QleanAir

2024

Annual report

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01 The business

The year in brief

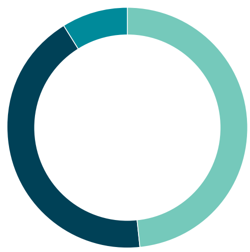
At the end of 2024, the number of installed units amounted to 12,269, a decrease of 3%.

High and growing share of recurring revenue. MSEK 299 (306), corresponding to 66% (61) of total revenue. Total revenue fell from MSEK 504 to MSEK 450.

Operating profit fell to MSEK 12.0 (64.1) and the operating margin amounted to 2.7% (12.7).

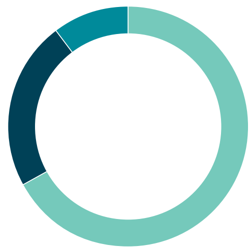
Adjusted for non-recurring items*, operating profit amounted to MSEK 21.5 (66.7) and the operating margin to 4.8% (13.2).

The Group's cash flow from operating activities amounted to MSEK 39.7 (62.6).



EMEA	MSEK 218
APAC	MSEK 193
Americas	MSEK 39

Revenue by geography 2024
Total: MSEK 450



Cabin Solutions	MSEK 303
Air Cleaners	MSEK 101
Cleanrooms	MSEK 46

Revenue per product category 2024
Total: MSEK 450

Cabin Solutions
Air Cleaners
Cleanrooms

Product mix
Cabin Solutions now represent 67% (68) of the product mix, Air Cleaners 23% (21), and Cleanrooms 10% (11).

* Non-recurring items in 2024 amounted to MSEK 9.5

The year in numbers

450 **Net sales, MSEK** 2023: 504	**–11%** **Net sales change in %** (currency-adjusted –8%)	**12,269** **Installed units** 2023: 12,696
299 **Recurring revenue MSEK** 2023: 306	**–2%** **Decrease in recurring revenue**	
4.8% **Operating margin %, adjusted** 2023: 13.2%	**21.5** **Operating profit, MSEK, adjusted** 2023: 66.7	**–1.4** **Profit for the year, MSEK** 2023: 43.4
–0.10 **Earnings per share** 2023: 2.92	**39.7** **Cash flow from operating activities MSEK** 2023: 62.6	**32** **Equity ratio %** 2023: 33

Message from the CEO

In 2024, we dealt with significant headwind due to the weakened Japanese Yen, the low point of renewable contracts to finance companies in Japan, closing the last piece of the old cleanroom projects in the Nordics, a weak European economy and the absence of the Curexa project in the US. Despite this headwind we continued our push for operational efficiency ; we renegotiated and improved our financing terms, lowered our cost through consolidation of our supply chain in Europe and launched six new products.

Our sales amounted to MSEK 450 which was 11% behind the previous year. The main deviations were due to; the absence of the Curexa deal (approx. MSEK 29), the exchange rate of the Japanese Yen (MSEK 15) and lower sales to finance companies in Japan (MSEK 10).

Our profitability amounted to MSEK 12 compared with MSEK 64 in the previous year. The weak operating profit was due to; write-downs of inventories as a result of COVID-related purchases back in 2021 and closing of inventory items linked to cleanrooms in the Nordic region (MSEK 7), a lower base of renewable contracts to finance companies in Japan (approx. MSEK 6) higher service costs in Europe (MSEK 3), non-recurring costs related to downsizing and reorganization (approx. MSEK 2) and of course volume driven by approximately MSEK 35.

Product development

During 2024, we continued the development of more critical air cleaning solutions for specific industrial challenges, which will make us more resilient in the current weaker economy. The six products we launched during the fourth quarter of 2024 have been well received by our customers.

EMEA

For EMEA, 2024 was a transition year, getting the reorganized sales force in Germany up to speed and starting the transition of service partner in Germany. In France we invested in additional sales resources to build for future growth. The weak market environment in the second half of the year affected all European countries.

APAC

Japan continued its strong development in Air Cleaners, growing 44% in local currency for the year. Overall, the cyclical low point of renewals to finance companies during 2024 was the main inhibitor for growth and mainly affecting the Cabin business.

Americas

Americas had a tough year, specifically due to the absence of the Curexa project. When we received the first information regarding delay in beginning of August there was no time to compensate with scheduling other projects in the same time frame. In the end we had bought most of the material and had scheduled all installation work based on the Curexa project. We could not adapt the resources in the short term as the same resources would soon be needed for other projects and building our cleanrooms requires technical knowledge and experience of our product.

Sharpened product focus in each market

In 2024, we worked on sharpening our product focus in EMEA and APAC and going into 2025 we will focus entirely on Air Cleaners and Cabin Solutions. Our Cleanroom business will be focused solely on the US market.

The smoking solutions market is a mature market in which we are the market leader. For Cabin Solutions we will stay with a broad approach on maximizing the reach.

When it comes to the Air Cleaning business, which we view as a growth market, we will focus on the industrial segment primarily. This is the segment where we can leverage the versatility of our products; our ability to recirculate filtrated air, create negative and positive pressure in rooms, create clean zones and a combination of these solutions.

Geographical expansion

France is our strategic growth market and in the end of 2023 we increased our presence with additional sales resources. We are ready to expand further in the French market in 2025.

Future outlook

2025 has started off with increased uncertainty in the global market. We continue to see a weak economic outlook affecting investment decisions by our customers. The actual effects of tariffs will likely be limited for QleanAir as we have regional supply chains in place for most markets where we are present.

In 2025, Japan passed the three year lowpoint of renewals to finance companies and we therefore expect to turn back to growth in Japan during 2025. Going into 2025 we have strengthened the team working with the Air Cleaner business to continue the strong growth we have seen thus far.

In EMEA, we need to get back on track in Germany, the reorganization of the sales team needs to show results this year. The new product launches tie well into the focus of the German team and should fuel this further. We continue our strategic growth focus on France. The potential in the French market is equivalent to Germany, and we see similar customer demands. We have over the past two years grown from a limited market partner approach to a team of four people for 2024. As we start to see the leverage of this investment, we are ready to grow further in this market.

In the US, we are convinced that there is great potential in expanding our reach based on partnerships with companies addressing the same customer base. We see a great opportunity together with large providers of roboticization of compounding of medicine. Entering into 2025, we have a strong signed contracted backlog and we are hence less dependent on individual projects.

While we have dealt with significant headwind during the year and an uncertain global economy is affecting investment decisions, we are proud of the great work and collaboration conducted by our team of colleagues and partners, ensuring we can offer great solutions to our customers.

Solna, April 16, 2025

Sebastian Lindström,
CEO QleanAir AB

We are QleanAir

QleanAir's mission is to protect people from harmful particles and gases and create a cleaner indoor environment. For more than 30 years, we have developed innovative air cleaning solutions that create healthy indoor environments for people, products and processes by controlling air quality.

9 out of 10 people breathe air with high air pollution levels.[1]

7 million people die prematurely due to air pollution every year.[1]

Air pollution is the greatest environmental threat to human health.[1]

Indoor air can be up to 50 times more polluted than outdoor air.[2]

[1] WHO Global Air Quality Guidelines
[2] EU, ECA report no 23

With unique specialist expertise, high-quality products, market-leading service and a lifetime performance guarantee, we can offer efficient and customized solutions that deliver clean air over time. The product portfolio consists of stand-alone air cleaners (Air Cleaners), solutions for protection against passive smoking (Cabin Solutions) and flexible, modular cleanrooms (Cleanrooms). With the help of our products, our customers can ensure the air quality in their workplace, which is of great importance to employee health. In many businesses, air quality is also critical to the sustainability and quality of products and the efficiency of processes.

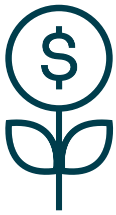
All our air cleaners use a mechanical filtration system and have largely automatic flow control. Combined with service agreements, we can guarantee the solution's efficiency over time and provide a lifetime performance guarantee. We have solutions for most application areas and work closely with our customers to develop new solutions. Development and design of new products takes place at the corporate office in Solna, Sweden. Production takes place through partners, which gives us flexibility.

Since the beginning, our business concept has been based on a circular business model focusing on rental contracts, which was groundbreaking when we started the business. Customers are satisfied and the churn rate is low. To minimize the use of resources, products and parts are reused or recycled after dismantling and end of contract.

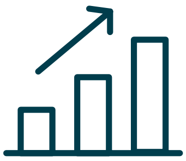
Our corporate office is located in Solna. During 2024 we had an average of 117 employees and a network of market and service partners across three continents. During the year, we have strengthened the organization with more sales resources and on the product side. By the end of December 2024, we had installed 12,269 devices at around 3,400 customers in over 30 countries worldwide. We cleaned 87 billion cubic meters of air worldwide during the year. This represents an increase of 5.5% on the previous year. Our strongest contribution to society is that we increase the amount of cleaned air year after year.

Objectives and strategy

QleanAir offers solutions that protect people, products and processes from air pollution in indoor environments. Our product range consists of Air Cleaners; stand-alone air cleaners for professional and industrial environments, Cabin Solutions; solutions for protection against passive smoking and Cleanrooms; modular cleanrooms for businesses that require a controlled environment. All product areas are based on the same type of air cleaning technology, which gives us the opportunity and flexibility to expand the product portfolio with new innovative solutions and scale production in a cost-effective way.



