



2022

Sustainability report

A close-up photograph of a white ceiling. A horizontal metal beam runs across the upper portion of the frame. Below it, a large, white, hexagonal perforated metal grille is visible, which is part of a ceiling-mounted air conditioning or ventilation system. The lighting is soft and even, highlighting the texture of the metal and the clean lines of the ceiling.

01

QleanAir
Sustainability
Report 2022



Message from the CEO



Sebastian Lindström
CEO, QleanAir

Dear stakeholders,

We spend about 90% of our time indoors. The quality of the air we breathe is crucial to our physical and mental health, quality of life and our ability to work. Clean air also contributes to sustainable consumption and production through increased lifespan, quality of products and stable processes. At QleanAir, we make a difference by creating healthy and controlled indoor air. We have more than 30 years' experience in providing high-performance solutions that give our customers a clean indoor environment.

QleanAir's solutions deliver the same high performance over time and our commitment to customers is long-term. We are there from the first air quality test, take care of installation, preventive maintenance and any dismantling. Most of our sales are long-term rentals and all air cleaning units are refurbished, reused and recycled to the greatest extent possible.

In 2022, we continued to increase our installed base of air cleaners and the amount of clean air we deliver. We delivered 71 billion cubic meters of clean air during the year. Our cabin solutions collected 42 tons of cigarette ends.

2022 was a year when, for many, life began to return to normal after the pandemic and people returned to workplaces to a greater extent. Research studies have clearly demonstrated how the spread of viruses can be greatly reduced by using air cleaners. At an early stage of the pandemic, we as a company had the opportunity to get involved by protecting staff in

particularly vulnerable settings, such as intensive care units and schools. We have been able to share our insights and knowledge, but and been able to apply them in the development of our products.

2022 was also marked by war, an energy crisis and runaway inflation. To manage market uncertainty, our close and long-term relationships with customers, producers and service partners have been particularly important. Our flexible rental models have also meant that we have been able to help customers who felt unsure about making major investment decisions.

We aim to be transparent towards our stakeholders. Our sustainability report describes how we work and where we have the greatest opportunity to make an impact. Our business model and solutions form the basis for our sustainability focus, and our work with internal improvement projects and sustainable choices in daily operations is ongoing.

Our mission will play an even more important role in the future. Air pollution is one of today's biggest challenges, annually leading to the premature death of 7 million people globally. Our solutions protect people, products and processes in more and more contexts, in over 30 countries around the world.

Stockholm, April 19, 2023

Sebastian Lindström, CEO QleanAir



71 billion m³/year in 2022



Sustainable resource usage through a circular business model



We are QleanAir Scandinavia

QleanAir's mission is to improve air quality for people, products and processes. For more than 30 years, QleanAir has been developing innovative air cleaning solutions that protect people from hazardous particles, gases and smells while providing a cleaner indoor environment.



Our employees

Through many years of focusing on cleaning air, at QleanAir we have built up expertise throughout the entire value chain. Our employees drive product development, marketing and sales based on knowledge and experience of air cleaning technology and specific customer challenges. Through our partnerships and close collaborations, we also regularly draw on external expertise. Our culture is characterized by a long-term approach and a passion for helping others by raising awareness and providing air cleaning solutions.

Our product portfolio consists of free-standing air cleaners, modular cleanrooms and smoking cabins that offer protection against passive smoking. QleanAir takes back the product after the rental period and reuses and/or recycles the majority of all materials. Our customer satisfaction has led to an average contract extension and renewal rate of 75%.

Our customers

Our customers operate in a wide range of industries, but they all share a common need for clean air. We see a growing understanding and demand for clean air in many customer segments. The pandemic has led to increased awareness of the importance of clean air in schools, offices and healthcare, where the customer is often a public authority or administration. Within the industry, better monitoring of quality deficiency costs has led to investments. Our customers are in the food industry, pharmaceutical industry, warehouse/logistics and manufacturing industry. The result of our activities is healthier working environments and more efficient production, with less dust and fewer harmful particles and gases. We are the market leader in smoking cabins in Europe and Japan, where our customers are usually in the office, industrial, healthcare or entertainment sectors. In this way, we ensure that people are not exposed to passive smoking and that tobacco waste products are handled responsibly.

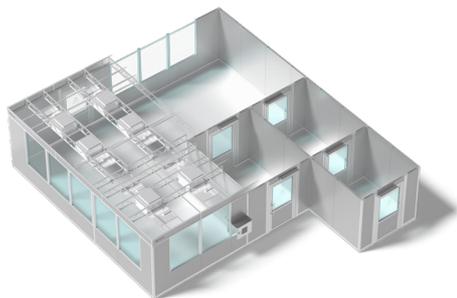


Our purpose

With our solutions, our customers can ensure that the air quality in their workplaces is safe and healthy for employees. In many businesses, air quality is also crucial to the durability and quality of products. In addition, clean air increases process efficiency. Sensors, trucks and other mechanical equipment work better and last longer with clean air.

Our offer

QleanAir offers high-performing air cleaning solutions with market-leading service and a Lifetime Performance Guarantee. Installation, preventive maintenance, spare parts and filter media are included, meaning we guarantee the delivery of clean air over time.

