	23 712	9 905	32 326
Total	134 864	108 273	255 911	223 676	455 172

Revenue by product category, TSEK

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Cabin Solutions	91 490	83 989	181 140	162 519	327 527
Air Cleaners	26 735	19 060	48 997	42 873	82 663
Cleanrooms	16 638	5 224	25 775	18 284	44 982
Total	134 864	108 273	255 911	223 676	455 172

SEASONAL VARIATIONS

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

GROSS PROFIT AND OPERATING INCOME

During the second quarter, gross profit amounted to MSEK 92.3 (77.7), corresponding to a gross margin of 68.4% (71.8). The slightly lower gross margin is attributable to the sales during the quarter with an increased share of Air Cleaners and Cleanrooms. In Air Cleaners and Cleanrooms, QleanAir has lower gross margins, while gross margins are stable and higher in Cabin Solutions.

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

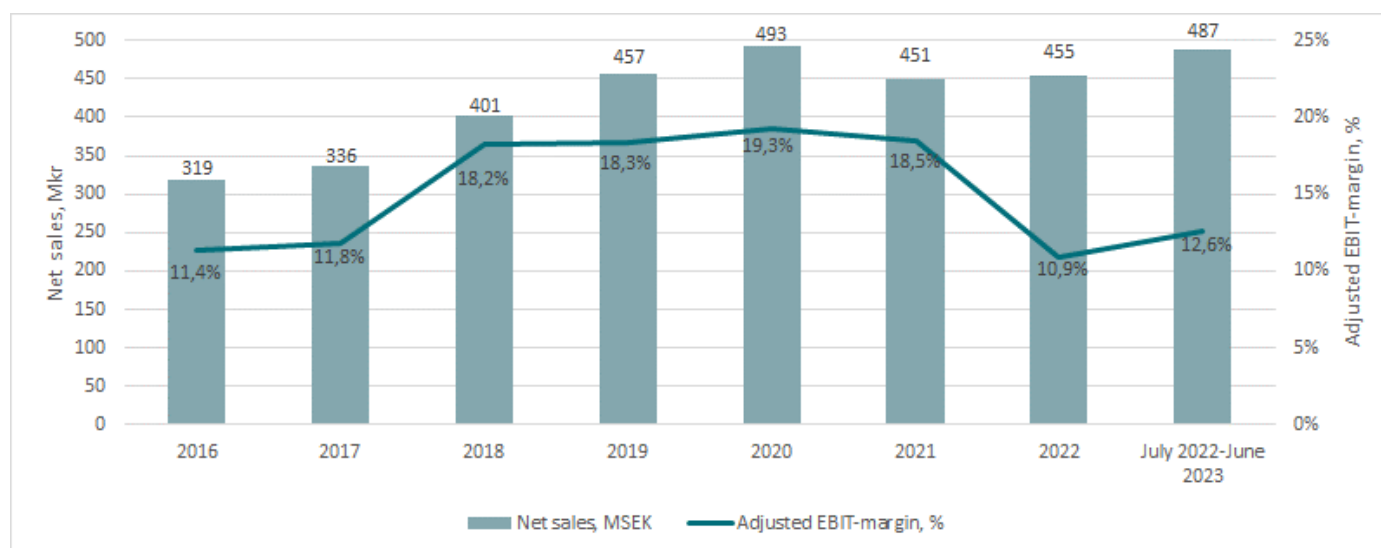
In the second quarter of 2023, operating income amounted to MSEK 21.1 (11.3) and the operating margin was 15.6% (10.4). The improvement in earnings is attributable to increased revenue and economies of scale.

During January–June 2023, gross profit amounted to MSEK 178.7 (161.4) and the gross margin to 69.8% (72.1).

During January–June 2023, adjusted operating income amounted to MSEK 40.3 (28.8) and the adjusted operating margin to 15.7% (12.9). The operating income has been adjusted with a non-recurring cost of MSEK 2.6 due to an organizational change in the first quarter of 2023.

