

SECOND QUARTER AND FIRST HALF YEAR 2020



STRONG GROWTH AND IMPROVED PROFITABILITY

April – June 2020 in Summary

- Order intake SEKm 62.4 (87.6)
- Sales SEKm 137.0 (108.9)
- EBITDA SEKm 32.4 (25.1)
- EBITDA-margin 23.6% (23.0)
- Operating profit (EBIT) SEKm 25.3 (19.8)
- EBIT-margin¹ 18.5% (18.2)
- Net profit SEKm 17.4 (8.0)
- Earnings per share² SEK 1.17 (0.60)
- Cash-flow from operations SEKm 34.9 (20.2)

January – June 2020 in Summary

- Order intake SEKm 185.9 (174.0)
- Sales SEKm 281.7 (214.0)
- EBITDA SEKm 70.7 (53.9)³
- EBITDA-margin 25.1% (25.2)
- Operating profit (EBIT) SEKm 56.7 (43.4)
- EBIT-margin¹ 20.1% (20.3)
- Net profit SEKm 35.2 (18.6)
- Earnings per share² SEK 2.37 (1.40)
- Cash-flow from operations SEKm 30.1 (38.3)

Significant events

- The board estimates that the outbreak of the Corona virus will affect sales and the financial development. Management and the Board actively monitor the development and take regular measures to limit the negative effects on the business.
- On May 13 the Annual General Meeting decided, among other things, to appoint two new board members of which Bengt Engström was elected new Chairman.
- On June 26 the Extra General Meeting decided on a new incentive program with a maximal dilution of 222 888 shares.

	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Order intake, TSEK	62 424	87 618	185 930	173 977	365 979
Sales, TSEK	137 002	108 863	281 683	214 013	456 993
Recurring revenue from units in own balance sheet, %	47%	43%	45%	42%	42%
EBITDA, TSEK	32 400	25 056	70 673	53 891	105 206
EBITDA-margin, %	23,6%	23,0%	25,1%	25,2%	17,5%
Adjusted EBITDA, TSEK	32 400	25 056	70 673	53 891	105 206
Adjusted EBITDA-margin, %	23,6%	23,0%	25,1%	25,2%	23,0%
EBIT, TSEK	25 308	19 786	56 659	43 407	32 073
EBIT-margin, %	18,5%	18,2%	20,1%	20,3%	7,0%
Adjusted EBIT, TSEK	25 308	19 786	56 659	43 407	83 719
Adjusted EBIT-margin, %	18,5%	18,2%	20,1%	20,3%	18,3%
Result for the period, TSEK	17 355	8 032	35 229	18 553	-7 521
Earnings per share, SEK	1,17	0,60	2,37	1,40	-0,56
Cash flow from operations, TSEK	34 880	20 247	30 071	38 268	62 498
Net working capital, TSEK	-59 032	-46 952	-59 032	-46 952	-72 321
Equity/Asset ratio, %	21%	13%	21%	13%	16%

¹ For definition of alternative key ratios see page 19. TSEK means SEK in thousands. SEKm means SEK in millions. ² Earnings per share after full dilution SEK 1.15 (0.60) second quarter and SEK 2.34 (1.40) first half year. ³ EBITDA 2019 and 2020 is affected by IFRS 16 that is applied from January 1, 2019.

A word from the CEO

“QleanAir has a strong market position in indoor air cleaning and presents a strong and profitable growth for the second quarter. Sales increased 26% to SEKm 137.0 (108.9) and the organic growth rate amounted to 24%. The EBITDA-margin increased to 23.6% (23.0) which resulted in a 29% increase in EBITDA to SEKm 32.4 (25.1). The cash-flow increased to SEKm 34.9 (20.2) in the quarter. The order intake was affected by the Covid-19 pandemic and decreased with 29% to SEKm 62.4 (87.6). Our increasing share of recurring revenues gives us a good resilience in times with more difficult market conditions. We deliver another strong quarter for Cabin Solutions in Japan and we continue our investments in Facility Solutions and Room Solutions. During the second quarter we launched a new product for the food and beverage industry.” statement from the CEO Andreas Göth.



Strong and profitable growth in the second quarter

QleanAir continues to grow and increased the sales with 25.8% to SEKm 137.0 (108.9), adjusted for currency effects the organic growth amounted to 24.1%. The EBITDA-margin increased to 23.6% (23.0) and the EBITDA result increased to SEKm 32.4 (25.1), at the same time as the operating cash-flow increased to SEKm 34.9 (20.2) and the debt/equity ratio decreased. Globally, sales increased strongly in APAC and Americas and decreased slightly in Europe. The lockdowns due to the pandemic negatively affected the order intake which decreased 29% and amounted to SEKm 62.4 (87.6) during the second quarter. Our business model with a focus on long-term rental contracts and a high proportion of recurring revenues, 47% (43) in the second quarter, gives us good resilience to withstand challenging market conditions.

Covid-19 – closed markets affecting sales and order intake

The Covid-19 pandemic will trigger increasing interest in indoor air cleaning in the long term. In the immediate term, we are keeping a tight control on costs and cash-flow to ensure flexibility and to be able to quickly take advantage of business opportunities and manage challenges that the pandemic brings. The most important markets for QleanAir are Northern Europe, Japan and USA. The sales mix in the second quarter was 37.8 percent Europe, 55.1 percent APAC and 7.1 percent the Americas. Growth for QleanAir is dependent on open and functioning markets to enable us to drive active sales work. Closed markets affect order intake, deliveries and revenues immediately. At the end of March, we saw severe lockdowns in many states in the US, which forced us to temporarily freeze installations for Room Solutions. The US temporarily opened again which meant we could perform installations in the second quarter. In Northern Europe, most markets were closed in April and May. In June, we saw a gradual opening of markets in Northern Europe. Japan also implemented restrictions that impacted us in the second quarter. We expect markets to be volatile with rapid changes.