Objective: Average annual organic revenue growth of around 10%.



Objective: 15–20% EBIT margin

Objective: Dividend rate 30–50% of net profit

The basis of QleanAir's business is to deliver clean air as a service through a circular business model based on long-term rental contracts. QleanAir has a clear strategy for targeting profitable and capital-efficient growth, where our strategic plan is focused on customer focus and new innovations, strategic resource allocation, expansion of the sales organization and expansion into new markets and segments.

Customer focus and new innovations

We know that clean indoor air can make a big difference to human health, product quality and process efficiency. Our solutions are the result of over 30 years' experience in product development, regular and independent testing, maintenance and communication with users and customers. We work systematically to understand our customers' challenges and are responsive and proactive to their future needs. Every year, we meet with selected customers in priority segments to ensure we are at the forefront and to develop new innovations that the market demands. We have some 3,400 customers globally and thus plenty of opportunity to broaden the range of solutions we offer to existing customers.

In order to be able to provide the best solutions, we set high standards for ourselves. Therefore, all our products are developed by our own development department with mechanical multi-stage filtration that can be adapted to each customer's environment and specific challenge. We offer not only industry-leading air cleaning products, but unique solutions for each customer's needs. We can do this by combining our technology and products with in-depth knowledge and developing tailor-made solutions.

Product development is a central part of QleanAir's business and we continuously introduce new products that solve relevant customer problems. Our strategy is to continue to launch new products for both existing and new customer segments and geographies.

When it comes to Cabin Solutions, we continue our broad customer focus. It is a mature market on which we are the market leader. In terms of products, we are strengthening our solutions for the indoor smoking segment with the launch of the powerful FS 70 SRE (Smoking Room Edition) for large smoking rooms, which opens up a large market of smoking rooms around the world for our solutions. In Air Cleaners, which we see as a growth market, we will particularly focus on industrial solutions. Our products are both scalable and flexible. It is in industrial environments that we see the greatest benefit from our ability to create positive pressure, negative pressure, clean zones and recirculation in a single product. We are focusing on Air Cleaners because we see strong and stable demand and to be able to go deeper in our development of application-specific solutions. We are completely focusing the Cleanroom business on the US market. It is in the US that we have a targeted cleanroom offering and an organization with cutting-edge expertise.

During the year, we launched a total of six new products as a result of our systematic product development work, covering all three product areas.

Strategic resource allocation

We are continuously optimizing QleanAir's cost structure and in 2025 we will continue our work to streamline operations with particular focus on cash flow and working capital.

Focus on sales in key markets

Our technical expertise and ability to provide customized solutions is a key part of our offering. For this reason, we have expanded an already strong sales force with additional technical sales support in Japan, Germany, France and Sweden.

QleanAir will continue to have a clear focus with our own organization in key markets such as Japan, Sweden, Germany, France and the US. We also have a well-proven model for indirect channels outside our key markets.

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.

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. Taking care of installation, service, upgrades and adjusting the solution when your needs change. We deliver the freedom of clean air.

Position

The specialized provider of premium clean air solutions.

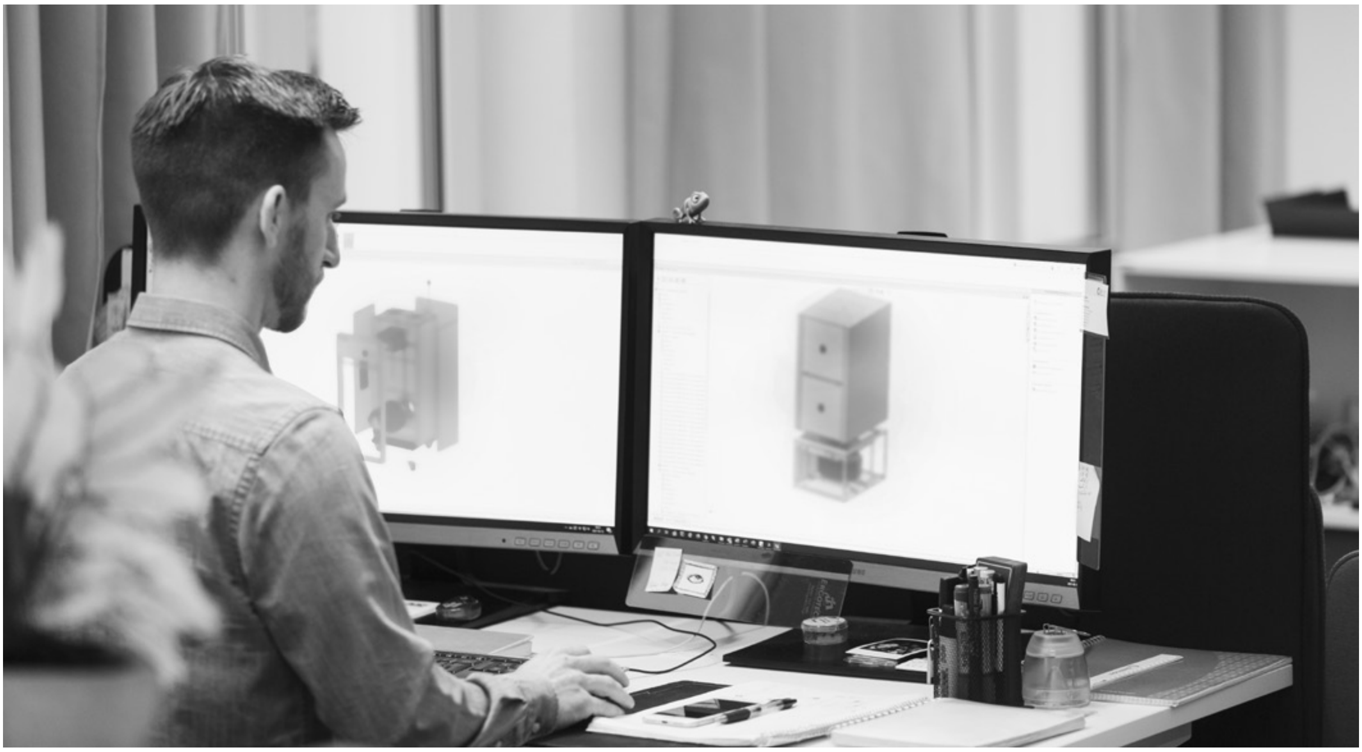
Purpose

Making a real difference through clean air.

Promise

The freedom of clean air.

Financial targets and dividend policy



Growth

The Group's goal is to achieve an average annual organic revenue growth of approximately 10% in the medium term.

Profitability

The Group's goal is to achieve an EBIT margin of 15–20% in the medium term.

Dividend policy

The goal is for 30–50% of the net profit for the year to be paid out in dividends. The dividend proposal shall take into account QleanAir's long-term development potential, financial position and investment needs.

	Goal		2024
	~10%	›	–11%
Organic revenue growth	**Net sales CAGR** Average annual organic sales growth of approximately 10%		**Net sales CAGR** In 2024, exchange rate fluctuations negatively affected net revenue by MSEK 14.7
	15–20%	›	4.8%
Profitability	**EBIT margin** EBIT margin of 15–20%		**EBIT margin, adjusted**
	30–50%	›	0%
Dividend policy	**Dividend percentage** 30–50% of the net profit for the year to be paid out in dividends		**Dividend proposed by the Board** SEK 0.00 per share

Market overview

QleanAir is a niche provider of premium air cleaning solutions for indoor environments such as industry and public places. Our solutions are used to protect people, processes and products from harmful particles and gases.

QleanAir operates in EMEA[1], APAC[2] and the Americas[3] with its corporate office in Solna, Sweden. The business is global, about 93% of our revenue is generated outside Sweden's borders. Our main markets are Japan, Germany, the United States and Sweden, but we also operate in other European countries and on a number of smaller export markets. In recent years, the importance of air quality in society has been emphasized by authorities around the world.

Driving forces

There are several main drivers that govern market development for air cleaning in indoor environments. The main driver is our customers' need to ensure employee health, product quality and process efficiency. Customers also need to reduce energy consumption and increase profitability. We also see greater awareness of issues regarding the working environment, sustainability issues and the importance of clean air. Tighter air quality legislation and an increasing demand for buying clean air as a service are other driving forces.

Tougher requirements and focus on working environment issues

In addition to the tougher legislation, companies are becoming increasingly aware of the importance of maintaining a high level of air quality in and in association with the workplace. As research has highlighted the importance of clean air in workplaces, companies are now inclined to pay for solutions to protect employees, processes and products against air pollution.

Increased demand for sustainable products and processes

Society's focus on sustainable products and processes is growing. At the same time, organizations' primary focus is to keep costs down and have a profitable business. Often, these go hand in hand. With clean indoor air, our customers can guarantee the quality and sustainability of their products. If the air is not filled with particles, thus leading to less downtime and more efficient processes, equipment works better and lasts longer and it also requires less power to operate. Overall, this benefits the demand for our solutions.