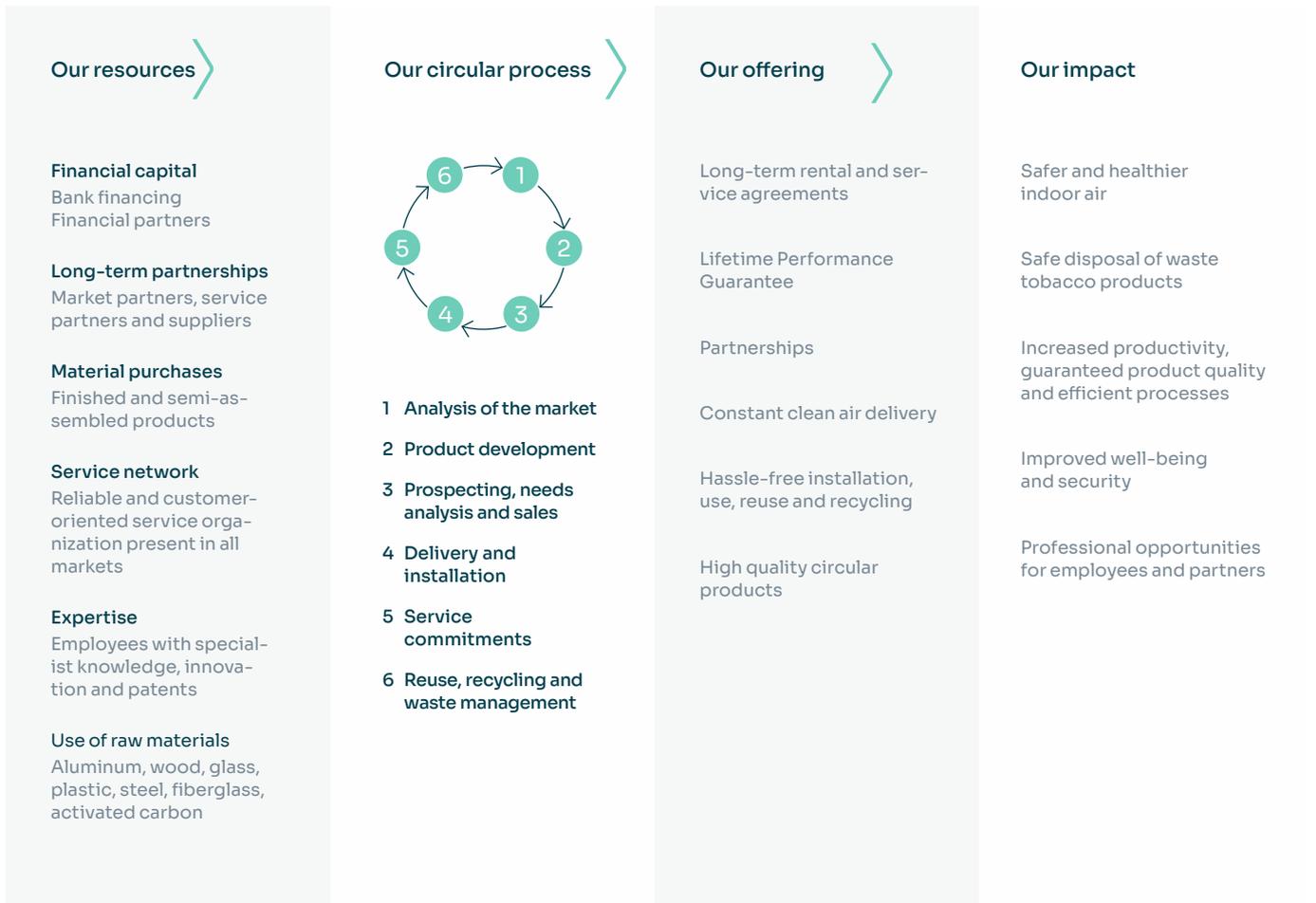


Air cleaners, smoking cabins and cleanrooms



Our model – The QleanAir difference

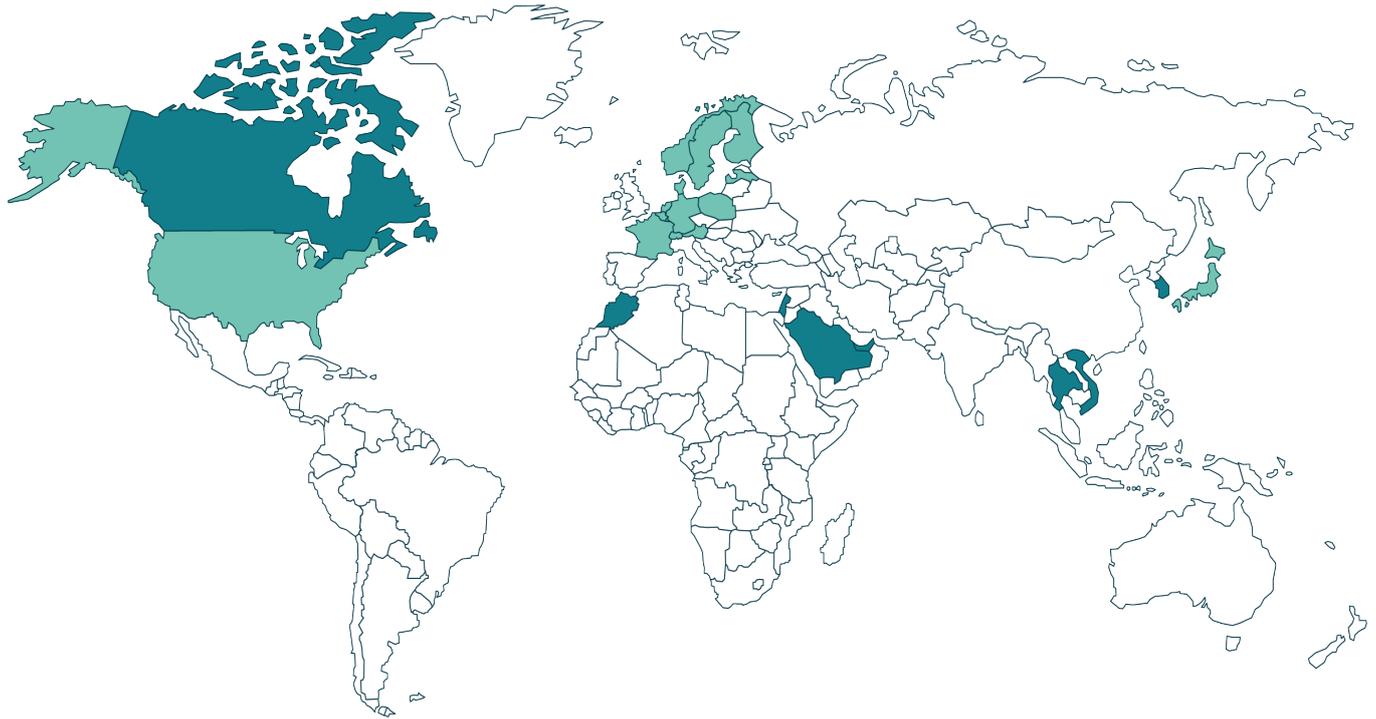
The core of the company and the key to our success is our circular business model and our partnerships. We have outsourced manufacturing, assembly and logistics to carefully selected suppliers. Service partners carry out installation, service, maintenance, dismantling and removal from the customer’s premises and prepare the unit for reuse and recycling. Sales are handled by our own staff, through market partners and distributors. To increase flexibility and spread risks, we cooperate with different finance companies in each market.





QleanAir around the world

● QleanAir local presence ● Distribution collaboration with third parties



455

Revenue MSEK

150+

Employees and partners

3,500+

Customers

~12,000

Units installed with customers

71

Billion m³ of clean air 2022

4,500+

Rental contracts and purchases with service contract

17

Strategic partners



Making a real difference through clean air

We know the difference that air quality can make to the overall health and effectiveness of people, products, and processes. We also understand the sense of security an individual gets when they know they are breathing clean air. Therefore, we work every day to understand the needs of our customers and deliver unparalleled air cleaning solutions that allow us to make a real difference.

Position

The specialized provider of premium clean air solutions

Purpose

Making a real difference through clean air

Promise

The freedom of clean air

The freedom of clean air

The freedom of clean air is the promise that we bring to our customers.

The freedom of clean air means peace of mind, knowing that people, products, and processes are in the best possible indoor environment. The freedom of clean air means that the process is hassle-free, and that we guarantee air quality over time. We tailor the solution to your needs. We do measurements and testing. We take care of installation, servicing, upgrades, compliance with regulations and futureproofing of our solutions. We deliver the freedom of clean air – so you can focus on what really matters.

Care

To care is to put people first

Team spirit

Team spirit means together we are strong

Perseverance

To persevere is to never give up

Lead

To lead is to pave the way

Passion

To be passionate is to always want more



Key events in 2022

The past year has been anything but predictable, with war in Europe, energy crisis and the continued high level of COVID-19 infection in many parts of the world. Supply chains have suffered from component shortages, costs have increased and our customers' priorities have changed.



VDI 4300-14



QleanAir Connect

For QleanAir, our flexible approach and partnerships have been critical factors in adapting to new conditions. Ultimately, this is about the ability to systematically improve and develop operations based on the current strategic situation. In collaboration with Systema, consultants in sustainable and efficient management, work was initiated to map working methods, roles and responsibilities in the steps of our main process; 1) Analysis of the market, 2) Product development, 3) Prospecting, needs analysis and sales, 4) Delivery and installation, 5) Service commitments, 6) Reuse, recycling and waste management. This work will form the basis for our continued improvement work, but also support the training of new employees and the development of future system support. QleanAir continues to rely on effective improvement efforts involving all employees.

Energy efficiency, staff health and productivity

In light of the market developments of 2022, we have seen benefits from our previous focus on energy-efficient operation, but also that costs linked to staff health and loss of production have become a major focus for many employers.

QleanAir Connect – IoT platform

During the summer, we launched our connected service for air cleaners, QleanAir Connect, which allows us, for example, to control and troubleshoot

remotely. The service will form the basis for our digitalization of the installed base, which in turn will further support a sustainable product life cycle. In 2022, around 100 machines were connected, mainly ceiling-mounted units for warehouses and logistics in Sweden.

Meeting tough quality requirements

In the early summer, we became one of the first air cleaning suppliers to meet the expert recommendation VDI 4300-14 (Measurement of indoor pollution – Requirements for mobile air purifiers to reduce aerosol-borne transmission of infectious diseases), where the German Engineering Federation compiled requirements related to air cleaning in schools and offices. Overall, the standard drives a trend towards more high-performance air cleaning, but with additional requirements for low noise levels and high safety. Factors that are crucial to the working environment.

QleanAir FS 35 – new mobile air cleaner

In 2022, we worked on the FS 35, a successor to the FS 30 mobile air cleaner developed in collaboration with Karolinska University Hospital during the COVID-19 pandemic. The successor has new features for energy efficiency and operation on demand, and new configurations that opens up more application areas. It is also easier to service and produce.



QleanAir supports the space industry

An exciting new collaboration started with the development of an air cleaning solution for the German space industry, an industry where quality deficiencies have enormous consequences and where clean air is a prerequisite for producing e.g., optical equipment to be sent into space. The first installation will be delivered in the first quarter of 2023.

New reconditioning center in Germany

Our products are designed to last a long time and we see further potential in developing our approach to reuse

and recycling. An initiative to build two new reconditioning centers to refurbish products in Germany was launched in 2022 and they will begin operation in the first quarter of 2023. For air cleaners, the center is located at our service partner in Berlin and for cabins at our production partner in Traunstein, southern Germany.

New standard for cleanrooms in the US

In the US, a decision was made in November 2022 to enforce the USP 797 regulatory standard requiring cleanrooms for hospital pharmacies. This has resulted in both existing and new customers approaching QleanAir. Our modular cleanrooms can be used in a

resource-efficient way to build cleanrooms in existing buildings. During the autumn, we have shared our knowledge and experience in various contexts and collaborated with experts to guide customers on requirements and measures.