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Operating income (EBIT)	21 080	11 265	37 675	28 825	28 578
Adjustments for one off items	0	0	2 600	0	21 200
Operating income (EBIT), adjusted	21 080	11 265	40 275	28 825	49 778
Depreciations fixed assets	8 639	7 627	16 834	15 221	31 202
EBITDA, adjusted	29 720	18 892	57 110	44 046	80 981

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



OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, sales commission to market partners/sales agents, rents, travel expenses and consulting costs. During the second quarter of 2023, other external costs amounted to MSEK 29.9 (25.8). The increase is mainly attributable to the growth that QleanAir had in the second quarter. During January–June 2023, other external costs amounted to MSEK 55.1 (54.5).

PERSONNEL COSTS AND EMPLOYEES

In the second quarter of 2023, personnel costs amounted to MSEK 32.7 (33.0). During January–June 2023, personnel costs were MSEK 69.1 (62.8). The increase is attributable partly to bonus provisions and partly to an organizational change that resulted in a non-recurring cost of MSEK 2.6 in the first half of the year.

The average number of employees in the group was 110 (113). The distribution between men and women in the Group was 72 (76) men and 38 (37) women. The number of employees at the end of the period was 107 (116).

NET FINANCIAL ITEMS

Net financial items in Q2 2023 amounted to MSEK 0.4 (-0.6). This improvement is due to positive exchange rate differences. In January–June 2023, net financial items amounted to MSEK -2.1 (-0.1). The negative change is mainly due to a greater use of the overdraft facility.

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

For the second quarter, earnings before tax amounted to MSEK 21.5 (10.7). Reported tax for the period was MSEK -3.9 (-3.0). In January–June 2023, earnings before tax amounted to MSEK 35.5 (28.7). Reported tax amounted to MSEK -7.9 (-7.4). The group's tax expense as a percentage amounted to 22.4% (25.7) in January–June 2023.

Net profit for the second quarter was MSEK 17.5 (7.6). For January–June, net profit amounted to MSEK 27.6 (21.3). The improvement is attributable to higher revenue and a higher operating margin.

Earnings per share were SEK 1.18 (0.51) and after full dilution, SEK 1.18 (0.49). For January–June 2023 earnings per share were SEK 1.86 (1.44) and SEK 1.86 (1.40) after full dilution.

CASH FLOW FROM CURRENT OPERATIONS AND INVESTMENTS

Cash flow from operating activities (operating cash flow) for the second quarter amounted to MSEK 18.9 (9.0). The improvement in operating cash flow is mainly due to the improved operating income. For January–June, cash flow from operating activities amounted to MSEK 29.9 (8.8).

Cash flow from investing activities in the second quarter amounted to MSEK -7.4 (-7.0). During January–June, cash flow from investing activities amounted to MSEK -15.1 (-12.5). The investments relate mainly to units (Cabin Solutions, Air Cleaners) that are rented out to customers and where QleanAir thus owns the units.

CASH AND FINANCIAL POSITION

Cash at the end of the period, excluding available overdraft facilities, amounted to MSEK 66.9 (56.9). Interest-bearing net debt, i.e., liabilities to credit institutions less cash and cash equivalents, amounted to MSEK 175.4 (185.0). Loans raised in the second quarter relate to a change in the utilized overdraft facility. QleanAir continues to amortize quarterly according to plan. The Group's total assets amounted to MSEK 711.5 (641.9).

Non-current assets amounted to MSEK 450.8 (420.4) and are mainly attributable to goodwill MSEK 343.7 (343.7). The book value of equipment and installed units amounted to MSEK 56.2 (50.0). Inventory has increased from MSEK 56.5 to MSEK 67.3. The increase is attributable in equal parts to the US, Japan and EMEA, in order to deliver to customers and ensure customer deliveries. Reported values for financial assets and liabilities correspond in all material respects to fair value.