Investment in Facility Solutions

QleanAir has a strong position within indoor air cleaning. We continue our investments to develop new solutions for the indoor environments. In the first quarter, we launched a product modification within Facility Solutions with a HEPA-filter to meet increased demand for clean and safe indoor air, for example, in hospital environments and office environments. Facility Solutions is an investment area for us in Europe. During the second quarter, we launched a model modified for the food and beverage industry. The food and beverage industry have tough requirements when it comes to design, choice of materials and filter efficiency. We offer our customers a market leading total solution to assure high air quality and the safe processing of food. Product launches within Facility Solutions are scheduled this autumn. Sales increased 10.5% and amounted to SEKm 11.6 (10.5).

Room Solutions continued to develop positively in the second quarter. Sales amounted to SEKm 12.0 (7.6), increase of 57.9%. The order intake was negatively affected by the pandemic due to lockdowns in several large states in US.

The health promotion act that came into force in Japan in April this year continued to benefit sales in the second quarter. The growth in APAC January-June was exceptionally strong. The Sales for Cabin Solutions increased 25% and amounted to SEKm 113.4 (90.7).

Large and broad customer base – back to work

QleanAir has a large and broad customer base within the office segment with major global customers in Northern Europe and Japan. Today, we have a broad offer of solutions for indoor air cleaning in offices within the product categories Facility Solutions and Cabin Solutions. In June, we launched a sales campaign in a number of European countries on the theme “back to the office”. Offering good air quality and a good indoor environment in offices gives companies the opportunity to get their employees back working together in offices again.

Outlook

Our long-term growth strategy is firmly focused on developing and growing our new product categories, Facility Solutions and Room Solutions. In the short term, we are trying to lessen the effects of the ongoing pandemic. In the longer term, we are convinced that the pandemic will increase the need for clean, safe and controlled indoor environments and good air quality. As of 30 June 2020, QleanAir delivered 3.75 billion m³ of cleaned indoor air per month, a 17 percent increase compared to June 2019. As an organization, the Group continues to demonstrate its capacity to live up to its values and the challenges we are facing, something that makes me both proud and optimistic looking forward in the long term. I would like to thank our customers, employees and partners in these very challenging times.

Solna, Sweden, August 19, 2020

Andreas Göth, CEO QleanAir Holding AB



FINANCIAL PERFORMANCE

QleanAir's geographical home markets are "EMEA" (Germany, Austria, Switzerland, The Netherlands, Belgium, France, Poland and the Nordic region), "APAC" (Japan) and "Americas" (USA). QleanAir has three product categories; our original product category Cabin Solutions which minimize exposure to harmful tobacco smoke, general air cleaning solutions for industrial facilities, offices and health care environments, Facility Solutions, and clean rooms, i.e. for hospital indoor environment "Room Solutions". The Group's sales consist of revenues from the sale of rental contracts to finance companies, rental contracts, service revenues, consumables and product sales.

ORDER INTAKE

Order intake for the second quarter was negatively affected by the pandemic and amounted to SEKm 61.8 (87.8), a 29% decrease. Geographically, EMEA generated 30% (44) of the order intake during the second quarter, APAC 65% (36) and Americas 6% (20). The strong growth in Japan was driven by the "Health Promotion Act" that came into force on April 1, 2020. In Europe there was an increased demand for clean air in hospital environments, affecting the order intake positively.

Order intake per geography, TSEK

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
EMEA	18 336	38 592	47 440	78 308	139 685
APAC	39 902	31 475	130 021	68 546	170 462
Americas	3 559	17 687	8 469	27 123	55 831
Total	61 796	87 754	185 930	173 977	365 979

SALES

April-June 2020

Sales in the second quarter amounted to SEKm 137.0 (108.9), a 26% increase. The second quarter sales by geography amounted to SEKm 51.8 (56.3) million from EMEA, SEKm 75.5 (47.4) from APAC and SEKm 9.7 (5.1) from Americas. Sales per product category amounted to SEKm 113.4 (90.7) for Cabin Solutions, SEKm 11.6 (10.5) for Facility Solutions and SEKm 12.0 (7.6) for Room Solutions. In APAC, Japan contributed with strong new sales, renewals and extensions of rental contracts for Cabin Solutions. In Tokyo the office segment continued to grow driven by the new legislation at the same time as several contracts were renewed and extended for Cabin Solution in Europe. In Americas, sales of Room Solutions developed well after states started to open up from the lockdown and installations were performed. In EMEA, sales from Facility Solutions grew by 10% at the same time as Cabin Solutions sales was affected by the pandemic. Revenues from product sales to end-customers increased primarily in Japan thanks to one customer specific demand to buy and install the products. Sales of rental contracts to finance companies decreased and the recurring revenues increased to 47% (43) of total sales. Currency conversion differences positively affected sales for the quarter of SEKm 1.9 (4.4). Adjusted for currency effects, organic sales growth for the quarter was 24.1 (-3.6) percent.