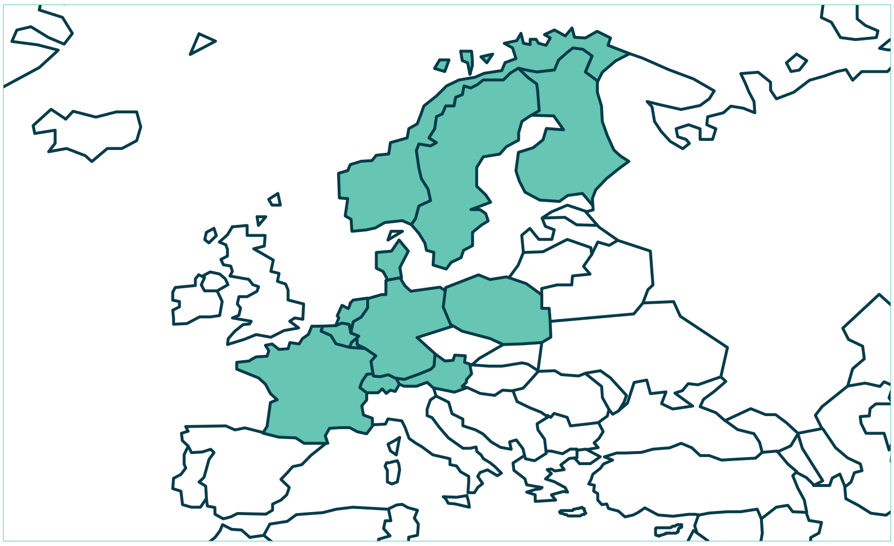
Air quality legislation

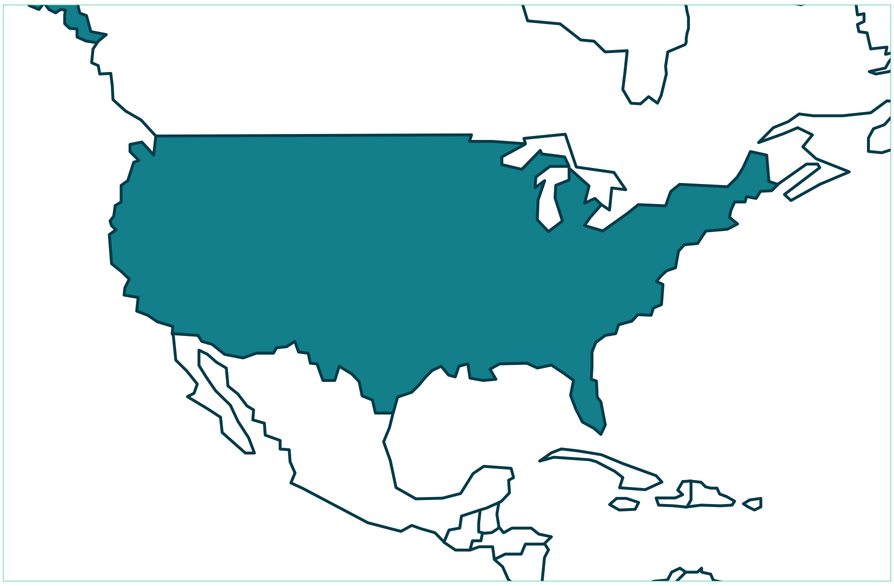
Exposure to air pollutants is the biggest environmental threat to humans and leads to 7 million premature deaths each year [4]. Few countries in the world meet the WHO air quality standards for outdoor air. In Germany, new standards for air cleaners were already introduced in 2022 by the German engineering association VDI[5], which have contributed to increase focus on air cleaning capacity, turbulence in the room, noise levels and safety for end users. QleanAir is one of the few companies that developed several air cleaners that meet the standards. Legislation within food and drug manufacturing, as well as drug preparation has a major impact on the demand for our products. The US Standard for Sterile Working Conditions in Drug Preparation [6], which has historically driven significant growth in cleanrooms, was updated in 2022. The change came into effect at the end of 2023 and is expected to contribute to further growth going forward.

Increased demand for clean air delivered as a service

A growing number of customers are demanding clean air delivered as a service: a single undertaking in terms of air quality, usually through long leases of air cleaning equipment. With comprehensive solutions, customers don't have to worry about air quality in the workplace and can focus on their core business instead. Clean air delivered as a service also means financial and functional flexibility to avoid large initial investment costs and increased flexibility in an ever-changing market climate.

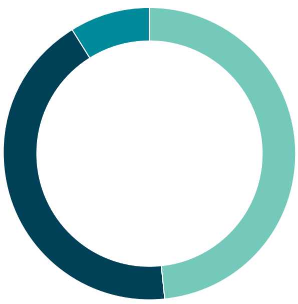
QleanAir operates in EMEA, APAC and the Americas.





Geographical markets

QleanAir's different product categories have distinct end markets in different geographic regions based on local demand and specific conditions as well as legal and cultural differences. Within each product category, QleanAir has several geographical focus markets: Germany, Japan, France and the Nordic countries in Air Cleaners; the United States in Cleanrooms and Japan, Germany and France in Cabin Solutions.



EMEA	MSEK 218
APAC	MSEK 193
Americas	MSEK 39

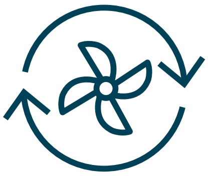
Revenue by geography 2024
Total: MSEK 450

1. EMEA refers to Europe, the Middle East and Africa
2. APAC refers to Asia (excl. Middle East) and Oceania
3. Americas refers to North and South America
4. WHO Global Air Quality Guidelines
5. VDI, German Engineering Federation, VDI-EE 4300-14.
6. USP – New and revised compounding standards updated in 2022 and took effect in 2023

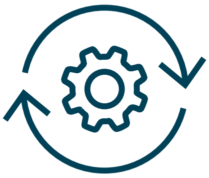
Technology

Most of our solutions use mechanical filtration in combination with automatic flow control. We deliver clean air as a service with a full service offer, which means that we can provide a lifetime performance guarantee.

Mechanical filtration



Automatic flow control



System efficiency

Service & maintenance

Mechanical filtration

Our solutions use mechanical filtration, a technology where particles are filtered through fine, fibrous fabric. There are different types of mechanical particle filters suitable for different purposes. They are classified by the degree of separation in accordance with the ISO16890, ISO29463 or EN1822 standards for Europe. Mechanical filtration often uses two or more filter stages. It aims to improve safety, capacity and operating economy. The pre-filter is a coarser filter that traps large particles such as pollen and dust. Behind this is a finer filter that captures the smaller particles from, for example, combustion. The finer filters are usually EPA- or HEPA-classified according to standard EN1822, with a high guaranteed filtration efficiency that lasts over time. All HEPA filters are tested and certified individually to guarantee performance.

Automatic flow control

The efficiency of an air cleaner is a result of airflow and filter efficiency. As the filter fills with particles, the air resistance increases and the airflow decreases. QleanAir solves this by the fan automatically compensating for increased resistance by gradually increasing speed to deliver the same airflow. When it is not possible to increase power further, it is time to change the filter. Whether the air cleaner has this function or not, it is important that there is a warning system for when the airflow becomes too low and the pressure drop across the filter too high, at which point it is time to change the filter.

System efficiency

Another factor that determines the overall performance of an air cleaner is what we call system efficiency. In order for the filters to come into their own, a completely tight system and an airflow adapted to the filter are required, as the air takes the easiest path through the system. If there is a leak, the air cleaner contributes to the spread of untreated air, instead of the opposite. Our air cleaners have a third-party verified filtration performance on par with the filter, up to 99.995%, which is the best in the market according to our data.

Low noise level

Our air cleaners have been designed to create a high airflow without disturbing noise or turbulence. We are one of the few companies that have air cleaners that meet the strict requirements of the German Engineering Federation (VDI) for air cleaners in schools and offices.

Clean air as a service

We offer end-to-end solutions as a hassle-free service. Our service includes needs analysis, solution design, installation, ongoing service and maintenance, as well as our unique Lifetime Performance Guarantee. We also take care of dismantling, removal and waste management. We refurbish and reuse whole units and parts thereof. Non-functional parts are recycled and disposed of.

Guaranteed air quality over time

Combined with our service offering, our technology allows us to guarantee the constant efficiency of our air cleaning solutions over time.

Specialists in clean air

We can control filtration, air pressure, airflow and air speed and directions of air flow. This means we can verify the performance of our solutions through air quality tests in controlled environments. Our products are the tools we use to create customized solutions.

Flexible products enable customized solutions

All our products are developed by our own development department using mechanical filtration technology. Our solutions are flexible, versatile and scalable and combined with long experience and deep technical know-how, our solutions can be adapted to each customer's environment and specific challenge.

For example, our FS 70 stand-alone air cleaner is designed to tackle a wide range of challenges. It can be used for:

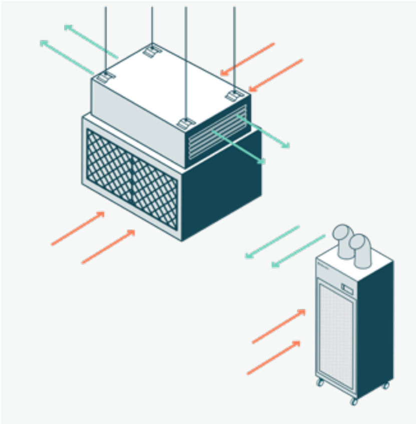
Recirculation – To recirculate air inside a room and thus remove particles from indoor air created in the room from, for example, processes or people.