QleanAir has covenants to be achieved according to the financing agreement with Swedbank. The covenants are interest coverage ratio, and net debt/EBITDA. The covenants were met for Q2 2023.

FOLLOW-UP ON FINANCIAL OBJECTIVES

The group's strategic goal is an average annual growth of approx. 10% over time. During the second quarter of 2023, QleanAir achieved currency-adjusted growth of 18.9%. QleanAir aims to achieve a 15–20% EBIT margin. Actual outcome was 15.6%. The 2023 Annual General Meeting decided on a dividend of SEK 0 per share (1.50). The dividend policy is 30–50% of net profits.

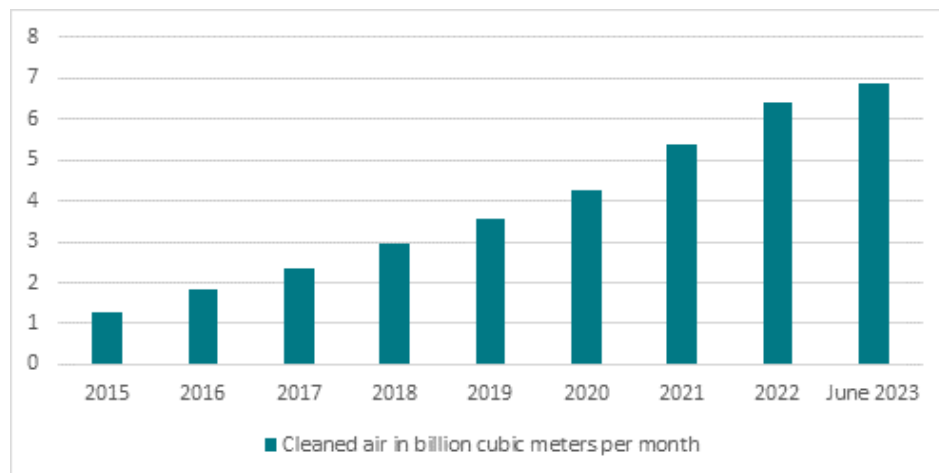
GOODWILL

Goodwill is attributable in its entirety to QleanAir AB's acquisition of the operating subsidiary QleanAir Scandinavia AB and can be derived from the change of ownership that took place in 2012. Goodwill is assessed for impairment annually by comparing its value in use, based on the discounted value of future cash flows, with its carrying value. The impairment test prepared for the 2022 financial statements showed no need for impairment, despite the changed global situation. There is no indication of impairments being necessary as of June 30, 2023.

SUSTAINABILITY

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

As at the end of June 2023, 6.86 (5.88) billion cubic meters of cleaned indoor air were delivered per month, an increase of 17% compared to Q2 2022.



RISKS

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

PARENT COMPANY

Revenue for the parent company for the second quarter 2023 amounted to MSEK 2.6 (2.6). Second quarter profits were MSEK - 6.3 (-6.2). Revenue for the parent company January-June 2023 amounted to MSEK 5.1 (5.1) and profits amounted to MSEK - 13.9 (-11.8). QleanAir AB delivers management services to QleanAir Scandinavia AB. Amounts owed to group companies relate to the subsidiary QleanAir Scandinavia AB, which pays for QleanAir AB's current expenses including interest and amortization. QleanAir AB, with company registration number 556879-4548, is a Swedish limited liability company with its registered office in Solna, Sweden.

DISPUTES

The Group had no pending disputes.

TRANSACTIONS WITH RELATED PARTIES

No significant transactions have taken place with related parties, other than remuneration to the CEO, during Q2 2023.

SHARE CAPITAL, THE SHARES AND OWNERS

The total number of shares as of June 30, 2023 amounted to 14,859,200 and the share capital to MSEK 7.4. After full dilution, the number of shares amounts to 15,959,316 shares. The dilution consists of a maximum of 1,100,116 warrants issued to employees in senior positions. The maximum dilution effect of the issued warrants in relation to the number of shares amounts to 6.9%.