Sales per geography, TSEK

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
EMEA	51 775	56 334	111 990	114 594	222 438
APAC	75 536	47 412	148 836	91 270	191 217
Americas	9 690	5 133	20 857	8 150	43 224
Total	137 002	108 879	281 683	214 013	456 878

Sales per product category, TSEK

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Cabin Solutions	113 365	90 727	231 054	178 475	359 502
Facility Solutions	11 599	10 502	22 578	20 784	41 647
Room Solutions	12 039	7 649	28 051	14 754	55 730
Total	137 002	108 879	281 683	214 013	456 878

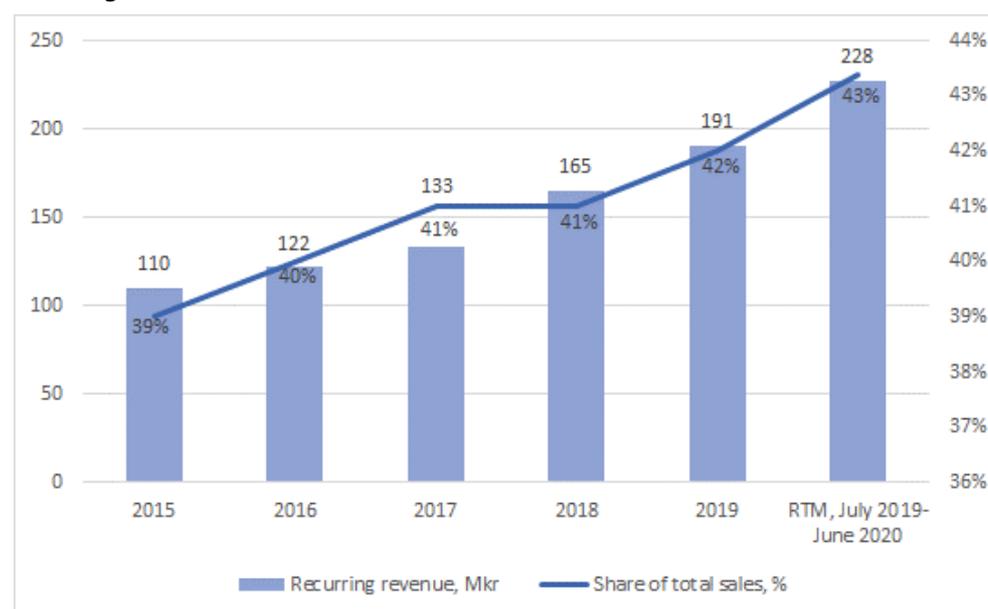
January–June 2020

Sales for the first six months 2020 amounted to SEKm 281.7 (214.0), a 32% increase. The recurring revenues amounted to SEKm 129.2 (91.1) corresponding to 45% (42) of the total sales for the period. The first six months sales by geography amounted to SEKm 112.0 (114.6) from EMEA, SEKm 148.8 (91.3) from APAC and SEKm 20.9 (8.2) from Americas. Sales per product category amounted to SEKm 231.1 (178.5) for Cabin Solutions, SEKm 22.6 (20.8) for Facility Solutions and SEKm 28.1 (14.8) for Room Solutions. Americas continued to develop well during 2020 and Japan showed a strong sales growth in new contracts, renewed and extended rental contracts for Cabin Solutions. In EMEA the sales for Facility Solutions was slightly weaker than expected during the first six months. Room Solutions developed well with a growth of 90% during the first six months. In Tokyo the office segment continued to deliver driven by the new legislation. The total sales for the first six months was positively affected by the FX-effect which amounted to SEK 10.3(10.3) and the FX adjusted organic growth rate amounted to 26,8% (5.8).

Sales per type of revenue, TSEK

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Sales to finance companies	43 126	54 052	80 922	107 560	204 528
Recurring revenues, units in balance sheet, service, consumables	64 833	47 488	129 187	91 136	190 763
Product sale to end customer	29 043	7 340	71 574	15 317	61 587
Totalt	137 002	108 879	281 683	214 013	456 878

Recurring revenues



SEKm in recurring revenues from rental contracts for modular units on our own balance sheet, service agreements and consumables and as a proportion of total sales.

SEASONAL VARIATIONS

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

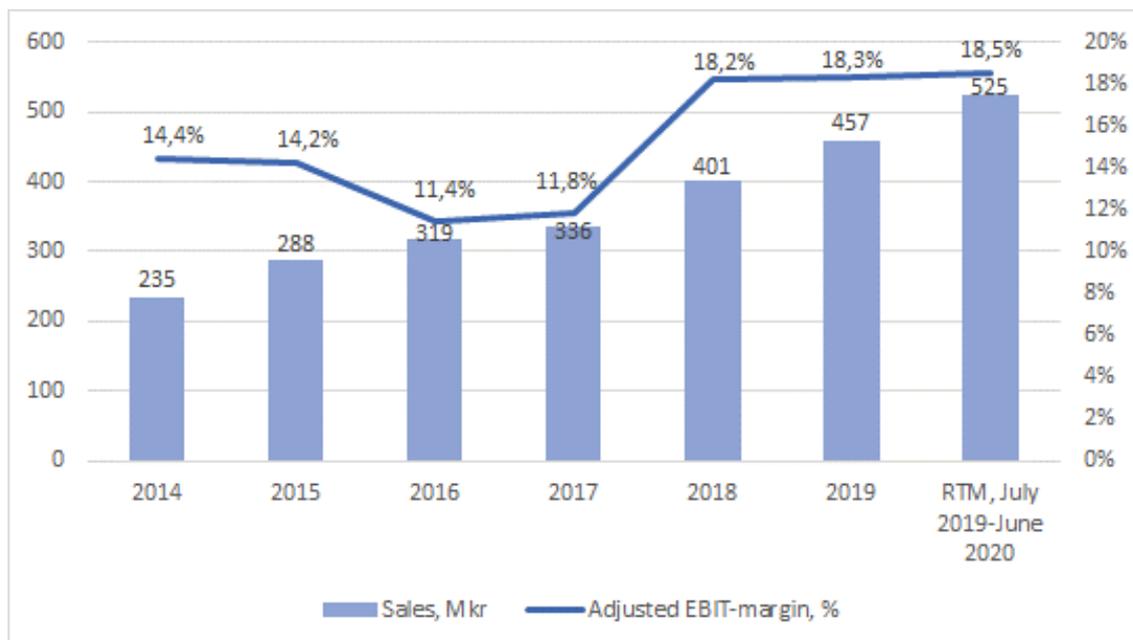
OPERATING PROFIT

The operating profit (EBIT) for the second quarter amounted to SEKm 25.3 (19.8) and the operating margin (EBIT) amounted 18.5% (18.2). Operating profit (EBIT) for the first six months SEKm 56.7 (43.4) and the operating margin (EBIT) amounted to 20.1 % (20.3).