Positive pressure – Creating positive pressure in a room, which protects the room from outside contamination.

Negative pressure – Creating negative pressure in a room, thus protecting the outside from particles.

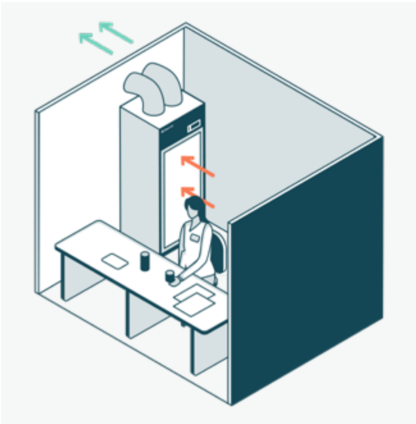
Clean Zones – Creating a clean zone by blowing close to particle-free air over a process to ensure a controlled production environment.

Combinations – Creating clean environments through combinations of different products and technologies depending on the customer's unique needs.

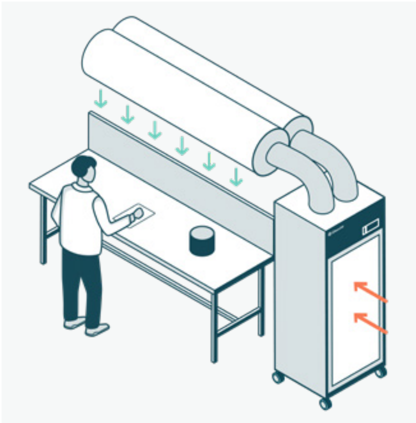


Recirculation

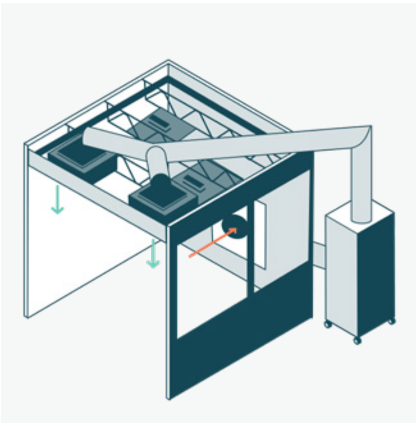
Positive pressure



Negative pressure



Clean zones



Combinations

Design & innovation

We depend on being able to offer competitive technical solutions to maintain our market position. The markets within our different product categories differ considerably, which means that the competitive situation varies. As important as it is that we ensure that our products maintain a high standard and good quality, it is just as crucial that we are innovative and ensure that our products create healthy environments for our users. Innovation is an important part of our growth strategy, and we have always worked closely with our customers to understand their needs and develop customized solutions.

We focused on broadening our technological solutions and giving us more tools to address our customers' problems in 2024. During the year, we added six products, which means that we have products for more customer segments but also opportunities to handle environments we have not previously been able to address.

Since 2023, we are part of a sustainability project with Linköping University and RE-think. The project is funded by the Swedish Energy Agency and runs until 2026/2027. We hope that the project will be able to further guide and improve our product development process and contribute to an even stronger sustainability focus going forward. It will also help us to measure and streamline our service and maintenance offering, which in turn further strengthens our circularity efforts.

In addition to product managers, we have our own product development department that works with continuous improvement of existing products and development of new ones. This allows us to maintain control over how the products are designed and produced, the materials used and what the composition of these should look like. We are aware that through our choice of materials we can reduce our negative environmental impact, which is something that has become increasingly important in the development process. The same applies to work with energy-efficient solutions and low noise levels.

We have developed a product development process that defines the typical workflow when a product goes from idea to market launch. This is to ensure that we work with our product development in a structured way and that the customer can feel confident that our products are well thought out and worked through. Compliance issues are decentralized at QleanAir, as our product managers are responsible for identifying regulatory requirements and local customer needs during the product development process.

Idea generation
01

Feasibility study
02

Concept development
03

Prototype development
04

Pre-series development
05

Product launch
06

Rollout
07

Project completion
08

Sustainability

Environment

Social sustainability

Financial sustainability

Our entire business at QleanAir is focused on sustainability. Clean indoor air protects people, products and processes. Our business model is circular and we have located manufacturing facilities close to our main geographic markets. We work to be an attractive employer with a responsible value chain.

Products that create a more sustainable environment

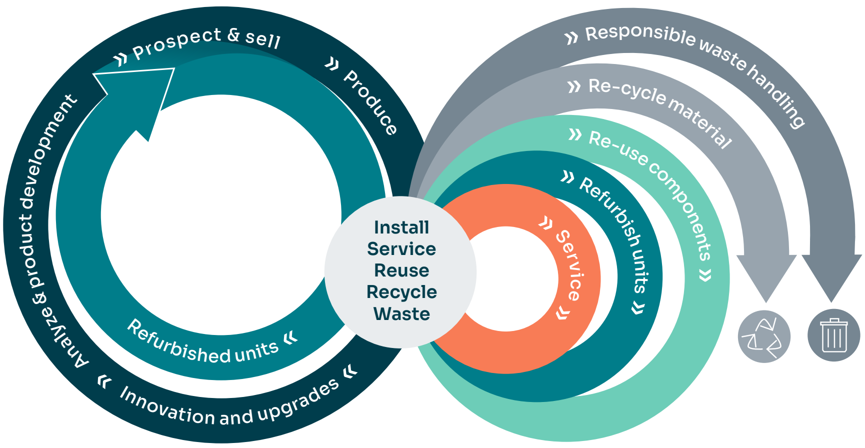
Air pollution is the main environmental threat to human health, well-being and cognitive ability. Our solutions contribute to a healthy and safe working environment in everything from manufacturing industries to offices. Clean indoor air also contributes to the quality and durability of products, be it food, technical components or medical devices. Our solutions often lead to longer equipment life for customers, more efficient processes and reduced heating costs. Our cabin solutions protect against passive smoking and dispose of 41 tons of cigarette butts every year instead of poisoning the environment. Overall, our air cleaning solutions delivered 87 (82) billion cubic meters of cleaned air during 2024.

Product quality

We are constantly developing our products and engaging in a continuous dialogue with customers about their needs and how we contribute to their health, sustainability and efficiency. We believe product quality means that our products have a long service life and have a positive impact on our customers' air quality for a long time. We evaluate the quality of our products by measuring service life, how effectively they clean the air and the number of customer complaints and errors.

Reuse and recycling

QleanAir's circular business model is based on leasing solutions with a full-service commitment and a lifetime performance guarantee. By restoring and reusing a large part of the material, we offer high-quality products while conserving resources and reducing our waste. Other materials are sorted and recycled. In Japan, a project to recycle the activated carbon and frames from used carbon filters has been running since 2021. In 2024, 2 tons of activated carbon and about 550 filters were recycled.



The QleanAir cycle

Waste disposal

Our cabin solutions ensure the responsible disposal of cigarette butts and ash. Two out of three cigarettes are thrown onto the ground, thus contaminating water and soil. Cigarette butts are the most discarded waste in the world, accounting for around 767,000 tons of toxic waste every year.[1] In addition to thousands of harmful substances such as arsenic, lead and cadmium, cigarette butts also contain plastics that remain in nature for hundreds of years in the form of microplastics.[2] In 2024, we ensured that 41 (41) tons of cigarette butts were collected in an environmentally friendly way instead of ending up in nature.

Manufacturing and assembly close to end customers

As part of our sustainability strategy, we have chosen partners close to our main markets to reduce transport and environmental impact. We require our shipping agents to optimize their routes, choose environmentally friendly cars, prioritize ships or trains over road and air freight and they must be environmentally certified according to ISO 14001 or similar. During the year, we intensified our efforts to localize the production of aluminum profiles on the US market. We have also consolidated our filter production and service material logistics in Europe.

An attractive employer

It is important for QleanAir to be an attractive employer and to build long lasting personal relationships with employees and partners. We offer security in employment and cooperation agreements, an inclusive, fair, diverse and equal working environment and continuous professional development. This includes working with meaningful tasks such as creating healthy environments for customers and reducing our own impact on the climate and the environment. During 2024, we measured the Employee Net Promoter Score (eNPS) for our entire global organization. This gave us a result of +17 (+42), which will be followed up in our systematic working environment management.[3]

Business ethics and responsibility throughout the value chain

It is important for us to conduct business in an ethical manner and this also applies to our subcontractors. Our code of conduct describes our expectations of ethical and sustainable behavior and attitudes. The code supports the UN International Rules on Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and applies to all suppliers and partners, who are required to sign it when concluding a contract. We review our Code of Conduct annually to ensure that it is complied with and to check whether it needs to be revised.

QleanAir has a global operation and the value chain is dependent on third party suppliers for manufacturing, logistics and installation, service and maintenance. We place great responsibility and trust in our partners and suppliers to work continuously to minimize risks and misunderstandings. All strategic suppliers have signed our Supplier Code of Conduct. Our strategic suppliers regularly work on various local community initiatives, as well as on increasing the share of green energy in their production, including through using solar panels and collecting rainwater in large cisterns to be used for washing cars and logistics areas.