New CEO

At the end of November, Sebastian Lindström took over as the new CEO and work was started on incorporating new processes to manage and lead both operationally and strategically in 2023. In his first 100 days, Sebastian has spent time analyzing the business. The results will guide our priorities into 2023.





Trends & environmental factors 2023

The market situation going into 2023 has a high degree of uncertainty, including war in Ukraine and high inflation. QleanAir is exposed to market risk and in particular to currency risk, interest rate risk and certain other price risks. Furthermore, the current situation regarding energy supply and the development in energy prices may affect QleanAir. Financial risks such as credit and liquidity risk are managed through our centralized finance function.

QleanAir's geographical spread and the fact that our offering is aimed at different industries makes QleanAir relatively well equipped to handle fluctuations in different market segments. The areas we operate in have different levels of maturity, allowing us to learn from past experiences. The market is cultivated and managed by our local sales teams with a high level of knowledge of customers and local market conditions.

Costs and supply chains

Through a local supply chain, we reduced our vulnerability in terms of production and component supply. Close cooperation with our external partners remains critical for a healthy business relationship where we can keep costs and delivery times down.

Laws and regulations

External factors and legal requirements have often contributed positively to QleanAir's development over the years. Looking ahead, we see that increased knowledge about how air cleaning works and how critical it is for people, products and processes continues to be a driving force for stricter regulations and legislation, something we welcome at QleanAir. As regards our smoking cabins, we see a positive effect from high clean air requirements in working environments, while some workplaces introduce smoking bans and refer smokers to outdoor areas and are then less willing to invest in cleaning.

Climate change

A continued focus on climate change and a greater willingness among businesses to take responsibility is a clear trend globally. A credible strategic sustainability approach is demanded by investors, customers and employees alike. With our circular business model, QleanAir is well positioned.

The upcoming regulations for sustainability reporting, Corporate Sustainability Reporting Directive (CSRD), are expected to come into force for QleanAir from January 1, 2026 and preparatory work will begin in 2023 to ensure our readiness.

Smart and connected

Digital developments have accelerated and the expectations for smart and self-optimizing solutions are growing by the day. This affects areas such as software and hardware development, business systems, as well as data management and analysis. The launch of QleanAir Connect is the first step towards long-term digital innovation. The mapping of our ERP system also shows the potential to further develop and integrate parts of the chain for an improved customer experience.



02

Sustain-
ability at
QleanAir



Long-term sustainability work since the start

QleanAir was an early adopter of what is now on many companies' wish lists: selling products as a service in a business model with long-term and circular resource management. Over the years, we have gradually put the infrastructure to make this possible in place.

We have laid the foundation for our current way of working through high-quality products with mandatory service content, strong partnerships, system support for our processes developed in-house, external production with strong governance and control by QleanAir, various financing arrangements and reuse and recycling practices. In addition, the management's values regarding our purpose, our shared environment and view

of employees have permeated our culture. Our values were included early on, as a critical characteristic when recruiting new colleagues.

30 years of sustainability thinking

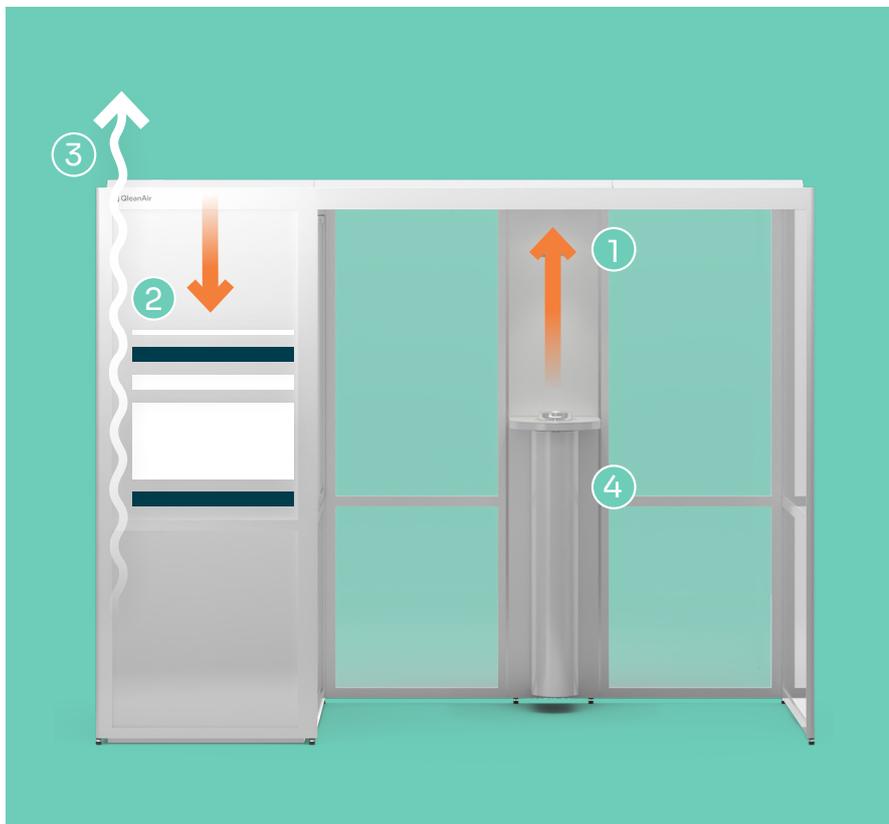
QleanAir was founded in 1988 and, as early as the mid-90s, we introduced mandatory service contract purchases. This also marked the start of our first installation and service partner-

ship with a Swedish family business that is still with us. At the end of the 90s, the production and assembly of the smoking cabins was developed. Assembly with whole sections on the customer's premises made installation easier and much more efficient. At the same time, partnerships with manufacturers began and reuse and recycling started, but on a smaller scale.

At the turn of the millennium, the strategy with financing partnerships evolved with new types of customer contracts involving rental of the units, as well as a partnership for transportation from manufacturer to depot allowing JIT (just-in-time) installations and minimal inventory levels at our depots.

Unique solution for constant, high-performance air cleaning

In the mid-2000s, our patented ash handling system was introduced and the smoking cabins evolved into the product of today. The solution is the



1. Optimized capture zone with high airflow rate
2. The air is cleaned of gases and particles through several layers of filters
3. The cleaned air is released without any detectable traces of cigarette smoke
4. Fireproof and airtight disposal of ash and cigarette ends



only one on the market that synchronizes the ash handling capacity with the filter saturation. The service intervals are based on utilization, so we can promise constant cleaning of cigarette smoke at a level of almost 100%. Contaminated air is captured directly at the source, cleaned quickly and returned to the room. Everyone gets better indoor air and no one suffers from passive smoking. Social interaction between employees is facilitated as no one disappears from their department to smoke. At the same time, the management of reuse and recycling took off as we developed system support for all processes with access for the different parties involved. We were also able to safely and responsibly collect and manage tobacco waste.

New product categories with the same qualities

The 2010s saw the introduction of two new product categories, modular cleanrooms and mobile air cleaners. They are based on the same principles of high-performance, self-contained and silent air cleaning, full-service rental contracts and reusable units and components.

The freestanding air cleaners are frequently used by customers who have problems with dust and other particles. Mainly to protect their employees, but also to ensure the durability and longevity of products

and equipment. In recent years, the mobile air cleaners have also entered use in healthcare, schools and offices to reduce the spread of infection.

Cleanrooms are mainly used to ensure the quality and shelf life of sensitive products such as medicines. But also, to protect staff from hazardous substances.

Next steps in sustainability

Recently, we have seen reason to further enhance our improvement efforts and thus continue to take responsibility for increasing positive effects on people, products and processes in our value chain and, of course, reducing our negative environmental impact. In light of this, we have set up an internal working group and started work to map our impact and specify our objectives in our daily operations.

We are proud to deliver cleaner air to all our customers and that several companies have started and grown because of our business concept. It is gratifying that several of our first partners are still on our shared journey towards cleaner indoor air.

71 billion m³ of cleaned air

Our main contribution is the amount of clean air we deliver to our customers. A total of 71 billion cubic meters in 2022.





Clean air with a lifetime guarantee and a circular approach

QleanAir's business consists largely of rental contracts and the units sold are linked to a full service contract. This means we are confident that our solutions will deliver over their lifetime.

Long-term product development

This commitment starts as early as in the product development phase. It is necessary to take a long-term view regarding the choice of components and materials to ensure long-lasting devices. It is also important to be able to carry out servicing and reconditioning well and efficiently and to enable dismantling and recycling of the materials chosen. Instead of in-house production, we have chosen to work very closely with selected production partners. They also provide expertise on production technology, component suppliers and material selection in the development phase.