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
EBIT	25 308	19 786	56 659	43 407	32 073
Adjustments	0	0	0	0	51 645
Adjusted EBIT	25 308	19 786	56 659	43 407	83 719
Depreciations fixed assets incl IFRS 16 (from 1 Jan 2019)	7 093	5 270	14 014	10 484	21 487
Adjusted EBITDA	32 400	25 056	70 673	53 891	105 206

For adjusted items 2019, see annual report 2019.

Historical development SEKm Revenues and adjusted EBIT-margin %



OTHER EXTERNAL COSTS

Other external costs are mainly attributable to marketing, commission on sales, office lease costs, travel costs and consultant fees. Other external costs for the second quarter amounted to SEKm 26.3 (22.8). For the first six months the external costs amounted to SEKm 54.3 (43.8).

PERSONNEL COSTS AND EMPLOYEES

Personnel costs for the second quarter amounted to SEKm 34.9 (25.9) and for the first six months to SEKm 66.9 (50.5). The average number of employees in the Group during the period was 105 (91). The gender ratio was 71 (64) men and 34 (27) women. The number of employees at the end of the period was 107 (96).

NET FINANCIAL ITEMS

Net financial items for the second quarter amounted to SEKm -0.2 (-6.1). The change from the previous year refers mainly to the re-financing of the company prior to the listing of the company's shares and differences in exchange rates. In the second quarter interest costs on lease liabilities according to IFRS 16 is included and amounted to SEKm 0.1 (0.2). The financial net for the first six months amounted to SEKm -5.3 (-11.6).

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

Earnings before tax for the second quarter amounted to SEKm 25.1 (13.7). Tax reported for the period amounted to SEKm -7.8 (-5.7). Net profit for the second quarter amounted to SEKm 17.4 (8.0). Earnings per share for the second quarter, before dilution amounted SEK 1.17 (0.60) and after full dilution to SEK 1.15 (0.60).

Earnings before tax for the first six months amounted to SEKm 51.4 (31.8). Tax reported for the period amounted to SEKm -16.2 (-13.3). The net profit for the first six months amounted to SEKm 35.2(18.6). Earnings per share before dilution amounted to SEK 2.37 (1.40) and after full dilution to SEK 2.34 (1.40).

CASH-FLOW

Second quarter cash-flow from operating activities amounted to SEKm 34.9 (20.2). The increase is mainly related to the improved EBITDA-result. The cash-flow from investment activities amounted to SEKm -9.8 (-4.6). Investments during the second quarter mainly relates to investments in module-based units rented to customers.

The cash-flow from operating activities during the first six months amounted to SEKm 30.1 (38.3). The cash-flow from the investment activities amounted to SEKm -18.1 (9.1). Investments during the second quarter mainly relates to investments in module-based units rented to customers.

CASH AND CASH EQUIVALENTS AND FINANCIAL POSITION

Cash and cash equivalents at the end of the second quarter excl. available credit amounted to SEKm 65.5 (76.7). Net interest-bearing liabilities amounted to SEKm 223.2 (255.8) excl. rental liabilities which are now accounted for as interest-bearing liabilities. The Group had total assets of SEKm 634.2 (642.6). Non-current assets amounted to SEKm 429.6 (420.3) and are mainly related to goodwill SEKm 343.7 (343.7). Book value of equipment and units amounted to SEKm 52.9 (28.8). The carrying amounts of assets and liabilities are considered to essentially correspond to fair value.

INVESTMENTS

Second quarter investments amounted to SEKm 9.8 (4.6) and for the first six months to SEKm 18.1 (9.1). Investments mainly relates to module-based units rented to customers.

INSTALLED BASE

At the end of the period the total number of installed units amounted to 9,217 of which 3,568 units are on QleanAir balance sheet.