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

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

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

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

The decision to issue 237,500 warrants was made on May 10, 2023. Subscription of new shares supported by the warrants may take place during the period from June 1, 2026, to December 31, 2026. The subscription price is SEK 40.00/share.

In January–June 2023, the average number of shares was 14,859,200 shares before dilution and 15,652,391 after full dilution. All shares are ordinary shares with equal voting rights. The shares have a quota value of SEK 0.5 per share. QleanAir AB is listed on the Nasdaq First North Premier Growth Market.

FNCA (First North Certified Advisor) is the certified advisor. For contact, email: info@fnca.se.

2023-06-30	
Shareholder	%, capital and votes
Staffan Persson (Swedia Capital)	12,5%
Qevirp 41 Ltd	10,9%
Avanza Pension	10,5%
BankInvest	9,6%
Calandrella Ltd	6,6%
Livförsäkringsbolaget Skandia	4,6%
Nordnet Pension	4,1%
Clearstream Banking, Luxemburg	2,6%
Fredrik Palmstierna	2,2%
CB LDN Citibank	2,0%
Ten largest shareholders	65,6%
Other shareholders	34,4%
Total	100,0%

CALENDAR

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

OTHER INFORMATION

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

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

This information is information that QleanAir AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided through the contact person below, for publication on August 10, 2023, at 8:00 CET.

GENERAL REVIEW

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

PRESENTATION

QleanAir invites you to a webcast/teleconference on August 10, 2023 at 10:00. The company's CEO, Sebastian Lindström and CFO, Henrik Resmark, will present the company's quarterly report in English.

Link to watch the presentation online:

<https://ir.financialhearings.com/qleanair-q2-2023>

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

<https://conference.financialhearings.com/teleconference/?id=2001314>

For more information, please contact

Sebastian Lindström, CEO, on 070-308 94 51 or Henrik Resmark CFO, on 070-260 09 17.

Board of Directors of QleanAir AB

Solna on August 10, 2023

Bengt Engström, Chair

Mats Hjerpe

Towe Ressman

Johan Ryrberg

Johan Westman

Sebastian Lindström, CEO

THE GROUP'S CONSOLIDATED INCOME STATEMENT IN SUMMARY

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Net sales	134 864	108 273	255 911	223 676	455 172
Other income	0	0	0	0	0
Sales	134 864	108 273	255 911	223 676	455 172
Cost of goods sold	-42 553	-30 544	-77 224	-62 312	-144 154
Gross profit	92 310	77 729	178 687	161 364	311 018
Other external costs	-29 924	-25 816	-55 053	-54 518	-119 188
Personnel costs	-32 667	-33 021	-69 125	-62 800	-132 049
Depreciation of tangible and intangible assets	-8 639	-7 627	-16 834	-15 221	-31 202
Operating income	21 080	11 265	37 675	28 825	28 578
Financial income	4 958	1 817	6 348	4 442	3 606
Financial expenses	-4 554	-2 402	-8 493	-4 560	-11 403
Income before tax	21 484	10 680	35 530	28 707	20 781
Deferred tax	2 549	-691	2 366	-1 001	-3 864
Tax on result for the period	-6 488	-2 355	-10 314	-6 371	-3 626
Net result for the period	17 544	7 634	27 582	21 335	13 291
Profit/Loss attributable to:					
Shareholders parent company	17 544	7 634	27 582	21 335	13 291
Non-controlling interest	0	0	0	0	0
Net result for the period	17 544	7 634	27 582	21 335	13 291
Earnings per share basic, SEK	1,18	0,51	1,86	1,44	0,89
Earnings per share basic, after dilution, SEK	1,18	0,49	1,86	1,40	0,89
Net result for the period	17 544	7 634	27 582	21 335	13 291
Currency translation differences foreign subsidiaries	-4 426	-2 356	-6 229	-5 990	-607
Total result for the period	13 119	5 278	21 353	15 345	12 684
Profit/loss attributable to:					
Shareholders parent company	13 119	5 278	21 353	15 345	12 684
Non-controlling interest	0	0	0	0	0
Total net result for the period	13 119	5 278	21 353	15 345	12 684