Advisors and air quality experts

When we meet the customer, we are advisors, our goal is to find the best solution to their challenge. Our

full-service offering includes product solution consultation, capacity planning, air quality testing and analysis, installation, service and contracts with financing options and a Lifetime Performance Guarantee. Our customers don't just get a product, they enter into a partnership where we constantly exchange feedback, monitor our performance and improve our processes.

Full service offering with lifetime performance guarantee

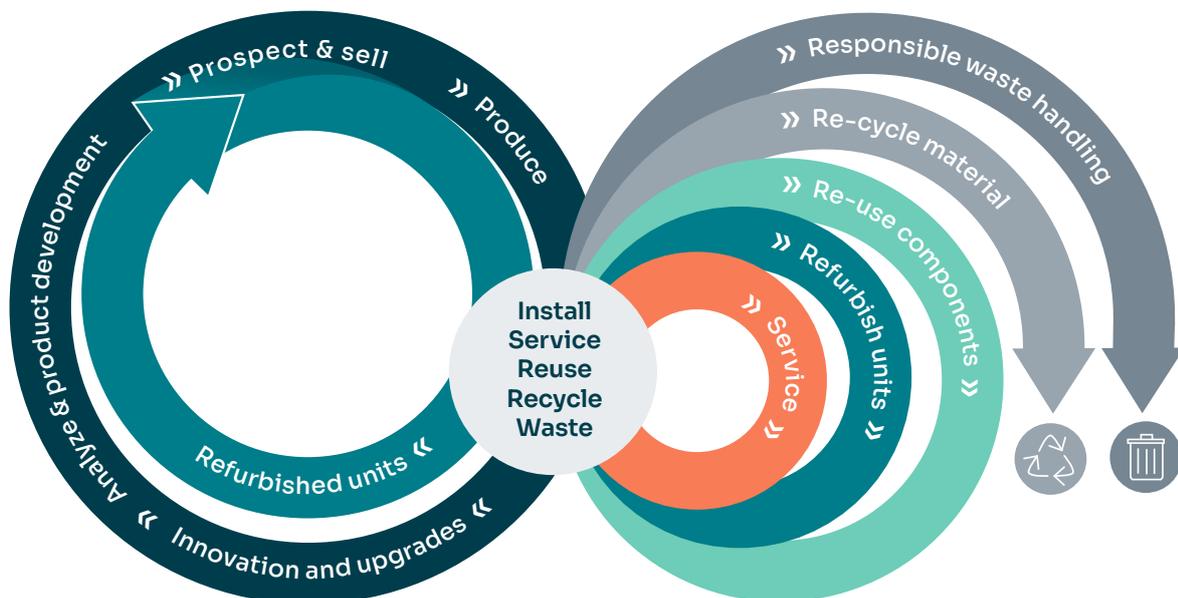
We install the solution and always test the functionality and separation rate. We then carry out preventive maintenance at regular intervals, adapted to the customer's conditions. If the conditions in the customer's environment change significantly, the service intervals are adjusted – and if a component fails, it is replaced. If the product reaches the end of its technical service

life while still in use by the customer, we replace it with an equivalent solution.

When we get units back from the field at the end of the contract, the units are inspected and reconditioned or dismantled depending on their condition. Components and materials are recovered and reused or recycled to the extent possible.

Our model is based on an active approach to circular flows through all stages of the main processes.

The QleanAir cycle





Stakeholders and materiality analysis

QleanAir maintains a regular dialogue with customers, employees, partners, suppliers and owners. The aim is to understand our key stakeholders' priorities and ensure that these are considered in the company's objectives and strategies.

The most recent stakeholder dialogue with our customers and employees was carried out during the year in the form of digital surveys, focusing on QleanAir's sustainability work and our reporting on this.

Sustainability survey

We asked around 100 customers in Germany and the Nordics what they think is most important to work on in terms of sustainability. Respondents were made up of existing and new customers in different customer segments, with air cleaning solutions from different product categories. Customers considered the climate to be the most important, as well as reducing emissions to air, water and soil, while improving the working environment and health. Employees were asked the same questions and produced similar

results. They think the company should reduce resource consumption, make more sustainable material choices in its products and intensify reuse and recycling efforts. In other words, work as early as possible in the waste hierarchy.

Overall, stakeholders prioritize the working environment, health and safety, emissions to air, soil and water, minimization of resource use and education on sustainability issues.

Interviews with our strategic suppliers were conducted as planned, as in all other years.

Stakeholder	Dialogue forum	Key question
Customers	Client meetings. Construction meetings. Service visits. Customer surveys	Working environment and health. Climate, emissions to air, soil and water. Business ethics. Energy efficiency. Quality. High level of service. Reduced resource extraction and recycling.
Shareholders	Annual General Meeting. Shareholder meetings	Working environment and health. Financial performance. Equal treatment of shareholders. Entitlement to any dividends. Development in line with communicated objectives. Regulatory compliance.
Capital market	Reports and forecasts. Presentations. Other conversations/dialogs.	Financial forecast. Sustainable business (ESG).
Co-workers	Development interviews. Staff meetings. Intranet. Training.	Skills and career development. Working environment and health. Wage development. Reduced resource extraction and recycling. Climate, emissions to air, soil and water. Opportunity to make a difference. Business ethics. Gender equality and diversity.
Partners and strategic suppliers	Visits to suppliers. Ongoing daily contact. Documentation of work. Annual audits and assessments. Training courses. Conferences.	Stable finances. Ability to pay. Long contract period. Forecasts of purchase volumes of components etc. Reliability. Business ethics.



Materiality analysis

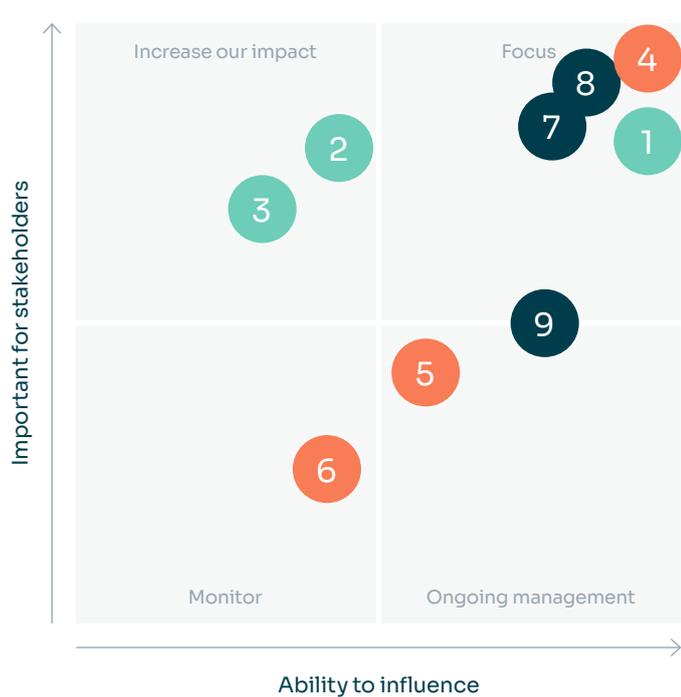
The surveys and other dialogues formed the basis for a weighting of significant sustainability aspects that QleanAir's management carried out in the autumn of 2022. In addition, there is a regular shareholder dialogue conducted by the company's CEO, CFO and Chair of the Board.

The materiality analysis has been developed and mapped by a working group with representation from different departments and areas of expertise, as well as the quality manager and the product and business development manager. Compared to the previous materiality analysis, we have divided the areas into Environmental, Social and Financial sustainability.

The sustainability areas classified in the materiality analysis are also found in QleanAir's sustainability matrix, where we report the key figures we have chosen to drive the company's improvement work. See page 18.

The dual materiality perspective

The dual materiality perspective¹ has not been considered in this materiality analysis.



Environment

- 1 Climate – emissions to air
- 2 Reduced resource extraction – reuse
- 3 Reduced resource extraction – waste management

Social sustainability

- 4 Delivery of clean indoor air – working environment, health and safety
- 5 Equality & diversity
- 6 Human rights & anti-corruption

Economical sustainability

- 7 Product quality
- 8 Financial performance
- 9 Customer and partner collaborations

¹ The dual materiality approach requires companies to report both the impact of sustainability issues on the company's performance, position and development and its impact on people and the environment.

QleanAir's sustainability matrix

The sustainability matrix shows targets and trends, but also the link to the Global Social Development Goals (SDGs) that are most relevant to us.