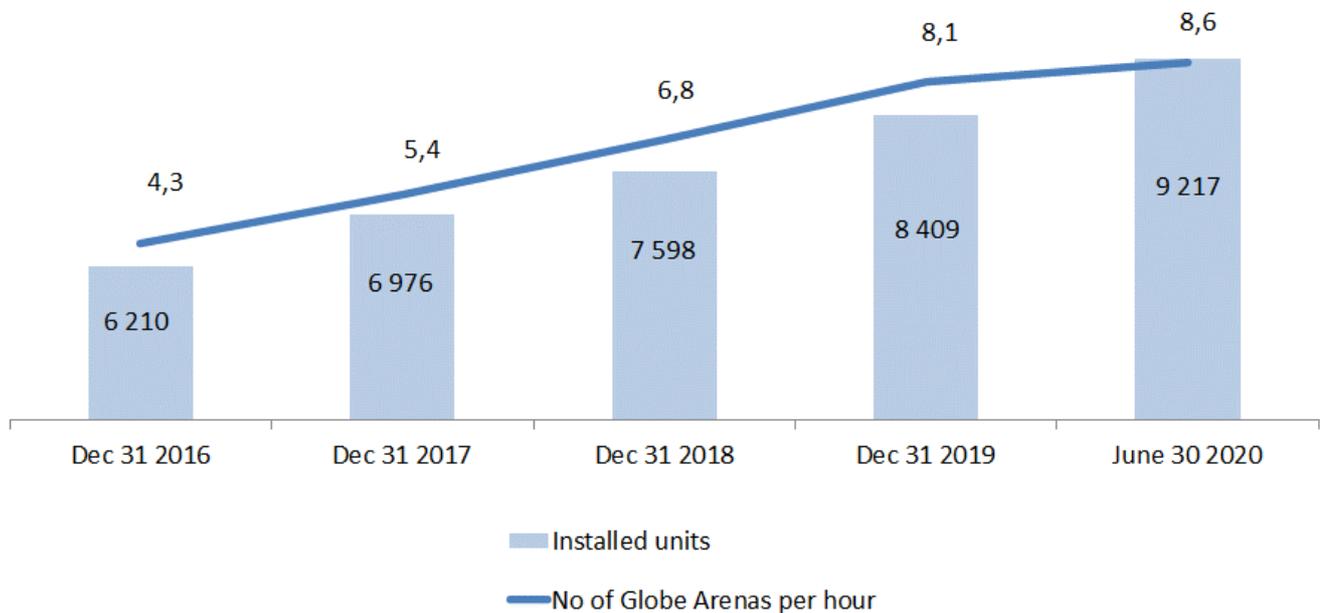
	June 30 2020	June 30 2019
Accounted value installed units, TSEK	47 343	28 793
Installed units in balance sheet, number	3 568	2 083
Installed units sold to finance companies, number	2 440	3 512
Sold units with service agreement, number	3 209	2 333
Total installed units, number	9 217	7 928
where of in own balance sheet, %	39%	26%
* where of 620 units (620) served with consumables only		

QleanAir calculates its own installed base in Clean Rooms as one unit per SEK 100,000 in order value. The increase of installed units in QleanAir's balance sheet is partly a consequence of the acquisition of Smoke Free Systems Finance AB (SFS Finance).

SUSTAINABILITY

QleanAir has a long tradition of seriously addressing crucial issues. Environmental issues, health and safety have been key priorities for QleanAir for decades. QleanAir has been developing solutions that protect people against indoor air pollution for 20 years. The Swedish operating company is ISO-certified to quality standard ISO 9001 and environmental standard ISO 14 001. Our business model is based on leasing modular solutions with a performance guarantee. The equipment can be recycled and reused. A high proportion of operations is outsourced to suppliers who comply with the QleanAir code of conduct. This code of conduct is linked to our policies for sustainability, quality assurance and environmental and marketing. Since 2015 the Group has quantified the amount of purified air per hour on an ongoing basis. The sustainability report for the European operations is available on www.qleanair.com.

Total number of installed units and purified indoor air per month measured in m3 and expressed as the number of Ericsson Globe Arenas in Stockholm per hour.



RISKS

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

The Board continues to estimate that the outbreak of the Corona virus will affect sales and the financial development. Management and the Board actively monitor the development and take regular measures to limit the negative effects on the business.

For more information about company risks, see QleanAir annual report 2019, available on www.qleanair.com.

PARENT COMPANY

Revenues for the parent company for the second quarter 2020 amounted to SEKm 2.6 (2.6) and for the first six months to SEKm 5.1 (5.1). The second quarter result amounted to SEK -7.6 (-6.7) and the result for the first six months amounted to SEKm -13.1 (-13.9). QleanAir Holding AB, company registration number 556879-4548 is a Swedish limited company incorporated in Solna, Sweden.

DISPUTES

The Group had no ongoing disputes.

TRANSACTIONS WITH RELATED PARTIES

At the end of the period, subordinated shareholder loans amounted to SEKm 0 (246.6). Interest for the second quarter 2020 amounted to SEKm 0 (-4.6) and interest for the first six months amounted to SEKm 0 (-9.3).

SHARE CAPITAL, THE SHARES AND OWNERS

The total number of shares as of June 30, 2020 was 14,859,200 and share capital amounted to SEKm 7.4. After full dilution the number of shares will amount to 15,082,088. All shares are ordinary shares with equal voting rights. The shares have a quota value of SEK 0.50. QleanAir Holding AB is a public company listed on Nasdaq First North Premier Growth Market. FNCA, phone +46 8 528 00 399, is the certified advisor.

Shareholder	% , capital and votes
Qevirp 41 Ltd	40,7%
IKC Fonder	3,4%
Livförsäkringsbolaget Skandia	3,2%
LGT Bank Ltd	2,7%
Taaleri Nordic Value Equity Fund	2,7%
Handelsbanken Microcap	2,3%
Skandia Fonder	2,1%
Sensor Fonder	2,0%
Avanza Pension	1,9%
Enter Småbolagsfond	1,8%
Ten largest shareholders	62,8%
Other shareholders	37,2%
Total	100,0%

FINANCIAL CALENDAR

- August 19, 2020: Interim Report Q2 – First half year 2020
- November 12, 2020: Interim Report Q3 – First nine months 2020
- February 15, 2021: Interim Report Q4 – Year-End report 2020

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- No significant events

OTHER INFORMATION

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

This information is information that QleanAir Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at August 19, 2020 at 8:00 am CET.

AUDITOR'S REVIEW

This report has not been reviewed by the company auditor.

PRESENTATION

QleanAir invites to teleconference/audiocast on August 19, 2020 at 9 am CET. The company's CEO, Andreas Göth, and CFO, Henrik Resmark, will present the second quarter 2020 results in English with presentation slides in English.

Here is the link to follow the presentation online: <https://tv.streamfabriken.com/qleanair-holding-q2-2020>

Telephone numbers for dial-in:

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For more information, please contact:

Andreas Göth, CEO phone +46 70 410 85 33 or Henrik Resmark CFO phone +46 70260 09 17.