CSRD – new EU legislation

During the year, the thresholds for companies covered by the new EU legislation on sustainability reporting were updated. This means that QleanAir will not be covered by the new law to a direct extent in the short term.

Since 2023 we are part of a sustainability project with Linköping University and RE-think. The project is funded by the Swedish Energy Agency and runs until 2026/2027.

87 (82) billion cubic meters of clean air 2024

41 (41) tons of cigarette butts were collected in 2024

1. https://www.earthday.org/tiny-but-deadly-cigarette-butts-are-the-most-commonly-polluted-plastic/
2. https://tobaksfakta.se/kampanj-om-mikroplast-i-cigarettfilter/
3. eNPS is the internal equivalent of the Customer Net Promoter Score (NPS) which measures customer loyalty and was developed by Satmetrix, Bain & Company and Fred Reichheld.

Three dimensions of clean air

QleanAir has been developing indoor air cleaning solutions for more than 30 years. With a background in tobacco smoke filtration, which is among the most difficult things to clean the air from, we have deep knowledge and a wealth of experience from air cleaning in difficult environments. Since the development of our patented smoking solution, we have expanded our offering to include powerful stand-alone air cleaners for industrial and professional environments, clean zone solutions for businesses with high demands on a controlled environment and modular cleanrooms.

We understand the complexity of the indoor environment, whether an industrial site, a hospital environment, an office or a school. There is often a need for a combination of solutions to create optimal air quality in a room.

Three dimensions of clean air

There are several solutions that contribute to good indoor air quality in different ways. A well-dimensioned general ventilation system is needed. Its main purpose is to ensure a steady supply of fresh, oxygenated air in the building, regulating carbon dioxide levels, humidity and temperature. The ventilation system maintains basic air quality and protects indoor air from outside particles.

However, all indoor environments are also connected to the outdoor environment through windows and doors where particles can enter, but particles are mainly generated inside buildings, with people, products and processes themselves being sources of particles. To minimize particle levels generated by people, products and processes, primary and secondary air cleaning solutions can complement the ventilation system.

Primary and secondary filtration

If the source of particle contamination is not the point source but is distributed in the room, then secondary filtration, where the air is recirculated, can be applied to capture the particles and reduce the level of contamination in the room.

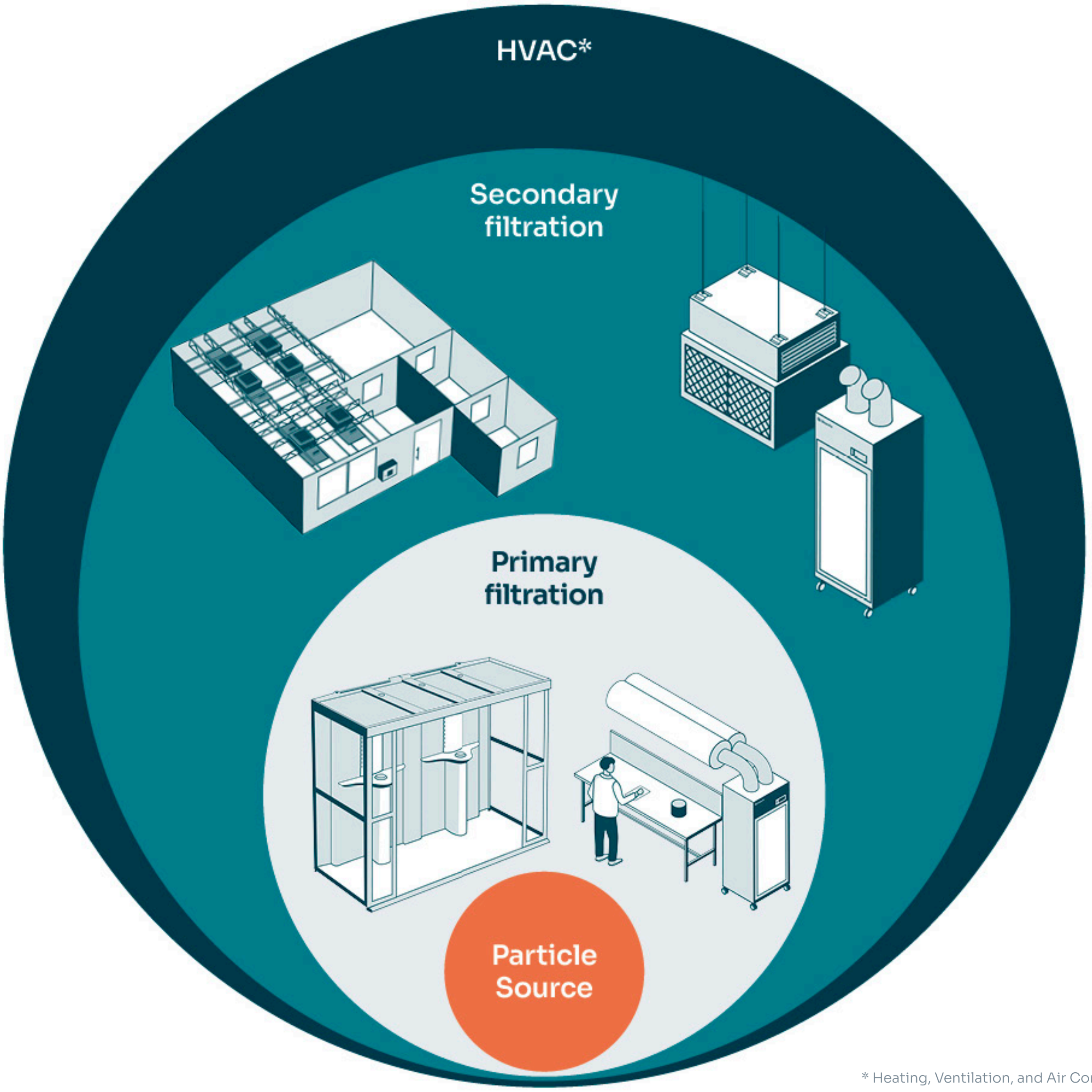
When the source of particle contamination is a point source, a primary filtration solution is usually applied. The particles are then captured directly at the source of the pollution. It is an effective solution, but rarely manages to capture everything. In the case of primary filtration, secondary filtration can complement the solution to capture the particles that were not captured by the primary solution.

Our offer

QleanAir offers solutions in both primary and secondary filtration. Our Cabin Solutions are primary solutions that capture smoke directly from the source, thus preventing secondary smoke damage. Our solutions for clean zones are also primary. They ensure a low-particulate environment by blowing HEPA-filtered air over a product or process, or create a very low-particulate environment to protect a person working with a product or process that might otherwise be harmful.

Our Cleanroom solutions are examples of secondary filtration. They provide a safe background environment for critical processes. For QleanAir, these are mainly environments where pharmaceuticals are prepared. Our air cleaners are often used for secondary filtration. By filtering and recirculating the air, particle levels are lowered in a specific area of a room or in the whole room.

Through our long experience in providing flexible and customized solutions for our customers, we have developed strong know-how and versatile products that can play a variety of roles to ensure an optimal indoor environment.

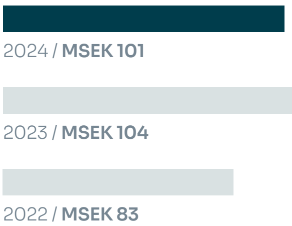


* Heating, Ventilation, and Air Conditioning

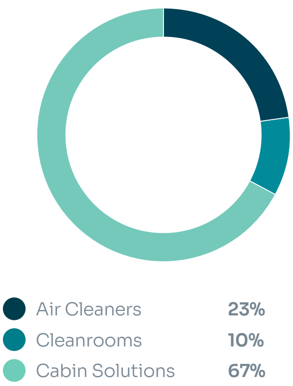
Business areas

QleanAir's business is divided into three product categories: Air Cleaners, Cabin Solutions and Cleanrooms. Below is a description of each area.

Air Cleaners



Net sales Air Cleaners



Share of net revenue by product category 2024

Air Cleaners include stand-alone air cleaning solutions that remove airborne pollutants in various environments. Especially within logistics, food, manufacturing and assembly industries that are often exposed to dust and particle pollution.

During 2024, Air Cleaners accounted for around 23% of total net revenue, compared to 21% in 2023. QleanAir works actively to increase sales of Air Cleaners through up-selling to existing customers, primarily in Cabin Solutions, but also by targeting specific industry segments.

Warehouses and Logistics Centers

The logistics market includes logistics, distribution and freight companies that conduct a large part of their operations in large facilities. Logistics operations tend to generate dust and other particles that are unhealthy for staff to breathe. Therefore, QleanAir has supplied these premises with stand-alone solutions that clean the air. In addition to protecting staff, they also keep products and equipment clean.

Food industry

Companies that manufacture and distribute food products have stringent requirements for air quality and hygiene to ensure the shelf life and quality of food. QleanAir's stand-alone solutions protect food from cross-contamination with ingredients and contaminants such as bacteria and mold. It also improves the working environment.