Significant sustainability area	Description	2022	2021	2020	Objective	Sustainable Development Goals
Climate – emissions to air	Emission intensity tCO2E revenue MSEK ¹	3.8	n/a	n/a	Net 0 by 2045 according to Swedish Climate Act	
Reducing resource extraction – reuse	Share of reuse of reclaimed units during the year ²	36 %	18 %	26 %	Target not yet set, measured and monitored	
	Average product lifespan ³	8.7 years	7.7 years	9.2 years	Measured and monitored	
Reduced resource extraction – waste management	Combustible waste collected for energy recovery ⁴	177 tons	n/a	n/a	Follow-up on several fractions of waste	
	Of which – microplastics in the form of cigarette ends	41 tons	44 tons	49 tons	100 % of collected cigarette ends are managed waste	
Working environment, health & safety	Delivering clean air to our customers	71 billion m ³	58 billion m ³	46 billion m ³	Increase our delivery of clean air compared to the previous year	
	Percentage of employees who would recommend QleanAir as a place to work	78 %	n/a	n/a	90 %	
	Employee turnover ⁵	5 %	3 %	4 %	Target not yet set, measured and monitored	
Equality & diversity	Gender distribution, group M/F	65/35	80/20	75/25	The intention of equality and diversity is to have the right skills in the right place at the right time. Find the hidden skills of each individual.	
	Gender distribution of management M/F	76/24	60/40	80/20		
	Gender distribution of the Board of Directors M/F	80/20	80/20	75/25		
Human rights & anti-corruption	Signed CSR policy ⁶	38 %	35 %	34 %	100% of all employees	
	Signed Supplier Code of conduct	100 %	100 %	100 %	100% of our strategic suppliers and partners	
Product quality	Customer complaints regarding product ⁷	2.07 %	2.86 %	3.40 %	Not exceeding 2 %	
	Customer impact in case of problems during the installation process ⁸	1.65 %	1.29 %	1.18 %	Categories 2 and 3 shall not exceed 1 %.	
Financial performance	Growth	455 MSEK	451 MSEK	493 MSEK	Achieve an average annual organic growth rate of around 10% in the medium term.	
	Profitability	10.9 %	18.5 %	19 %	Maintain an EBIT margin of 15-20% in the medium term	
	Installed base	11,878 units	11,396 units	9,750 units	Increase compared to previous year	
Customer & partner collaborations	Percentage of contracts terminated (churn) ⁹	7.41 %	9.51 %	10.19 %	Target not yet set, measured and monitored	

1 See climate calculations in separate table on page 21.

2 Applies to Europe and Japan.

3 Applies to reclaimed and dismantled units that are not reusable.

4 New data that we started mapping and collecting in 2022. Includes microplastics in the form of cigarette ends.

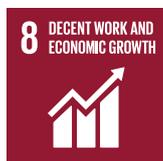
5 New method of calculation. Recalculated previous figures as they only applied to QleanAir Scandinavia AB.

6 Recalculated previous figures as they only applied to signatures of employees of QleanAir Scandinavia AB.

7 New calculation method compared to previous years. Share of product-related customer complaints from the installed base as of Dec. 31. Figures for 2020 and 2021 have been recalculated according to the new model. Applies to Europe and Japan only.

8 Applies to Europe only. Percentage of installations with one or more defects occurring.

9 Percentage of contracts lost during the year compared to the number of contracts at the beginning of the year.





Environment

In 2022, the scope of the climate calculation has been expanded. We received more data from EMEA than in previous years and Americas and APAC are now included in the calculation.



This year's emission figures cannot be compared to the previous year because we have now included the regions. The new calculation corresponds better to our real climate impact. The climate calculations have been carried out in accordance with the Green House Protocol. In terms of our environmental aspects, our environmental mapping shows that emissions to outdoor air from transport at various stages make up our biggest negative environmental impact. We understand the importance of clean air and take our impact very seriously.

such as emissions from passenger transport. Indirect emissions (Scope 2) such as those from heating and/or cooling of office space and indirect emissions, upstream and downstream (Scope 3) from the company's lifecycle for purchased goods and services and their use by customers. These three scopes can give companies a more complete picture of their overall environmental impact and how these sources may be directly or indirectly linked to an organization or activity.

Transport is the biggest source of emissions

We have placed the majority of manufacturing and assembly as locally and as close to customers as possible, in order to reduce transport and emissions. However, service components are produced in China for the entire market. These components are relatively easy to forecast, allowing for long lead times for transportation. We therefore use sea freight to minimize the climate impact. During the year, we conducted a transport mapping of all flows to increase knowledge and the possibility of improving, optimizing and reducing emissions. We evaluate our most used freight forwarders every year. We value a high level of service, delivery reliability and ongoing sustainability work among the freight forwarders we work with.

Direct and indirect emissions

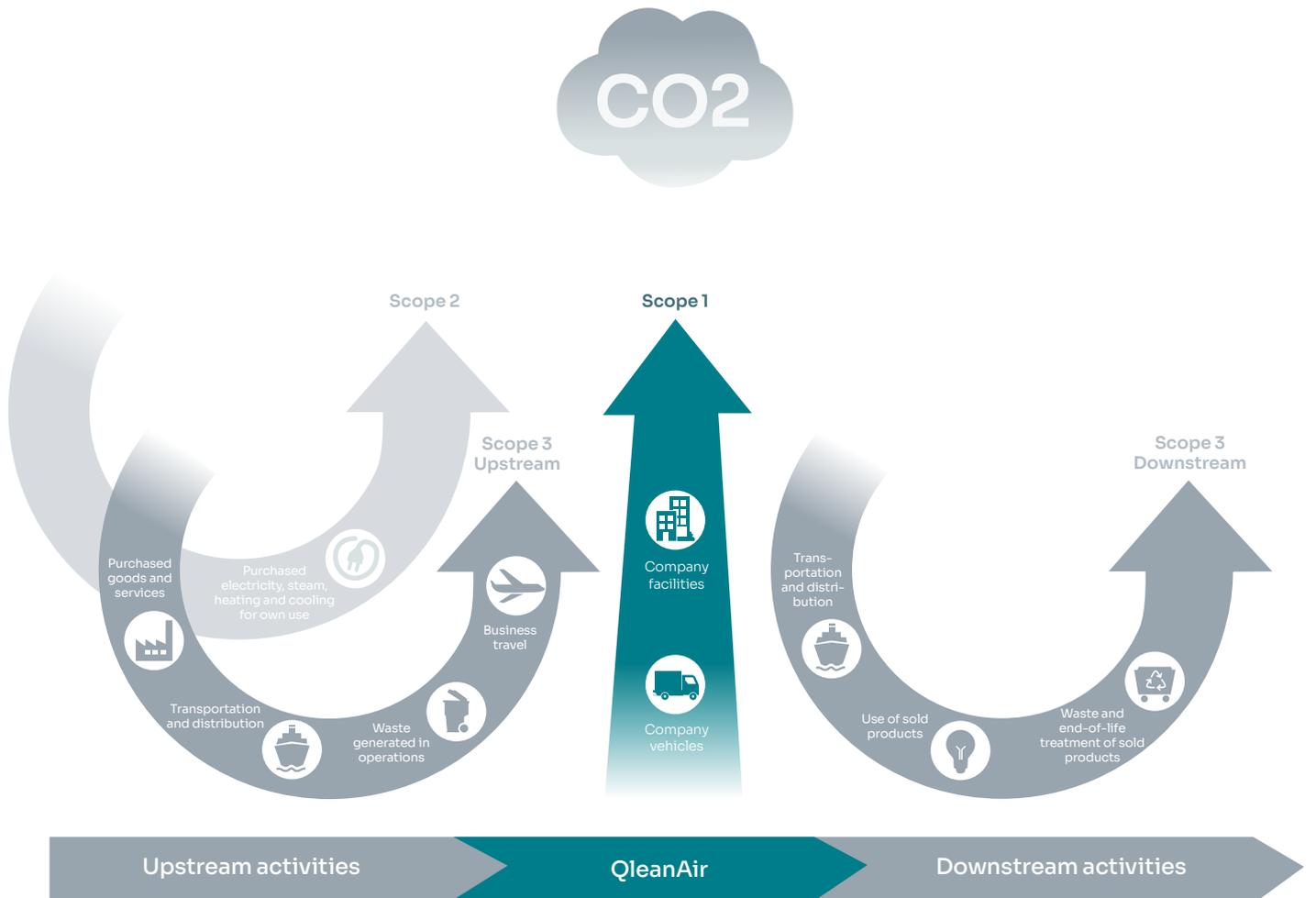
Greenhouse gas emissions are categorized based on direct emissions (Scope 1) controlled by the company

Direct emissions

Cars are the main local mode of transportation in all markets, but in both Japan and Germany, trains are often used for our various business meetings. Global functions are based in Sweden, which means a lot of air travel in Europe, Japan and the US. Due to the long distances in the US, we have so far had to fly to meet the promised delivery and service intervals. Our car policy sets the environmental and safety requirements for company cars, the minimum possible WLTP (Worldwide Harmonized Light-Duty Vehicles Test Procedure) and Euro NCAP (European New Car Assessment Program).