Solna August 19, 2020

Board of directors QleanAir Holding AB

Bengt Engström, Chairman

Johan Westman

Mats Hjerpe

Maria Perez Hultström

Andreas Göth, CEO



THE GROUP'S CONSOLIDATED STATEMENT COMPREHENSIVE INCOME IN SUMMARY

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Net sales	137 002	108 879	281 683	214 013	456 879
Other income	0	98	0	114	114
Sales	137 002	108 977	281 683	214 128	456 993
Cost of goods sold	-43 420	-35 202	-89 818	-65 955	-160 959
Gross profit	93 582	73 775	191 865	148 173	296 034
Other external costs	-26 286	-22 790	-54 322	-43 794	-111 395
Personnel costs	-34 896	-25 929	-66 871	-50 487	-104 883
Depreciation of tangible and intangible assets	-7 093	-5 270	-14 014	-10 484	-47 682
Operating income	25 308	19 786	56 659	43 407	32 073
Financial income	583	-333	619	69	503
Financial expenses	-766	-5 771	-5 875	-11 641	-23 739
Income before tax	25 125	13 683	51 402	31 835	8 837
Deferred tax	-1 812	9	-3 896	22	5 374
Tax on result for the period	-5 958	-5 661	-12 278	-13 305	-21 732
Net result for the period	17 355	8 032	35 229	18 553	-7 521
Profit/Loss attributable to:					
Shareholders parent company	17 355	8 032	35 229	18 553	-7 521
Non-controlling interest	0	0	0	0	0
Net result for the period	17 355	8 032	35 229	18 553	-7 521
Earnings per share basic, SEK	1,17	0,60	2,37	1,40	-0,56
Earnings per share basic, after dilution, SEK	1,15	0,60	2,34	1,40	-0,56
Net result for the period	17 355	8 032	35 229	18 553	-7 521
Currency translation differences foreign subsidiaries	-5 468	1 909	-296	2 740	1 605
Total result for the period	11 887	9 941	34 933	21 293	-5 916
Profit/loss attributable to:					
Shareholders parent company	11 887	9 941	34 933	21 293	-5 916
Non-controlling interest	0	0	0	0	0
Total net result for the period	11 887	9 941	34 933	21 293	-5 916

THE GROUP'S CONSOLIDATED BALANCE SHEET IN SUMMARY

TSEK	2020-06-30	2019-06-30	2019-12-31
ASSETS			
Capitalized development cost	7 005	6 381	5 934
Customer contracts	0	3	0
Goodwill	343 704	343 704	343 704
Intangible fixed assets	350 708	350 087	349 637
Leasing (IFRS 16)	18 541	27 509	22 632
Tangible fixed assets	52 861	28 793	39 813
Tangible fixed assets	71 402	56 302	62 445
Deferred tax	7 532	13 741	11 255
Long term receivables	0	164	172
Fixed assets	429 642	420 294	423 509
Inventories	25 886	26 657	32 147
Account receivables	46 560	50 362	35 936
Tax receivables	4 525	0	0
Other receivables	9 446	9 449	11 296
Prepaid costs and accrued income	52 619	59 183	43 068
Cash and bank	65 543	76 702	56 994
Current assets	204 579	222 353	179 441
TOTAL ASSETS	634 221	642 646	602 950
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	7 430	6 642	7 430
Additional paid in capital	121 140	58 929	121 140
Translation differences	4 973	6 404	5 269
Balanced result	-36 093	-4 457	-28 572
Result for the period	35 229	18 553	-7 521
Equity	132 679	86 071	97 746
Accrued tax liabilities	0	3 193	0
Subordinated shareholder loan	0	246 642	0
Long term interest bearing liabilities	243 474	65 000	249 684
Other liabilities (IFRS 16)	10 085	18 729	14 053
Long term liabilities	253 558	333 563	263 737
Short term interest bearing liabilities	45 225	20 897	37 348
Accounts payable	31 108	46 667	41 496
Tax liabilities	0	7 919	1 626
Other short term liabilities	13 167	9 142	9 803
Other liabilities (IFRS 16)	9 216	9 512	9 351
Accrued expenses and deferred income	149 268	128 875	141 843
Current liabilities	247 984	223 011	241 467
Liabilities	501 542	556 575	505 204
TOTAL EQUITY AND LIABILITIES	634 221	642 646	602 950

Short and long term interest bearing liabilities are netted after deduction of fee for new credit facilities, according to IFRS.

THE GROUP'S CHANGES IN SHAREHOLDERS' EQUITY IN SUMMARY

2020, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance equity 2020-01-01	7 430	121 140	5 269	-36 093	97 746
Net result for the period				35 229	35 229
Other result			-296		-296
Closing balance 2020-06-30	7 430	121 140	4 973	-864	132 679

2019, TSEK	Share capital	Other paid in capital	Reserves	Balanced result	Total equity
Opening balance equity 2019-01-01	6 642	58 929	3 664	-5 261	63 974
Adjustments to IFRS 16				-480	-480
Changed accounting internal sales				1 284	1 284
Adjusted opening balance equity 2019-01-01	6 642	58 929	3 664	-4 457	64 778
Net result for the period				18 553	18 553
Other result			2 740		2 740
Closing balance 2019-06-30	6 642	58 929	6 404	14 096	86 071