THE GROUP'S FINANCIAL POSITION IN SUMMARY

TSEK	2023-06-30	2022-06-30	2022-12-31
ASSETS			
Capitalized development cost	13 427	11 382	13 485
Goodwill	343 704	343 704	343 704
Intangible fixed assets	357 131	355 085	357 189
Leasing	34 862	12 436	9 523
Tangible fixed assets	56 201	49 982	53 452
Tangible fixed assets	91 063	62 419	62 975
Deferred tax	2 626	2 915	619
Fixed assets	450 820	420 418	420 783
Inventories	67 321	56 476	59 947
Account receivables	34 498	33 713	26 921
Tax receivables	0	0	16
Other receivables	10 079	8 198	8 170
Prepaid costs and accrued income	81 919	66 121	64 931
Cash and bank	66 881	56 946	66 956
Current assets	260 698	221 454	226 942
TOTAL ASSETS	711 519	641 872	647 724
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	7 430	7 430	7 430
Additional paid in capital	120 997	121 116	120 603
Translation differences	-12 140	-11 295	-5 911
Balanced result	61 855	48 564	48 564
Result for the period	27 582	21 335	13 291
Shareholders' Equity	205 723	187 150	183 976
Long term interest bearing liabilities	157 461	183 632	170 546
Deferred tax liability	3 628	3 420	3 987
Other liabilities	24 380	3 320	2 723
Long term liabilities	185 468	190 372	177 256
Short term interest bearing liabilities	84 801	58 328	80 644
Accounts payable	37 288	31 857	35 842
Tax liabilities	2 248	7 036	1 204
Other short term liabilities	32 289	24 899	21 698
Other liabilities	10 665	9 464	7 057
Accrued expenses and deferred income	153 036	132 766	140 046
Current liabilities	320 327	264 350	286 491
Liabilities	505 795	454 722	463 748
TOTAL EQUITY AND LIABILITIES	711 519	641 872	647 724

THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY

2023, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance 2023-01-01	7 430	120 603	-5 911	61 855	183 976
Warrants, re-purchase		394			394
Net result for the period				27 582	27 582
Other result			-6 229		-6 229
Closing balance 2023-06-30	7 430	120 997	-12 140	89 437	205 723

2022, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance 2022-01-01	7 430	121 116	-5 304	70 853	194 095
Utdelning				-22 289	-22 289
Net result for the period				21 335	21 335
Other result			-5 991		-5 991
Closing balance 2022-06-30	7 430	121 116	-11 295	69 899	187 150

THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Operating activities					
Operating income	21 080	11 265	37 675	28 825	28 578
Adjustment for non-cash items	10 965	4 108	20 427	12 423	26 908
Net finance effect	-3 754	-1 735	-7 284	-3 466	-9 207
Tax paid	-564	-1 435	-9 236	-5 008	-8 094
Total	27 727	12 203	41 582	32 775	38 184
Decrease (+)/Increase (-) inventories	-2 998	-2 614	-8 333	-12 723	-14 619
Decrease (+)/Increase (-) account receivables	6 472	3 478	-5 494	-5 111	3 291
Decrease (+)/Increase (-) current assets	-7 832	-6 310	-13 811	-20 649	-16 885
Decrease (-)/Increase (+) account payables	-4 098	-3 363	666	-4 769	-1 047
Decrease (-)/Increase (+) current liabilities	-370	5 610	15 326	19 238	20 807
Cash-flow from ongoing operations	18 900	9 004	29 936	8 761	29 731
Investing activities					
Investments in intangible assets	-1 088	-1 283	-2 107	-1 688	-5 670
Investments in tangible assets	-6 319	-5 680	-13 016	-10 847	-22 623
Cash flow from investing activities	-7 406	-6 963	-15 122	-12 535	-28 294
Financing activities					
Increase in loan	4 157	32 155	4 157	32 155	54 473
Paid dividend	0	-22 289	0	-22 289	-22 289
Amortization of loan	-8 336	-9 508	-19 339	-18 998	-38 233
Payment of warrants, net	24	0	394	0	-513
Cash flow from financing activities	-4 156	359	-14 788	-9 131	-6 563
Cash flow for the period	7 338	2 400	26	-12 905	-5 126
Opening cash balance	59 259	53 779	66 956	69 662	69 662
Exchange rate differences on financial items	284	768	-100	190	2 420
Closing cash balance	66 881	56 946	66 881	56 946	66 956

THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

TSEK	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Net sales	2 550	2 550	5 100	5 100	10 200
Other external costs	-2 600	-2 459	-4 974	-4 579	-8 701
Personnel costs	-3 321	-2 131	-6 123	-4 163	-11 481
Depreciation on intangible assets	-2 063	-2 063	-4 127	-4 127	-8 254
Operating profit	-5 435	-4 104	-10 124	-7 768	-18 236
Interest costs and similar profit/loss items	-3 443	-2 078	-6 361	-4 061	-15 368
Result after financial items	-8 878	-6 182	-16 485	-11 829	-33 604
Group contribution	0	0	0	0	13 400
Tax on result for the period	2 545	0	2 545	0	-1 220
Net result for the period	-6 332	-6 182	-13 939	-11 829	-21 424

THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY

TSEK	2023-06-30	2022-06-30	2022-12-31
<i>Intangible assets</i>			
Goodwill	29 575	37 829	33 702
<i>Financial assets</i>			
Shares in Group companies	429 000	429 000	429 000
Total fixed assets	458 575	466 829	462 702
Current tax receivables	3 394	585	26
Prepaid expenses and accrued income	2 280	3 458	2 745
Cash and bank	1 867	147	511
Total current assets	7 541	4 189	3 282
Total assets	466 116	471 018	465 984
Shareholders' equity	7 430	7 430	7 430
Premium reserve	55 190	76 733	76 220
Profit/loss for the period	-13 939	-11 829	-21 424
Total equity	48 680	72 333	62 225
Long term interest bearing liabilities	157 461	185 625	171 875
Total long term liabilities	157 461	185 625	171 875
Short term interest bearing liabilities	28 164	27 500	27 500
Accounts payable	424	576	415
Liabilities to Group companies	224 836	175 018	188 494
Tax liabilities	0	6 789	7 109
Other current liabilities	434	150	339
Accrued expenses and prepaid income	6 117	3 027	8 027
Total current liabilities	259 975	213 060	231 884
Total equity and liabilities	466 116	471 018	465 984

ACCOUNTING PRINCIPLES

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

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

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

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

Segment

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

Financial instruments and currency exposure

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

Basis of valuations applied in preparing financial statements

Assets and liabilities are recognized at historical cost with the exception of currency derivatives, which are measured 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 carrying amounts of assets, liabilities, income and expenses. Actual outcomes may deviate from such estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognized in the period when the change is made if the change affects only that period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

Impairment testing of goodwill and shares in subsidiaries

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

Adjustments, rounded

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

NOTES

Distribution of revenue

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

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

Currency effect and organic growth

	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Net sales, TSEK	134 864	108 273	255 911	223 676	455 172
Growth Net sales, %	24,6%	-3,6%	14,4%	0,4%	1,0%
Currency exchange variances, TSEK	6 129	1 283	8 948	4 188	11 100
Currency exchange variances, %	5,7%	1,1%	4,0%	1,9%	2,5%
Organic growth Net sales, TSEK	20 461	-5 296	23 288	-3 292	-6 503
Organic growth Net sales, %	18,9%	-4,7%	10,4%	-1,5%	-1,4%