Manufacturing industry

QleanAir's air cleaning solutions improve the working environment, ensure product quality, extend the life of equipment and contribute to more efficient processes in manufacturing industries such as metalworking and plastics. In manufacturing, we see the demand for cleaner air increasing due to stricter regulations and challenges in attracting and retaining staff.






Assembly industry

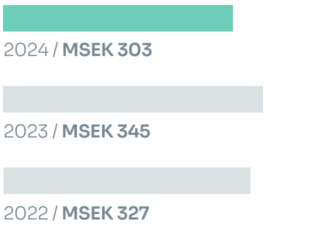
QleanAir's air cleaning solutions improve the working environment, ensure product quality and contribute to more cost-effective production in the assembly industry. Product waste can be reduced and product quality is ensured in this customer segment in addition to improving the working environment for employees. The installations are highly customized and become an integral part of the production process. Increased focus on technical cleanliness and stricter air quality regulations are driving this market segment.

Healthcare

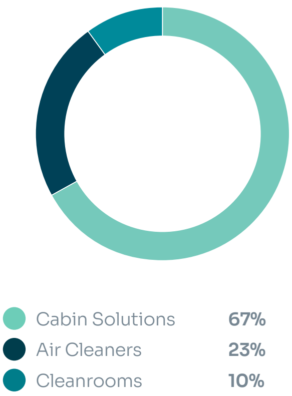
In healthcare, there are several different types of air quality challenges. These include airborne viruses, bacteria and fungal spores that risk infecting patients and staff, leading not only to human suffering, but also high costs. Similarly, there are health and safety challenges related to odors/gases and medicine disposal. But there are also challenges in the form of limitations in suitable premises for different types of activities. With our air cleaning solutions, we can support healthcare in all these types of challenges.

Cabin Solutions

QleanAir's smoking cabins protect people from tobacco smoke and dispose of ashes and cigarette butts in a clean, safe and odorless way. The primary purpose of the cabins is to reduce the risk of passive smoking, thus helping to ensure a healthier working environment. Demand remains high in many parts of the world, in workplaces with long distances and in environments where people cannot go outside for safety reasons.



Net sales Cabin Solutions



Share of net revenue by product category 2024

In 2024, QleanAir's original product category Cabin Solutions decreased by 12% on a global basis. The product category represented approximately 67% of total net revenue in 2024, compared to 68% in 2023. For Cabin Solutions, the largest sources of revenue are the Japanese and German markets, but there are also substantial sales in several other European countries. QleanAir's existing Cabin Solutions customer base has also been a good starting point for establishing the new product categories.

End markets

Solutions within Cabin Solutions can be divided into four primary end markets, consisting of Office, Industry and manufacturing, Public spaces and others.

Office

The office market in Japan is currently QleanAir's primary end market in Cabin Solutions due to their stringent legislative requirements banning outdoor smoking and high-efficiency requirements for indoor smoking stations. The cabins are mainly located close to workplaces and in common areas where they clean the air in the workplace, protect employees from passive smoking and ensure clean air in office environments.

Industry and manufacturing

The market in industry and manufacturing includes sales of cabins to industries and other manufacturing operations with high hygiene and safety requirements, such as the automotive industry, chemical plants, the food industry and marine segments. Cabins installed indoors in industry and manufacturing facilities mainly lead to a healthier working environment and reduce work interruptions from smoke breaks, resulting in increased efficiency in the workplace.

High security facilities and institutions

In institutions and high-security facilities such as prisons, psychiatric care, government buildings and banks, it is impossible to go out and smoke for security reasons. Instead of unhealthy smoking rooms, smoking cabins are installed to protect people from passive smoking.

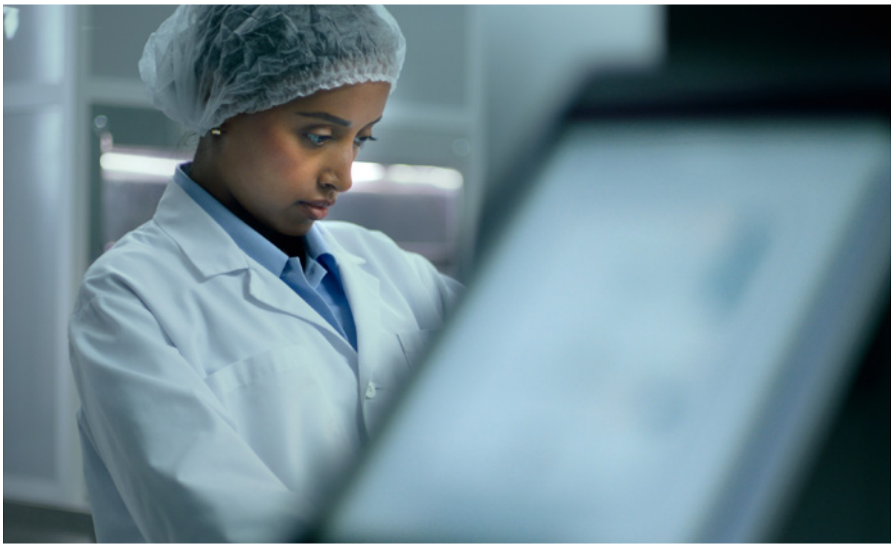
Transport & airports

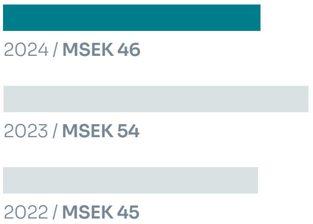
Public places like airports and train stations accounted for part of Cabin Solutions' installed base in 2024. Safe places to smoke are needed in these locations, as the buildings are often large in scale and security checks are also a factor. QleanAir is represented at Arlanda, Frankfurt, Cologne and Vienna.

Hotels, casinos & restaurants

Hotels, casinos and restaurants account for part of QleanAir's installed base within Cabin Solutions. Smoking cabins are installed to keep customers and employees on the premises and to avoid contaminating the entrances. QleanAir's solutions are available in casinos in Sweden, France, Belgium and Germany.

Cleanrooms





Net sales Cleanrooms

Share of net revenue by product category 2024

The majority of Cleanrooms solutions are modular cleanrooms, which are in high demand in businesses that need a controlled environment. The demand for cleanrooms ranges from the pharmaceutical industry, manufacturing industry, BioTech, MedTech, and LifeScience. In the US, the strengthened requirements for pharmaceutical preparation in the pharmacy sector drive most of our business in the market.

In 2024, Cleanrooms accounted for around 10% of QleanAir's total net revenue. Together with Air Cleaners, Cleanrooms were introduced with the aim of diversifying our portfolio of solutions. In 2024, we chose to focus entirely on the United States in terms of cleanrooms. We will not actively market cleanrooms in Europe and we will not introduce our cleanroom segment in Japan. The reason we choose this focus is that the cleanroom business, which is sold to the customer as a project, requires an organizational structure that we currently only have on the US market.

End markets

Our Cleanroom solutions are currently completely focused on hospital pharmacies and drug preparation.

Drug preparation

Hospital pharmacies and other organizations that carry out the preparation and storage of medicines must comply with existing laws and regulations for handling hazardous substances. Cleanrooms help to ensure the quality and sustainability of medicines and to protect staff and patients. These customers are largely located in the United States. The USP 797 regulations, updated in 2022, are expected to drive new business in the US in the coming years. Several major contracts were signed in the US in 2024 with private and public healthcare providers.

Business model

QleanAir's business model is based on the rental and sale of stand-alone solutions that improve air quality in different indoor environments. The offering includes services such as installation, service, consultation, fault management and performance guarantee for the products, waste management and general indoor air quality testing.

Rental and service agreements

QleanAir offers a complete solution that includes installation, service and performance guarantee (Rental with Performance Guarantee). Contracts usually run for a three-year period, with the customer then choosing whether to extend the current contract on an annual basis, or for a further three years.

Financing and rental

Unless the contract is sold to a finance company, our solutions are rented on a contractual basis with quarterly payments received from the customer, ensuring a steady annual revenue flow and a good overview of future revenue streams.

QleanAir's business is integrated throughout the value chain through the installation and management of units in customers' premises. Installation, service and maintenance are provided by local suppliers working in the name of QleanAir, according to prescribed instructions and methods.

The rental model entails benefits for both the customer and QleanAir. The customer leaves the work of cleaning the air in their premises to us and can instead focus on their core business. Through our solutions, we take full responsibility for delivering a constant air cleaning result over time. In addition, our solutions meet the requirements for a range of certifications that emphasize the products' good performance and safety. The rental model also provides the customer with greater flexibility over time and a lower capital commitment.

In order to free up capital and ensure good cash flows when delivering our services to customers, we have sold a substantial part of the leases in Japan to external finance companies. These revenues represented 22% of the group's total revenue. The rental and service contracts that QleanAir keeps in its own book generate recurring revenue. In 2024, recurring revenue represented 66% of the company's total revenue.

Case Study: F.u.G. LINDEN Drehtechnik (Germany)

About F.u.G. LINDEN Drehtechnik

Operations: Manufacturer of precision turned parts for all industries.

Location: Marienheide, North-Rhine-Westfalia, Germany.