Energy consumption

For Scope 2, this year we have included the energy consumption of our subsidiaries and district heating for the Solna office. However, information on the type of energy used is difficult to obtain outside Sweden. The Solna office has 100 % green electricity and the offices in Japan, Germany and the US are supplied via a mix of energy sources.



Impact of suppliers and customers

Scope 3 is linked to purchased goods and services, their use by customers and waste management. This is where most of the emissions are generated. The number of kilometers generated by our service partners is in Scope 3 downstream. We continuously work with our service partners to optimize routes in different ways. We continue to ask questions and make demands on our suppliers and their subcontractors. On the transport side, the US is becoming increasingly self-sufficient in components and materials and now has only a few subcontractors left in Europe. Beyond this, they work with domestic suppliers.

Reused units

The share of reclaimed units that are reused was 36% (18%) in 2022. As of December 2022, the average age of our active population is 4.87 years and our oldest customer unit is now in its

22nd year. For units that had to be completely decommissioned in 2022, the average life expectancy was 8.7 years.

Recycling and reuse of carbon filters

As mentioned in previous years, we have an ongoing project in Japan that aims to explore the possibilities of reusing carbon and carbon filters without reducing the quality of air cleaning. In September 2022, the field test phase started. So far, about 10 tons of carbon have been recycled and 1,600 carbon filters have been re-created. The test is monitored through the regular service with customers and since launch, the Japanese legal requirements imposed by the Ministry of Health, Labor and Welfare have been met regarding the speed of smoke capture, particle cleaning and TVOC values (Total Volatile Organic Compounds). We will monitor this throughout 2023.

QleanAir's direct and indirect emissions



Waste collection

In 2022, we collected 177,421 kg of combustible waste corresponding to 532,263 kWh of energy via incineration. Waste incineration emits carbon dioxide, but only 30% of what burning oil causes. In 2022, we have collected

41 tons of cigarette ends. This has prevented the release of microplastics and a large amount of toxic substances into soil and water. Cigarette ends are the most discarded waste in the world¹ and account for approx. 767,000 tons of toxic waste each year.^{1,2}

1 <https://tobaksfakta.se/kampanj-om-mikroplast-i-cigarettfilter/>

2 <https://www.earthday.org/tiny-but-deadly-cigarette-butts-are-the-most-commonly-polluted-plastic/>

* Emission figures for 2021 and earlier apply to QleanAir Sweden. The information for 2022 includes the whole group.

Greenhouse gas emissions (tCO₂e)^{1,2}

Total emissions (tCO ₂ e)	2022	2021*
Scope 1	68.4	23.1
Scope 2 Market-based electricity and heating	34.0	0.5
Scope 3.3 Fuel and energy-related activities ³	24.2	6.7
Scope 3.4 Upstream transportation and distribution ⁴	520.0	-
Scope 3.5 Waste generated in operations ⁵	4.3	-
Scope 3.6 Business travel ⁶	230	-
Scope 3.9 Downstream transportation and distribution ⁷	828.9	325.3
Total (tCO ₂ e)	1710	355
Net revenue MSEK ⁸	455.2	211.6
Emission intensity (tCO ₂ e/MSEK) ⁹	3.8	1.7

1 Greenhouse gas emissions calculated according to the GHG Protocol. Sources for emission factors are DEFRA, IEA and AIB.

2 Scope 2 for 2022 includes 34% district heating of total consumption, unlike last year when none was reported. Furthermore, the emissions in scope 2 location-based are 33.2 tons CO₂e.

3 Scope 3.3 has been calculated using emission factors for fuel production and grid losses for the corresponding years.

4 Scope 3.4 & 3.9 have been calculated based on distance in kilometers and with an emission factor corresponding to that of an average van. For 2020 and 2021, Scope 3.9 Downstream transportation and distribution has only been calculated.

5 Scope 3.5 contains only calculations for residual waste.

6 Scope 3.6 has been calculated based on the number of kilometers for air and rail travel.

7 Scope 3.4 & 3.9 have been calculated based on distance in kilometers and with an emission factor corresponding to that of an average van. For 2020 and 2021, Scope 3.9 Downstream transportation and distribution has only been calculated.

8 Revenue based on all regions and the entire QleanAir business.

9 The emission intensity is calculated with Scope 1, Scope 2 Market based and Scope 3.3, 3.4, 3.5 and 3.6.

Energy use in 2022 (kWh)

Energy (kWh)	Renewable	Non-renewable	Total kWh	Total mWh
Electricity	81,088	73,938	155,026	155
Heating	0	77,460	77,460	77
Cooling	0	0	0	0
Fuel ¹	0	15,116	15,116	15
Total (kWh)	81,088	166,514	247,602	248

1 The amount of energy for fuel has been estimated based on distance and average fuel consumption of a passenger car.

Energy consumption per year (kWh)

Total energy use (kWh)	Electricity, renewable	Electricity, non-renewable	Heating, non-renewable	Fuel, non-renewable ¹	Total kWh
2022	81,088	73,938	77,460	15,116 ²	247,602
2021*	79,689	-	-	109,058	188,747
2020*	71,230	-	-	81,419	152,649

1 The amount of energy for fuel has been estimated based on distance and average fuel consumption of a passenger car.

2 Does not include hybrid cars.

Social sustainability – human rights, anti-corruption and diversity

Social sustainability includes working environment, health and safety, diversity, human rights, anti-corruption and social involvement. During the year, we developed internal training materials in this area.

In 2022, we have developed training material for staff on CSR issues, the SDGs, anti-corruption, our whistleblowing channel and also on our General Data Protection Regulation (GDPR) rules and procedures. The material will be included in the training of new staff and also for regular and irregular refresher training on the different regulations. With this, we also gain a smooth and efficient procedure for digital signature on our CSR policy and IT and information security policy by all employees. The material will be launched in 2023.

In the US, training is provided for relevant employees to deliver projects in accordance with LEED (Leadership in Energy and Environmental Design) guidelines and green building guidelines. This includes understanding and demonstrating the extent to which our cleanrooms can be recycled. Calculations made in 2022 show that the figure is currently around 95%.

Working environment, health and safety

As part of our systematic working environment management, we carry out regular reviews of operations, including risk assessments and health and safety inspections. We also carry out an annual health check that includes the organizational and psychosocial working environment. Our biggest physical health and safety risk is travelling by car. A road safety policy has been developed and is communicated to all our staff through our management system and intranet. We had two health and safety incidents in 2022, none of them serious.

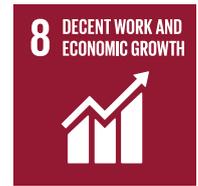
Psychosocial health and safety risks, such as perceived stress, are something we take as seriously as our physical risks. Our occupational health and safety policy states that there should be an honest and open approach in the workplace and all employees should be given the opportunity to influence their own work situation. This is something that is followed up on and documented both in our employee interviews and annual health checks.

Health survey and wellness activities

In the last health survey among employees in Sweden, stress and anxiety had increased since the June 2022 survey. It was found that employees experience a lack of clarity and a lack of resources, among other things. To address this, work began on mapping work processes and appointing process owners. Work will continue in 2023. For many years, we have been encouraging physical activity and healthy lifestyles to reduce stress and cardiovascular disease.

We have offered a fitness allowance and one hour of exercise during working hours. All employees in Sweden are invited to donate blood during working hours via www.geblod.nu. We are pleased with our social efforts and the fact that the number of people willing and able to donate blood has increased from last year.

As in previous years, we have participated in various charity races, including the Blodomloppet run. Participation in our various activities has been high and is a popular break from sedentary office work.



Focus is on working environment, health and preventive healthcare



We care about diversity and gender equality



Partnership at the heart of our business



71 billion m³/year in 2022

As legislation differs in the countries where we have employees, follow-up on working environment and psychosocial and organizational areas is done at the local level. Each of our subsidiaries has their own work environment policy that is at least equivalent to the laws and regulations in each country.

In our employee survey that we sent out to all employees globally in early December, with a response rate of 75%, more than 78% said that they would be happy to recommend us as an employer.

Diversity and gender equality

Our organization is characterized by a belief that all employees have equal rights, opportunities and obligations regardless of gender, transgender identity, ethnic origin, religion, disability, sexual orientation or age. As we have operations in several countries and customers all over the world, the diversity of our organization is crucial to understanding and communicating with our different markets. Ten different languages are spoken at our corporate office.

The essential partnership – human rights and anti-corruption

As a company with roots in Sweden, fundamental labor law issues such as the abolition of child labor, freedom of association and the abolition of forced labor are considered hygiene factors. Our biggest risk and challenge regarding human rights and corruption lies in our global supply chain and sales.