Alternative key ratios

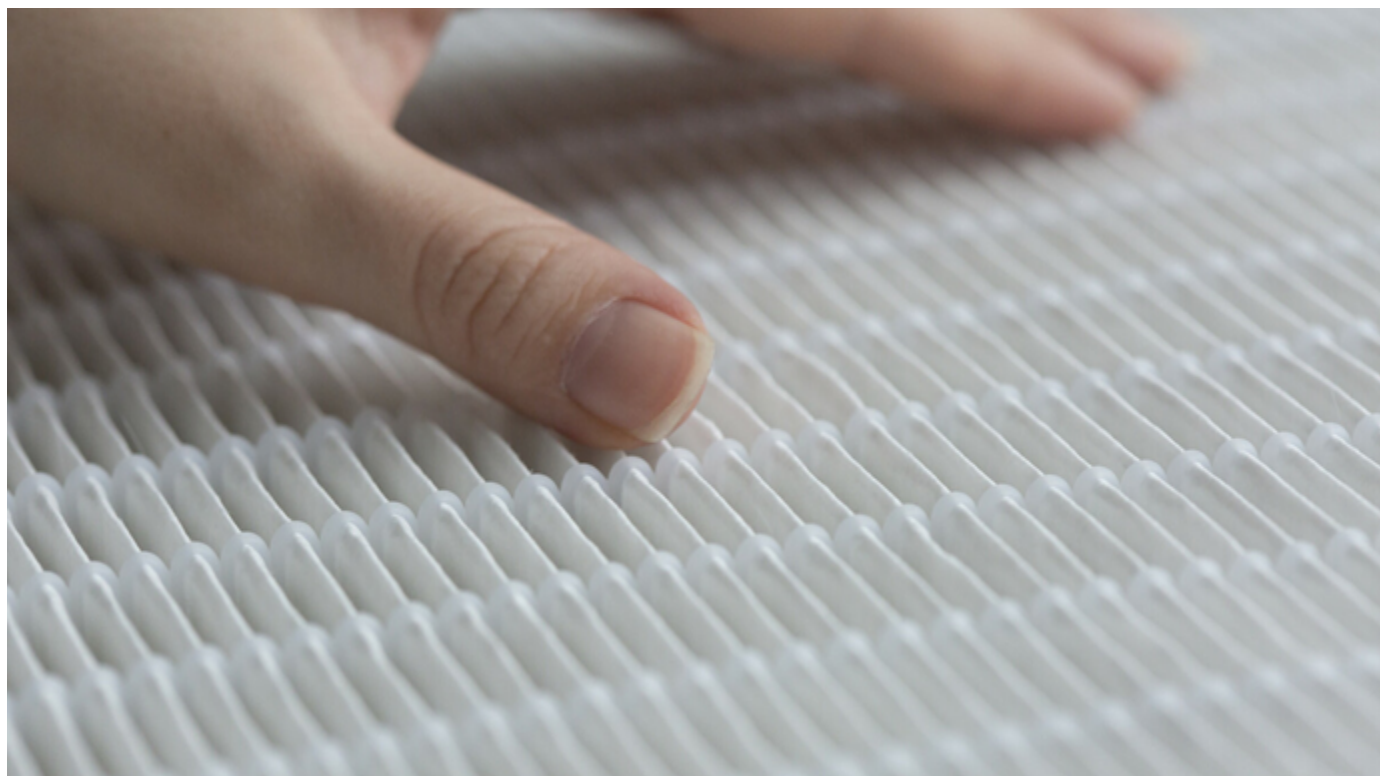
The company complies with ESMA (European Securities and Markets Authority) guidelines on alternative key ratios. Alternative key ratios refer to financial measures that cannot be directly read or derived from financial statements. These financial measures are intended to help management and investors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

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

Earnings per share	Earnings per share have been adjusted for the 2019 stock split for comparability.
Renaming of product categories	Facility Solutions has changed its name to Air Cleaners. Room Solutions has changed its name to Cleanrooms. Cabin Solutions is still called Cabin Solutions.