QleanAir solutions: FS 70 Oil Mist

Together against oil mist – innovation through collaboration with F.u.G. LINDEN

F.u.G. LINDEN Drehtechnik, a precision turning company located in Marienheide, Germany, faced the challenge of reducing oil mist in its production hall in order to protect their employees and reduce contamination of machines and the environment. In search for an effective solution, a collaboration with QleanAir was established, resulting in the development of the freestanding air cleaner FS 70 Oil Mist.

"We wanted to create a better working environment for our employees and were looking for a solution that could effectively reduce oil mist levels without taking up too much space"

With extensive experience in precision turning, F.u.G. LINDEN supplies components for a wide range of industries. As a modern company, they prioritize not only technical innovation but also workplace safety.

The challenge of oil mist in mechanical workshops

“During the machining processes on our machines, the challenge of oil mist arises. We wanted to create a better working environment for our employees and were looking for a solution that could effectively reduce the levels of oil mist without taking up too much space,” says Sabine Neumann, CEO of F.u.G. LINDEN.

At the same time, QleanAir was looking for a real test environment for the FS 70 air cleaner to evaluate its effectiveness in areas exposed to oil mist. The collaboration with F.u.G. LINDEN provided the ideal opportunity to combine theory and practice.

Immediate results with the FS 70 Oil Mist

Following the installation of the FS 70 Oil Mist in the production hall, the improvement in air quality was immediate.

"Shortly after the installation, we could see a noticeable and visible improvement in air quality. The air was much clearer, breathing became easier, and the mist had actually disappeared," says Sabine Neumann.

The collaboration between F.u.G. LINDEN and QleanAir has not only resulted in cleaner air but also in an innovative solution. The FS 70 Oil Mist air cleaner is now available to other companies facing similar challenges.

"The collaboration with F.u.G. LINDEN has been a success from start. The increasing demand for air cleaning solutions reducing oil mist has led us at QleanAir to create a tailored solution for our customers through this joint development" says Lars van Schelve, Account Manager at QleanAir Scandinavia.

“Working with QleanAir was extremely straightforward and solution-oriented for us. We can highly recommend QleanAir as a partner,” Sabine Neumann concludes.

Case Study: Relax24 (Japan)

About Relax24

Operations: 24-hour internet café service.

Location: Tokyo, Japan.

QleanAir solutions: One QleanAir SF 1000X smoking cabin for one person and one QleanAir SF 2000X smoking cabin for two people installed on different floors to provide effective smoke separation.

Managing indoor smoking and air quality for better customer experience at internet café in Japan

Relax24 is an internet café located in Tokyo that is open around the clock. With many recurring visitors, they aim to offer a comfortable and convenient space for its customers. With a significant portion of its visitors being smokers, the management sought for an effective solution to maintain indoor air quality and enhance the overall guest experience.

Managing indoor smoking and air quality

With approximately 30% of custo-mers being smokers, Relax24 faced the challenge of preventing lingering odors and ensuring a comfortable atmosphere for all its visitors.

The revised Health Promotion Act of 2020 mandated stricter smoking re-gulations, requiring the internet café to find a solution that would allow smokers to continue enjoying their visits while protecting non-smokers from secondhand smoke. The chal-lenge was to implement a smoking separation solution without disrupting the store's layout or aesthetics.

Compact and effective smoking cabins from QleanAir

The manager of Relax24, Mr. Masataka Nakamura, had prior knowledge of QleanAir Scandinavia's products, as they had been successfully installed in affiliated locations.

"When we installed them, I was im-pressed by how compact they were, yet they completely prevented odors from leaking. Plus, the maintenance burden was minimal. The staff from QleanAir also has a great reputation."

Single-person smoking cabin SF 1000X

Installed on the third floor, the SF 1000X blends in well with the café's interior thanks to its wood-grain design. Positioned near the drink bar it provides a convenient space for smokers while ensuring no residual odor affects the surroundings. Mr Masataka Nakamura explains:

"Even though it is located next to the drink bar, there is no smell at all. Power is simply supplied from a standard 100V outlet, making installation hassle-free."

Two-person smoking cabin SF 2000X

On the fourth floor, the SF 2000X provides a smoking solution for two people and fits well within the café's layout without feeling intrusive.

"We rarely receive opinions from the customers about the smoking cabins, but the amount of cigarette butts collected shows that they are frequently used. If you are considering introducing a solution for an indoor smoking area, I would rate QleanAir's products a '10 out of 10'", concludes Mr Masataka Nakamura.

An effective solution for a better customer experience

By introducing QleanAir's SF 1000X and SF 2000X to the venue, Relax24 has created a comfortable environment for both smokers and non-smokers. The clean design, odor control, and minimal maintenance requirements have made these smoking cabins an ideal solution for the internet café, ensuring a pleasant and accommodating space for all visitors.

Case Study: The SNADEC Group (France)

About The SNADEC Group

Operations: The SNADEC Group is the French leader in independent asbestos removal.

QleanAir solutions: FS 30 and FS 70 air cleaners

Ensuring a safer working environment while minimizing environmental impact during ship dismantling and depollution in France

The SNADEC Group is the French leader in independent asbestos removal and is a significant player in the Provence-Alpes-Côte d'Azur region in the field of sanitation. The company is recognized for the high quality of its services combined with strict compliance with standards and safety conditions. The group employs approximately 300 people who operate throughout France.

The dismantling and depollution process of ships emit potentially hazardous and harmful materials such as CMR (Carcinogenic, Mutagenic, Reprotoxic agents) and contribute to CO_2 emissions. In order to minimize the negative implications these materials can have on both working environment and the natural environment, Snadec contacted QleanAir France for a solution to the air quality challenges posed.

A rigorous risk analysis approach

The project relied on a rigorous risk analysis approach and included real-time air quality monitoring which resulted in the installation of customized air cleaning solutions that ensured operator safety and compliance with environmental standards.

The risk assessment by QleanAir and Snadec, identified potential sources of pollution and exposure, including the handling of hazardous materials, exposure to harmful gases and processes during metal cutting or thermal treatment. This crucial first step of the project led to the implementation of strict protocols to mitigate dangers, such as containment plans, the use of specific protective equipment and enhanced medical monitoring for operators.

Real-time air quality supervision

Based on the risk assessment, a real-time monitoring system was deployed by QleanAir France to measure concentrations of fine particles, VOCs, and CO_2 in work areas on a continuous basis. Selected sensors were connected and installed for rapid detection of hazardous levels and real-time data allowed immediate adaptation of protective measures.

Customized air cleaning solutions

To meet the needs for improving the air quality in the premises, high-quality air cleaning solutions were installed to protect operators and the environment. The air cleaning solutions are designed with multi-stage mechanical and gas filtration for reducing hazardous gases and particles. The modular and flexible design of the air cleaners require limited floor-space which helps to increase the air quality also in confined areas. The solutions proved effective in significantly reducing pollutants in the air.

Successful cooperation enabling dismantling while protecting operators and the environment

Both technical and organizational expertise has played a crucial role in the project's success. The development of an integrated operational plan in which both technical constraints and safety aspects were considered and the collaboration with QleanAir France ensuring compliance with current regulations, have been important.

The project highlights the importance of an integrated approach in the depollution of ships. Through risk analysis, continuous air quality monitoring, and innovative air cleaning solutions, we together ensured a safe working environment for operators while minimizing the project's environmental impact.

Case Study: UNC Health (USA)

About UNC Health

Operations: Not-for-profit integrated health system providing comprehensive healthcare services.

Location: North Carolina, USA.

QleanAir solutions: 8 cleanroom projects installed, totaling 3,826 sqft.

Creating value through customer partnerships in the American healthcare industry

UNC Health is a USD 5.4 billion enterprise, owned by the state of North Carolina. It operates 14 hospitals across 20 campuses and offers five adult specialties and seven children's specialties. With a mission to improve the health and wellbeing of North Carolinians, UNC Health is dedicated to providing leadership and excellence in patient care, education, and research.

Developing trust and quality

In 2015, UNC Health were, as part of its commitment to providing high-quality patient care and ensuring safe and clean environments, looking to design and install cleanroom spaces that met strict healthcare standards for a variety of applications. From acute care pediatric pharmacies to non-acute care outpatient infusion centers, the need for a partner who could provide customizable, high-performance cleanroom solutions was essential.

A long-standing partnership

UNC Health and QleanAir Scandinavia Inc. have a long-standing partnership since 2015, when the first QleanAir cleanroom installation at UNC Health took place with a small cleanroom suite of 160 sqft. Since then, the partnership has expanded, with 8 cleanroom projects successfully installed, totaling 3,826 sqft across the state. These projects vary in size from 600 to 1000 sqft and include cleanroom spaces in both acute and non-acute care settings.

Over the years, QleanAir and UNC Health have developed a joint partnership that leverages the clinical and administrative pharmacy team's expertise. This collaboration helps build standard operating procedures contributing to the success of the cleanroom projects.

Advancing healthcare environments together

The cooperative partnership between UNC Health and QleanAir can be exemplified in different ways. One example is the reference site that UNC Health has become for QleanAir customers to visit. Prospective customers can tour installed cleanroom locations and speak with staff about their experiences with modular cleanroom construction.