At the sales level, it is largely a matter of educating our salespeople on corruption, as we do business in many countries with many different business

cultures, especially when we go outside the Nordic region and Europe.

Since we had strong values about honesty and the value of the individual human being from the very beginning, it has become natural to look for companies with similar values to cooperate with. We have suppliers in China, Japan, USA, Sweden, Germany and in Eastern Europe with countries such as Poland, Ukraine and Latvia. We impose sustainability requirements on all parties in our value chain. We monitor our strategic partners annually through surveys, interviews and visits, etc. to minimize risks to our existing business, but also to find new opportunities and areas of cooperation. All our strategic suppliers have signed our Supplier Code of Conduct.

There were no cases of suspected corruption or human rights violations during the year.

Social action

The biggest social benefit QleanAir and its suppliers achieve is the delivery of clean air that protects our customers' people, products and processes. In 2022, we delivered 71 billion cubic meters of clean air across our three different product categories. In addition, together with our strategic suppliers, QleanAir contributes to our shared society through a number of activities. To name a few:

In Sweden, there is cooperation with local schools and offers of internships and LIA (Learning at Work) placements. As mentioned, everyone who is willing and able to donate blood during working hours is encouraged to do so. QleanAir is the main sponsor of the Virus and Pandemic Fund, read more on page 25.

In China, a fund for the disabled is supported by our subcontractor. In Poland, free English language training is offered to all employees and the company works hard to support Ukraine in various ways.

Our partner in southern Germany produces its own energy with rooftop solar panels, has water cisterns where rainwater is collected and then used to wash trucks and workshop premises. This has saved around 3 million liters of drinking water. They also contribute greatly to the local community by sponsoring schools, sporting events and more. In addition to this, they also have a major commitment to an after-care, relaxation and meeting facility for families with severely and chronically ill children.

In the US, a project is being sponsored to investigate the possibility of reducing the occurrence of contamination in cleanroom drug compounding using AI.

Three years with the pandemic and efforts to reduce the spread of infection

Since the start of the COVID-19 pandemic, QleanAir has been helping to protect particularly vulnerable groups in healthcare and education. We have also provided research with evidence of the effectiveness of air cleaners against viruses. This work continues, including through our cooperation with the Pandemic Fund to prepare for future pandemics. At QleanAir, we are proud of our contribution in all these areas.

Collaboration with Karolinska University Hospital

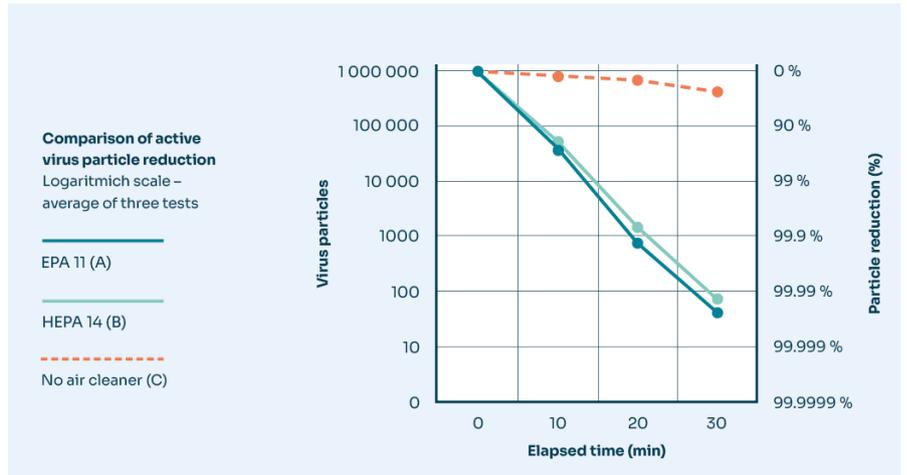
As early as in the beginning of the pandemic in the spring of 2020, a collaboration with Karolinska University Hospital was initiated and our specially adapted air cleaners were deployed in intensive care units in Solna and Huddinge. Mainly to protect staff, as it was immediately suspected that the virus might be airborne. Since then, research has mapped the virus, confirmed how it is transmitted and that properly equipped air cleaners can prevent its spread and save lives.

Thesis project at KTH

In collaboration with Karolinska University Hospital, the thesis "Field hospitals and ventilation during a pandemic" was written in 2022. The work was carried out at KTH/Bygghälsan in an environment designed to mimic the intensive care unit of a field hospital. The study highlighted how the use of HEPA-filtered air can improve air quality in these sensitive environments. The proposed measures were then used as an infection risk measure at New Karolinska.



The Sendai report compares virus reduction without air cleaners to virus reduction with air cleaners with EPA 11 filters and HEPA 14 filters.



Work to counter the spread of infection

The Sendai report

In 2021, QleanAir Japan started a collaboration with Dr. Nishimura at Sendai Medical Hospital to investigate how fast an air cleaner removes viruses and to compare two different types of particle filters. Active virus was spread with an aerosol generator and captured using the QleanAir FS 30 mobile air cleaner equipped with two different particle filters, HEPA 14 and EPA 11. It only took 10 minutes to remove over 95% of the virus particles from the air with the air cleaner. Without an air cleaner, the particle reduction was only 16.9%. After 20 minutes, approximately 99.9% had been eliminated and after 30 minutes over 99.99%. The study results show the importance of choosing an air cleaner with the right technology and filters that quickly remove infectious aerosols. We are proud to be able to clean air in such a short time, with no noise or turbulence, allowing the air cleaner to be placed close to critically ill patients where it can do the most good.

Virus and Pandemic Fund

Since its launch in 2021, QleanAir has been a partner of the Virus and Pandemic Fund. The aim of the Virus and Pandemic Fund is to strengthen research and disseminate knowledge in order to fight infections and pandemics caused by viruses in the future.

The COVID-19 pandemic hit the world hard, but common seasonal flu and colds are also a major burden on society. The initiative is led by the Swedish Society for Virology, which was founded in 2009 and brings together over 250 Swedish virus researchers. QleanAir is a member of the Pandemic fund's advisory board, who will present an advisory report aimed at various decision-makers in public authorities and key societal functions.

Product development in the wake of the pandemic

The lessons we have learned over the past three years and the feedback we have collected from different users have been considered and incorporated into our product development. New products and features launched in 2022 and coming in 2023 consider the specific needs of healthcare, schools and offices to effectively fight viruses. One example is a collaboration with one of our suppliers where a new filter called High Protection HEPA has been developed. The filter not only captures viruses and bacteria but also neutralizes them through nanotechnology.

Economic sustainability – product quality, governance and financial performance

QleanAir is a provider of high-performing air cleaning solutions of the highest quality. Fully sealed air cleaning systems where only cleaned air is recirculated. Energy-efficient and space-saving solutions without disturbing noise or turbulence. Built to last and be reused many times. High quality is one of the pillars of our business.

Product quality and innovation

We are committed to market analysis and regular dialogue with our customers, in order to understand their needs and find solutions that improve their health, efficiency and quality. In addition, we attach great importance to making the products easy to assemble, install, service and dismantle to facilitate waste management. All products are CE marked and certified by third parties before being placed on their respective markets.

Manufacturing and assembly by third parties

As production is not our core competence, we have chosen to develop our products with high quality standard components and outsource manufacturing and assembly to third parties. This way, we keep our fixed costs down and create flexibility. Manufacturing takes place in Germany, Poland, USA and China. Most of the manufacturing, assembly and installation takes place on the continent where the customer is located, in order to reduce the amount of transportation for our products. However, service components for the entire market are manufactured in China. Our partner in China only manufactures for QleanAir, where the strategic input components are determined by the corporate office. This way we ensure the quality of the unit and reduce the risk of being copied. We have a close dialogue to encourage feedback on the development of our products.

Follow-up

All installations are monitored centrally, unit by unit and a subjective assess-

ment is made of the impact on the customer where problems have actually occurred. Assessment is categorized as follows:

- 1 Unit fully operational – need to improve design/production/pre-assembly
- 2 Unit fully operational – fault/damage are obvious for customer
- 3 Unit NOT operational – installation delayed

The objective is to ensure that categories 2 and 3 should not exceed 1% combined. In 2022, two units had their delivery date delayed due to component shortages and 15 units had a defect that needed to be corrected subsequently. This meant that we did not quite reach our objective.

On a monthly basis, we follow up on incoming customer complaints and all our service measures to investigate and address the cause and monitor compliance with processes and timelines. As for customer complaints on active units it turns out that in the majority of cases the customer has overused the unit and used it more than they originally estimated. Thus, more frequent servicing or an increased number of units have been required to meet the new demand. We see this as proof that the usefulness of our equipment is sometimes underestimated and that we are very much needed in the market.