Quarterly information

	April-June 2023	Jan-March 2023	Oct-Dec 2022	July-Sept 2022	April-June 2022	Jan-March 2022	Oct-Dec 2021	July-Sept 2021
Sales, TSEK	134 864	121 048	120 075	111 422	108 273	115 402	118 055	109 741
Installed units	12 401	12 148	11 878	11 750	11 625	11 551	11 396	10 980
Recurring revenues, TSEK	77 503	74 476	70 809	67 172	69 783	69 026	65 210	67 901
Order intake, TSEK	104 968	114 115	109 161	92 180	89 331	116 954	72 890	89 921
Gross profit, TSEK	92 310	86 377	68 202	81 452	77 729	83 634	81 225	82 353
Gross-margin, %	68,4%	71,4%	56,8%	73,1%	71,8%	72,5%	68,8%	75,0%
EBITDA, TSEK	29 720	24 790	-9 642	25 376	18 892	25 154	25 434	32 194
EBITDA-margin, %	22,0%	20,5%	-8,0%	22,8%	17,4%	21,8%	21,5%	29,3%
EBIT, TSEK	21 080	16 595	-17 713	17 466	11 265	17 560	17 887	24 775
EBIT-margin, %	15,6%	13,7%	-14,8%	15,7%	10,4%	15,2%	15,2%	22,6%
Operating cash-flow, TSEK	18 900	11 036	9 581	11 389	9 004	-243	22 076	21 550
Working capital, TSEK	-31 044	-31 643	-38 804	-24 790	-32 051	-36 623	-56 969	-53 928
Average Capital Employed, TSEK	441 916	435 507	438 719	435 690	424 807	418 744	416 716	413 767
Net debt, excl. IFRS16, TSEK	175 380	184 008	184 234	184 185	185 013	162 567	153 227	166 555
Equity/Asset ratio, %	28,9%	28,9%	28,4%	30,1%	29,2%	32,5%	31,8%	30,8%
Net debt/Equity ratio, %	0,9	1,0	1,0	0,9	1,0	0,8	0,8	0,9
Adjusted return on Capital employed (ROCE), %	8,5%	6,3%	6,5%	14,7%	17,6%	19,4%	20,0%	20,8%
Key figures per share								
Shareholders' equity per share, SEK	13,84	12,96	12,38	13,43	12,59	13,74	13,06	12,59
Operating cash-flow per share, SEK	1,27	0,74	0,64	0,77	0,61	-0,02	1,49	1,45
Earnings per share, SEK	1,18	0,68	-1,26	0,71	0,51	0,92	0,49	1,10
Earnings per share after full dilution, SEK	1,18	0,68	-1,26	0,71	0,49	0,91	0,49	1,06
QleanAir-share, last day in each quarter	24,1	19,8	22,3	22,9	33,3	39,6	65,8	64,6
Adjusted key figures								
Gross profit, TSEK, <u>adjusted</u>			81 402					
Gross margin, %, <u>adjusted</u>			67,8%					
EBIT, TSEK, <u>adjusted</u>		19 195	3 487					
EBIT-margin, %, <u>adjusted</u>		15,9%	2,9%					



ABOUT QLEANAIR

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

BUSINESS IDEA

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

VISION

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

MISSION

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

VALUES

For health and safety with quality and trust.

FINANCIAL GOALS

Growth

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

Profitability

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

Dividend policy

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

QleanAir AB (publ)
Org. no. 556879-4548
Box 1178, Torggatan 13
171 23 Solna, Sweden
+46 8 545 788 00
info@qleanair.com
www.qleanair.com