THE GROUP'S CASH-FLOW STATEMENT IN SUMMARY

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Operating activities					
Operating income	25 308	19 786	56 659	43 407	32 073
Adjustment for non-cash items	4 502	5 039	8 621	11 441	46 706
Net finance and currency translation effect	-3 411	-1 108	-5 857	-2 293	-12 215
Tax paid	-82	-2 258	-18 709	-9 683	-21 675
Total	26 317	21 459	40 713	42 873	44 889
Decrease (+)/Increase (-) inventories	-4 648	-815	427	-2 584	-8 390
Decrease (+)/Increase (-) account receivables	18 675	-559	-10 838	1 533	5 032
Decrease (+)/Increase (-) current assets	-10 146	-12 059	-6 857	-15 862	2 778
Decrease (-)/Increase (+) account payables	-2 529	9 234	-10 632	10 968	12 430
Decrease (-)/Increase (+) current liabilities	7 212	2 987	17 258	1 341	5 758
Cash-flow from operations	34 880	20 247	30 071	38 268	62 498
Investing activities					
Investments in intangible assets	-1 295	-339	-2 390	-863	-1 774
Investments in tangible assets	-8 486	-4 242	-15 709	-8 282	-17 447
Acquisition	0	0	0	0	-6 603
Cash flow from investing activities	-9 782	-4 581	-18 099	-9 145	-25 824
Financing activities					
New loans	-9 839	0	7 877	0	277 254
Amortization of loan	-9 324	-11 993	-11 823	-30 365	-334 615
Cash flow from financing activities	-19 162	-11 993	-3 946	-30 365	-57 361
Cash flow for the period	5 936	3 672	8 026	-1 241	-20 688
Opening cash balance	62 858	71 600	56 994	74 935	74 935
Exchange rate differences on financial items	-3 251	1 430	523	3 008	2 747
Closing cash balance	65 543	76 702	65 543	76 702	56 994

THE PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

TSEK	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Net sales	2 550	2 550	5 100	5 100	10 200
Other external costs	-3 479	-207	-5 284	-478	-20 116
Personnel costs	-1 979	-1 703	-3 804	-3 594	-7 897
Depreciation on intangible and tangible assets	-2 063	-2 063	-4 127	-4 127	-8 254
Operating profit	-4 971	-1 424	-8 115	-3 099	-26 067
Other interest income and similar profit/loss items					
Interest costs and similar profit/loss items	-2 582	-5 320	-4 972	-10 791	-21 370
Result after financial items	-7 553	-6 744	-13 087	-13 891	-47 437
Group contribution	0	0	0	0	21 000
Tax on result for the period	0	0	0	0	-14
Net result for the period	-7 553	-6 744	-13 087	-13 891	-26 451

THE PARENT COMPANY'S BALANCE SHEET IN SUMMARY

TSEK	2020-06-30	2019-06-30	2019-12-31
Intangible assets	54 336	62 589	58 462
Tangible assets			
Shares in Group companies	429 000	429 000	429 000
Total financial fixed assets	483 336	491 589	487 462
Current tax receivables	649	412	457
Other receivables	4	47	2 290
Prepaid expenses and accrued income	5 871	5 138	6 357
Cash and bank	1 312	904	728
Total current assets	7 837	6 501	9 832
Total assets	491 172	498 090	497 295
Shareholders' equity	7 430	6 642	7 430
Premium reserve	87 118	51 356	113 569
Profit/loss for the period	-13 087	-13 891	-26 451
Total equity	81 460	44 108	94 548
Subordinated shareholder liabilities	0	246 642	0
Long term interest bearing liabilities	248 125	65 000	255 000
Total long term liabilities	248 125	311 642	255 000
Short term interest bearing liabilities	20 000	20 000	20 000
Accounts payable	1 142	321	9 151
Liabilities to Group companies	134 708	118 181	109 990
Other current liabilities	520	99	0
Accrued expenses and prepaid income	5 218	3 739	8 606
Total current liabilities	161 587	142 340	147 747
Total equity and liabilities	491 172	498 090	497 295

ACCOUNTING PRINCIPLES

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

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

The accounting policies applied correspond to those of the previous financial year, as described in the Annual Report of 2019, with the addition of the application of the new IFRS standard for IFRS 16 Leases.

IASB has published amendments of standards that are effective as of January 1, 2020 or later. The standards have not had any material impact on the financial reports.

Segments

QleanAir has one segment which reflect the Group's operations, financial management and management structure.

Financial instruments, currency exposure and risk management

Most transactions are expressed in EUR. Exposure to changes in foreign exchange rates is related to Group sales and purchases from other countries. QleanAir uses forward exchange contracts to manage currency risk. Forward exchange contracts are mainly used to manage currency exposure not expected to be netted against other currency transactions.

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.

Adjustments, rounded

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

NOTES

Distribution of net sales

QleanAir's main markets are Northern Europe in EMEA, with Germany, Austria, Switzerland, the Netherlands, Belgium, France, Poland and the Nordic countries, together with Middle East, "APAC" with Japan and "Americas" with sales in the US. QleanAir solutions can be divided into three product categories: Cabin Solutions, Facility Solutions and Room Solutions with clean rooms and lounges. Net sales by geographic area and segments are presented on page 5 and 6.

Currency effect and organic growth

	April-June 2020	April-June 2019	Jan-June 2020	Jan-June 2019	FY 2019
Net sales, TSEK	137 002	108 863	281 683	214 013	456 993
Growth Net sales, %	25,8%	0,5%	31,6%	11,2%	13,9%
Currency exchange variances, TSEK	1 862	4 439	10 344	10 284	23 980
Currency exchange variances, %	1,7%	4,1%	4,8%	5,3%	6,0%
Organic growth Net sales, TSEK	26 278	-3 898	57 326	11 225	31 941
Organic growth Net sales, %	24,1%	-3,6%	26,8%	5,8%	8,0%

Goodwill

Goodwill refers to QleanAir Holding AB's acquisition of subsidiary company QleanAir Scandinavia in 2012, the operating company.