In 2022, we had a total of 595 complaints, 193 of which were actual product defects. Regardless of the type of defect, whether due to product or overload, we have solved the problem at the customer's site within our two working-day timeframe in 85% (83%) of cases.





QleanAir has contract lengths ranging from about three months to five years and these generate recurring revenue throughout the period. It is therefore critical to have a good understanding of how the population changes over time. The number of installations that receive contract extensions is not only an important economic indicator but also shows that our customers are satisfied. Today, over 75% of our customers extend their contract with us at least once. Our service partners are also a big part of this success, as they have continuous contact with customers during the contract period.

Management

Our quality and environmental management system (certified against ISO 9001-2015 and ISO 14001-2015) is critical to our governance, not least in the area of environmental sustainability. Our CSR Policy, Working Environment Policy, Travel and Road Safety Policy and Supplier Code of Conduct support our work on human rights, anti-corruption and more. During the past year, work was also initiated to review the company's processes and ensure that they support the business related to new and old product areas in a satisfactory manner. Much of what is already in place can be applied, but in some cases needs to be revised and re-communicated. The work has focused on processes that have a direct impact on the company's customers, such as market analysis, product development, sales, manufacturing, as well as the handling of service, recycling and waste. In addition, a new

operational and strategic governance model will be applied from 2023. The model is based on an annual cycle with clearly defined activities, in order to drive both day-to-day operations and long-term strategy. Overall, implementation of the new processes will lead to more successful systematic change management.

Since 2014, we have had regular external audits of our IT architecture and systems. The IT audit secures business-critical processes while reducing digital security risks and creating a more resilient organization. The latest audit was initiated in the late autumn of 2022. No major or serious deficiencies have been identified in the course of the work. We continue to improve security step by step while maintaining efficiency. For some years now, we have had an IT and information security policy, which all employees must read and sign.

Financial performance

QleanAir's financial performance did not meet growth or profitability targets for 2022. This affected market expectations and thus the share price. The Japanese market continues to deliver at a high level and in the US, the cleanroom business seems to be gaining momentum. The main challenges are in Europe, where external factors, competition and smoking legislation, among others, affect performance. More details about the financial result can be found in the Annual report. <https://qleanair.com/investors/>



03

Customer
case

Customer case 1

Better working environment for the people at Johan & Nyström's coffee roastery

About Johan & Nyström

Founded in 2004

Owned by Espresso House since 2016

Built the new roastery in 2017

Turnover MSEK 168, 71 employees (2019)

Four QleanAir FS 70 units installed



Johan & Nyström's coffee roastery and tea merchant located in Länna outside Stockholm roasts exclusive specialty coffee. The raw coffee and the sacs they are delivered in emits a lot of dust, which is why the air quality has been a problem. Since they purchased air cleaners from QleanAir, the working environment has improved significantly.

»We notice a big difference with the air cleaners – the air is easier to breathe«

“Better coffee for the people” is the motto of Johan & Nyström's coffee roastery based in Länna, south of Stockholm. They roast all their coffee gently and slowly so that the flavors have time to develop properly. All coffee is uniquely roasted to highlight its flavors as well as possible. Johan & Nyström works with specialty coffee, which is a quality designation where the coffee must score in excess of 80 points on a 100-point scale. The company operates four coffee bars in its own name in Stockholm and Helsinki and its products are supplied to hotels, restaurants, shops and cafés.

Transport and emptying generates lot of dust

Both the raw coffee and the jute sacks in which the raw material is delivered release a lot of dust particles. Production takes place in a closed system where the dust is handled. But during transport and emptying, the dust leads to a tiresome working environment for employees. The dirt settles in machines and materials and affects how they behave. In addition, a lot of cleaning of both premises and equipment is required.



When QleanAir contacted Johan & Nyström, production manager Joakim Rosengren Ahlund had already started looking for a solution. First, they installed two QleanAir FS 70 air cleaners in the room where raw material is received, which is where the problems are the greatest. In stage two, two machines were also installed in the production area.

Better working environment and less cleaning

“We notice a big difference in the premises where we have air cleaners,” says Joakim Rosengren Ahlund. The air is easier to breathe. The premises are cleaner and the equipment feels better. We do not need to clean as much and above all, the working environment is more pleasant.”

Both machines have pre-filters that are replaced by the customer, and lots of dust is captured here. QleanAir handles all service.

“We have had the machines for two years and we are very satisfied with both performance and service. The units are easy to move when we need to target another area. It is basically plug-and-play and we have never experienced any trouble or defects. It is a very simple and flexible solution for us. We do not need to think about anything”, Joakim Rosengren Ahlund concludes.



Customer case 2

Improves the working environment, saves space and money

Legal name

Mitsui Fudosan KK

Company

Property development and property management in Japan and abroad.

Employees

Mitsui Fudosan KK: 1,678

Including subsidiaries: 20,864

Number of units installed

Four QleanAir SF 4000 and SF 6000 units at Nihonbashi, six SF 4000 and SF Forum units at Ginza.



Japan's leading real estate group Mitsui Fudosan takes its corporate social responsibility very seriously. By investing in QleanAir smoking cabin, they create a better working environment. A solution that has many benefits.

»Excellent at eliminating odors and minimizing costs«

Mitsui Fudosan, Japan's leading real estate group, develops and manages office buildings, residential complexes, commercial and logistics facilities both in Japan and abroad. There was previously a smoking room in part of the office, which led to problems from the smell of smoke and hygiene issues

When the corporate office was rebuilt, it was decided to install a QleanAir smoking cabin after an employee had received a product demonstration. It was found to be excellent at eliminating odors and minimizing costs, compared to conventional smoke removal solutions. Smokers can also communicate with non-smokers as the cabins

are partially open. After experiencing how well the cabin worked, Mitsui decided to start using it in its Nihonbashi and Ginza offices too.

The Ginza office employs more than 1,600 people in five different companies that are part of the Group. An office café was set up to encourage communication between different companies and departments. Mitsui decided to install two eight person QleanAir cabins that could accommodate many people. Now smokers are often seen interacting with passing non-smokers and we find that the cabins facilitate and promote communication.



In addition, Mitsui appreciates that the smoking cabins are space-efficient and stand-alone. They save space in the smoking areas and you can choose exactly where you want to place them and then move them between the floors if the plans change in the future. Mitsui also values the high-quality inspections performed by QleanAir's service technicians. Because there are so many benefits, they would like to continue using this service in the future.





Customer Case 3

Absolute Pharmacy upgrades to a cleanroom from QleanAir

About Absolute Pharmacy

Part of Absolute Health Services, based in Ohio
 Provides medicines to over 100 healthcare facilities
 Pharmacy services 24/7/365
 Delivers 2 million prescriptions per year
 Serves 7,500 patients with medicine every day
 USP 797 cleanroom of 18 square meters in size



Absolute Pharmacy provides medicines to patients being treated at home or in long-term care. With their new QleanAir cleanroom, they ensure that pharmaceutical compounding is done efficiently and safely, for the benefit of patients, customers and employees alike.

»With QleanAir, we have entered into a true partnership that we look forward to continuing«

Absolute Pharmacy is a long-term care pharmacy that dispenses prescriptions to residents in qualified nursing, assisted living and intermediate care. They prepare drugs to provide tailored treatments to patients in rehabilitation, long-term care or palliative care in Ohio and western Pennsylvania. Absolute Pharmacy provides advanced pharmaceutical products and services with 24-hour availability, 365 days a year. They ensure that their customers avoid problems with medication errors, drug availability and increased costs.

When Absolute Pharmacy moved to new premises, they chose to build a new cleanroom with the help of QleanAir. The new cleanroom makes a complex and potentially hazardous process simpler and safer. In the cleanroom, staff use aseptic techniques to ensure that medicines are safe and clean to use. Having a cleanroom also minimizes the risk of staff inhaling strong drugs such as chemotherapy and antibiotics.

"The cleanroom has been a huge upgrade from what we had in our old



pharmacy before we moved. Everything about the cleanroom is an upgrade from what we had before," says Jerry Liliestedt, Vice President of Operations at Absolute Pharmacy.

The cleanroom consists of an anteroom and a room for sterile compounding, classified according to ISO 8 and ISO 7 respectively. QleanAir designed, manufactured and installed the room. QleanAir also services and maintains the operation of the cleanroom.

"Once we decided that QleanAir was the right partner for us, the process was very quick and easy", Jerry Liliestedt continues. "I would like to thank everyone I have met at QleanAir over the past years. They represent everything we are trying to create for our customers, a true partnership, unlike a supplier who builds a room and goes home at the end of the day. We look forward to continuing that relationship."





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