Alternative key ratios

The company applies ESMA's (European Securities and Markets Authority) guidance for alternative key performance indicators. Alternative key performance indicators are financial measurements that cannot be directly discerned or derived from financial statements. These financial measurements are intended to help company management and investors to analyze the Group's performance. Investors should view these alternative key performance indicators as a complement to the financial statements prepared in accordance with IFRS. As not all companies calculate financial key ratios in the same way. The key ratios are not always comparable with the same key ratio used by other companies.

Key ratio	Definition and purpose
Order intake	The value of incoming orders in the period. The ratio gives investors the opportunity to assess the company's future revenues.
Sales	Net sales including other income. The ratio shows the Company's total revenues.
Gross profit	Cost of sold goods deducted from Sales.
Gross-margin	Gross profit divided with Sales.
EBITDA	Earnings before depreciations and write-downs. The ratio is used to show the business profitability before depreciations and write-downs.
Adjusted EBITDA	Earnings before depreciations and write-downs adjusted for non-operational one-off costs such as costs associated with the listing (2018: restructuring costs). The ratio is used to show the company's earnings potential independent of depreciations, write-downs and without regards to one-off items.
EBITDA-margin	Earnings before depreciations and write-downs in relation to sales. The ratio is used to show the business profitability before depreciations and write-downs.
Adjusted EBITDA-margin	Adjusted EBITDA as part of Sales. The ratio is used to measure operational profitability, independent of depreciations and write-downs.
Operating profit (EBIT)	Earnings before financial items and tax. The ratio shows the company's operational profitability.
Adjusted EBIT	Operating profit before financial items and tax adjusted for non-operational one-off costs such as costs associated with the listing (2018: restructuring costs). The ratio is used to show the company's earnings potential before financial items, without regards to one-off items.
EBIT-margin	Operating profit divided with Sales. The ratio is used to show operational profitability after depreciations and write-downs.
Adjusted EBIT-margin	Adjusted EBIT divided with Sales. The ratio is used to show the company's profitability before financial items and tax, without regards to one-off items.
Operational cash-flow	Net investment in material and immaterial fixed assets deducted from adjusted EBITDA and adjustment for changes in working capital. Operational cash-flow shows to track the cash-flow generated from the company's ongoing operations.
Working capital	Current assets excluding cash deducted with short-term liabilities.
Average capital employed	Average equity and interest bearing liabilities for the period. The ratio is used to analyze how much capital that is employed in the business has during the period.
Net debt	Cash deducted from short- and long-term interest bearing liabilities. The ratio shows the company's financial position.

Equity/Asset ratio	Equity divided with the company's total assets. The ratio is used to measure the company's financial stability.
Net debt/Equity ratio	Cash deducted from interest bearing liabilities divided by equity. The net debt/Equity ratio helps the company's investors to understand the company's financial position.
Adjusted return on average capital employed	Adjusted EBITDA as percent of average capital employed. The ratio is included to help investors to get a view of the company's profitability in relation to capital employed in the business during the year. Adjusted EBITDA is used as the company believes that the effect of items affecting comparability, which makes it possible to compare the underlying operational profitability.

Quarterly information

	April-June 2020	Jan-March 2020	Oct-Dec 2019	Jul-Sept 2019	April-June 2019	Jan-March 2019	Oct-Dec 2018
Order intake, TSEK	62 424	124 134	102 466	89 540	87 753	86 223	74 712
Sales, TSEK	137 002	144 681	123 847	119 018	108 997	105 151	103 209
Gross profit, TSEK	93 582	98 283	73 882	73 979	73 775	74 398	64 820
Gross-margin, %	68,3%	67,9%	59,7%	62,2%	67,7%	70,8%	62,8%
Adjusted EBITDA, TSEK	32 400	38 272	24 931	26 384	27 677	28 835	29 252
Adjusted EBITDA-margin, %	23,6%	26,5%	20,1%	22,2%	25,4%	27,4%	28,3%
Adjusted EBIT, TSEK	25 308	31 351	19 278	21 034	19 786	23 621	15 626
Adjusted EBIT-margin, %	18,5%	21,7%	15,6%	17,7%	18,2%	22,5%	15,1%
Operating cash-flow, TSEK	34 880	-4 810	10 233	13 997	20 247	18 002	32 306
Working capital, TSEK	-59 032	-56 804	-72 321	-46 828	-46 952	-45 796	-47 626
Average Capital Employed, TSEK	423 625	395 989	394 811	421 063	416 087	413 132	410 749
Interest bearing liabilities excl. IFRS16, TSEK	223 156	242 223	236 684	253 679	259 029	265 833	260 560
Equity/Asset ratio, %	20,9%	18,5%	16,2%	14,0%	13,4%	12,2%	11,6%
Net debt/Equity ratio, %	1,7	2,0	2,4	2,8	3,0	3,5	4,1
Adjusted return on Capital employed (ROCE), %	22,9%	23,1%	21,2%	19,0%	19,5%	20,5%	17,8%

EBITDA is affected by IFRS 16, applied from January 1, 2019.

ABOUT

QleanAir is a niche premium provider of clean indoor environment solutions. The company's business model is based on lease contracts for modular solutions with a full-service offer. QleanAir solutions are developed using filter technology that traps, filters and recycles indoor air. QleanAir's head office is in Solna, Sweden.

BUSINESS IDEA

QleanAir provides modular solutions for indoor air purification to protect people, products and processes.

VISION

QleanAir aims to be a world-class supplier of standalone solutions for air purification 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 environment with quality and trust.

FINANCIAL GOALS**Growth**

In a mid-term perspective QleanAir aims to achieve average annual organic growth of approximately 10 percent.

Profitability

In a mid-term perspective QleanAir aims to achieve an EBIT-margin of 15–20 percent.

Dividend policy

QleanAir aims to pay a share dividend of 30–50 percent of annual net profit. The dividend proposal is to take QleanAir's long-term development potential into account.



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