Amanda Myers, Chief Commercial Officer USA at QleanAir, states: "We have worked diligently to develop a partnership that encompasses trust, quality, and a shared vision. With established relationships at the C-suite and end-user level, our alignment has led to unity, purpose, and successful project delivery."

UNC Health's commitment to designing and delivering high-quality, process-driven solutions is set to make a positive impact on healthcare environments across North Carolina.

02 Directors' report

For more than 30 years, QleanAir has been developing innovative air cleaning solutions that create healthy indoor environments for people, products and processes by controlling air quality. With unique specialist expertise, high-quality products, market leading service and a lifetime performance guarantee, we can offer efficient and customized solutions that deliver clean air over time. The product portfolio consists of solutions for cleaning tobacco smoke and thus protecting against passive smoking, stand-alone air cleaners and modular cleanrooms. QleanAir is a Swedish company with its corporate office in Solna. We operate B2B in EMEA, APAC and the Americas.

The Board of Directors and the CEO of QleanAir AB (publ), corporate identity number 556879-4548, hereby submit the annual and consolidated accounts for 2024.

The nature and focus of the business

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With unique specialist expertise, high-quality products, market leading service and a lifetime performance guarantee, we can offer efficient and customized solutions that deliver clean air over time.

The product portfolio consists of solutions for the cleaning of tobacco smoke and protection against passive smoking, stand-alone air cleaners and modular cleanrooms.

QleanAir is a Swedish company with its corporate office in Solna. We operate B2B in EMEA, APAC and the Americas.

Research and Development

QleanAir's research and development department maintains a close dialogue with customers to continuously identify development opportunities for Qlean Air's products and services. The strategic work consists partly of identifying new products and partly of improving existing products and product portfolios. We saw a continued increase in demand for air cleaning in 2024, as awareness of the importance of clean air has grown. At an early stage of the pandemic, we launched HEPA-14 variants of our existing products in Air Cleaners to meet the need to reduce virus levels with safer environments as a result.

Development work is also conducted through close collaboration with QleanAir's suppliers. QleanAir has developed an eight-step process for product development that details the typical workflow when a product goes from idea to market launch. QleanAir strives to identify patentable technical solutions, products, product details and functions in its own products, and if possible, to patent these. In 2024, approximately MSEK 5.6 (4.3) has been capitalized as proprietary intangible non-current assets. Costs capitalized in 2024 relate to the development of new products.

Significant events during the financial year

The Annual General Meeting was held on May 8, 2024. Among other things, a decision was made on a new incentive program for senior executives. The maximum dilution is 70,000 shares. During 2024, QleanAir published a number of press releases regarding, among other things, new orders. For more information see our website www.qleanair.com.

2024 press releases

- Curexa Pharmacy, a leading service provider of pharmaceutical preparation in Egg Harbor Township, NJ, USA, signed an agreement with QleanAir Scandinavia Inc.
- QleanAir delivered 7.24 billion cubic meters of cleaned air at the end of the first quarter
- The Annual General Meeting was held for QleanAir AB, where, among other things, the dividend was decided in accordance with the proposal and in part, new board was elected
- QleanAir signs a new contract with the German aerospace industry for a customized air cleaning solution
- QleanAir signs contract for another modular cleanroom with a large healthcare system in Florida, USA
- Postponement of the Curexa Pharmacy project
- Healthcare organization in Colorado, USA signs contract for a QleanSpace cleanroom from QleanAir
- QleanAir expands its product range with the launch of six new solutions for optimizing air quality in professional environments
- QleanAir signs a contract for a seventh cleanroom with a large healthcare organization in New York worth USD 437,000
- QleanAir signs USD 1.03 million contract with a Baltimore non-profit healthcare organization with over ten hospitals

The war in Ukraine and the situation in the Middle East have only had a limited impact on QleanAir's operations. These factors have meant that investment decisions by some of our customers have taken longer than normal due to the prevailing uncertainties.

Significant events after the end of the financial year

- QleanAir appoints Fredrik Sandelin as new CFO
- In January 2025, QleanAir changed its bank to Danske Bank. QleanAir has a covenant to be achieved every quarter. The covenant is net debt/ EBITDA (<3.90, <3.50, <3.00, <2.75).

Ownership

QleanAir AB is listed on the Nasdaq First North Premier Growth Market.

The company's ten largest shareholders as of December 31, 2024

Staffan Persson (Swedia Capital)	28.7%
Fredrik Palmstierna	10.3%
Avanza Pension	9.2%
Calandrella Ltd	6.6%
Life insurance company Skandia	4.6%
Jan-Olof Backman (company)	4.4%
SEB Life Assurance, Ireland	3.3%
Nordnet Pension	1.9%
Citibank London Nordic Small Cap Fund	1.9%
Sebastian Lindström	1.4%
Total, ten largest shareholders	72.3%

Expected future development

The past year has been challenging with geopolitical and macroeconomic uncertainties. We depend on open markets to conduct our business in an optimal way. At the same time, we see that the increased awareness of the need for clean indoor air continues to lead to an increased demand for advanced air cleaning, which is something that benefits our business, in the short, medium and long term. Priorities for 2025 are to continue to grow our Cabin Solutions business in Japan and Europe. We see that the demand for Air Cleaners in industry, warehouses, logistics, offices and public places is positively affected by the increased demand for clean air. We see growth in Europe and Japan. Furthermore, the ambition is to achieve higher growth with Cleanrooms in the US where an opportunity may be to work in partnership to increase the influx of new customer projects.

Financial goals

QleanAir has the following financial goals:

- Growth: the company's goal is to achieve an average annual organic sales growth of approximately 10% in the medium term.
- Profitability: the company's goal is to achieve an EBIT margin of 15–20% in the medium term.
- Dividend policy: the company's goal is for between 30–50% of the profit for the year to be paid out as dividends. The proposed dividend must consider the company's long-term development potential.

Significant risks and uncertainty factors

Legislation

QleanAir is subject to risks related to legislation regarding protection against passive smoking. QleanAir's solutions are used, among other things, to protect people from passive smoking by capturing and filtering the particles and gases released during smoking. The jurisdictions in which QleanAir operates have different levels of legislation and regulations regarding protection against passive smoking, which means varying conditions for the company to market and sell its products in each market.

Suppliers

QleanAir is dependent on third-party suppliers for manufacturing, assembly and logistics, as well as installation, service and maintenance and is subject to risks related to this. QleanAir outsources manufacturing, assembly and logistics to suppliers and partners in Sweden, Germany, Poland and China. Installation, service and maintenance are outsourced to external service partners in the local markets, who represent QleanAir to customers. If suppliers do not meet their commitments, this could have a negative impact on our business.

Regulations

QleanAir is subject to risks related to air quality regulations and standards. If QleanAir's products no longer comply with the requirements of applicable regulations or standards, and QleanAir fails to adapt the products accordingly, or should rules and standards be further changed, there is a risk that the company's operations would be adversely affected.

External financing

QleanAir relies on external financing companies to maintain a low capital tie-up. If the company fails with respect to these collaborations, then it could have a negative impact on its business and financial position. See note 27 and Significant events after the end of the financial year.

Cost situation, interest rates and currencies

QleanAir is exposed to global and regional cost situations, to interest rate developments and currency market movements. For further information, see note 25.

Guidelines for senior executives

In summary, the basic principle applies that remuneration and other terms of employment for senior executives shall be market-based and competitive to ensure that the group can attract and retain competent senior executives at reasonable costs for the company. The same rules are proposed to apply for future years. For a further description of guidelines for remuneration to senior executives, see the company's Note 17 Remuneration to employees, and the corporate governance report on page 80.

The work of the Board

The Board appoints the CEO. The division of the Board's and the CEO's responsibilities and powers can be found in the Board's rules of procedure, which are established annually, as well as the Board's instructions to the CEO. The Board meetings follow the adopted rules of procedure which determine the items on the agenda that are fixed and those that may vary. The Board convenes regularly following a schedule laid down in the rules of procedure, which includes some fixed decision-making points, as well as other decision-making points as necessary.

The Board has not currently established an Audit Committee or a Remuneration Committee as the Board has not found it appropriate given its size.

Corporate governance report

As a listed company on First North Premier Growth Market, the group is obliged to comply with the Swedish Corporate Governance Code. Accordingly, a Corporate Governance Report has been prepared, which is presented on page 80 of this document.

Sustainability

Environmental issues, social responsibility and working environment issues have been QleanAir's focus since its inception over 30 years ago. Our air cleaning solutions contribute to a healthy and safe working environment, ensure product quality and sustainability and contribute to more efficient processes and increased productivity. QleanAir's operating subsidiary, QleanAir Scandinavia AB, has been ISO-certified to quality standard ISO 9001 and environmental standard ISO 14001. QleanAir's circular business model is based on renting out modular units with a performance guarantee. The equipment can be recycled and reused. Large parts of the business are based on subcontractors who undertake to comply with QleanAir's Code of Conduct. The Code of Conduct is linked to the sustainability policy, the quality and environmental policy, the marketing policy and the working environment policy. Since 2015, the Group has quantified the amount of cleaned air per hour on an ongoing basis. For more information, see www.qleanair.com.

Activities in Sweden and abroad

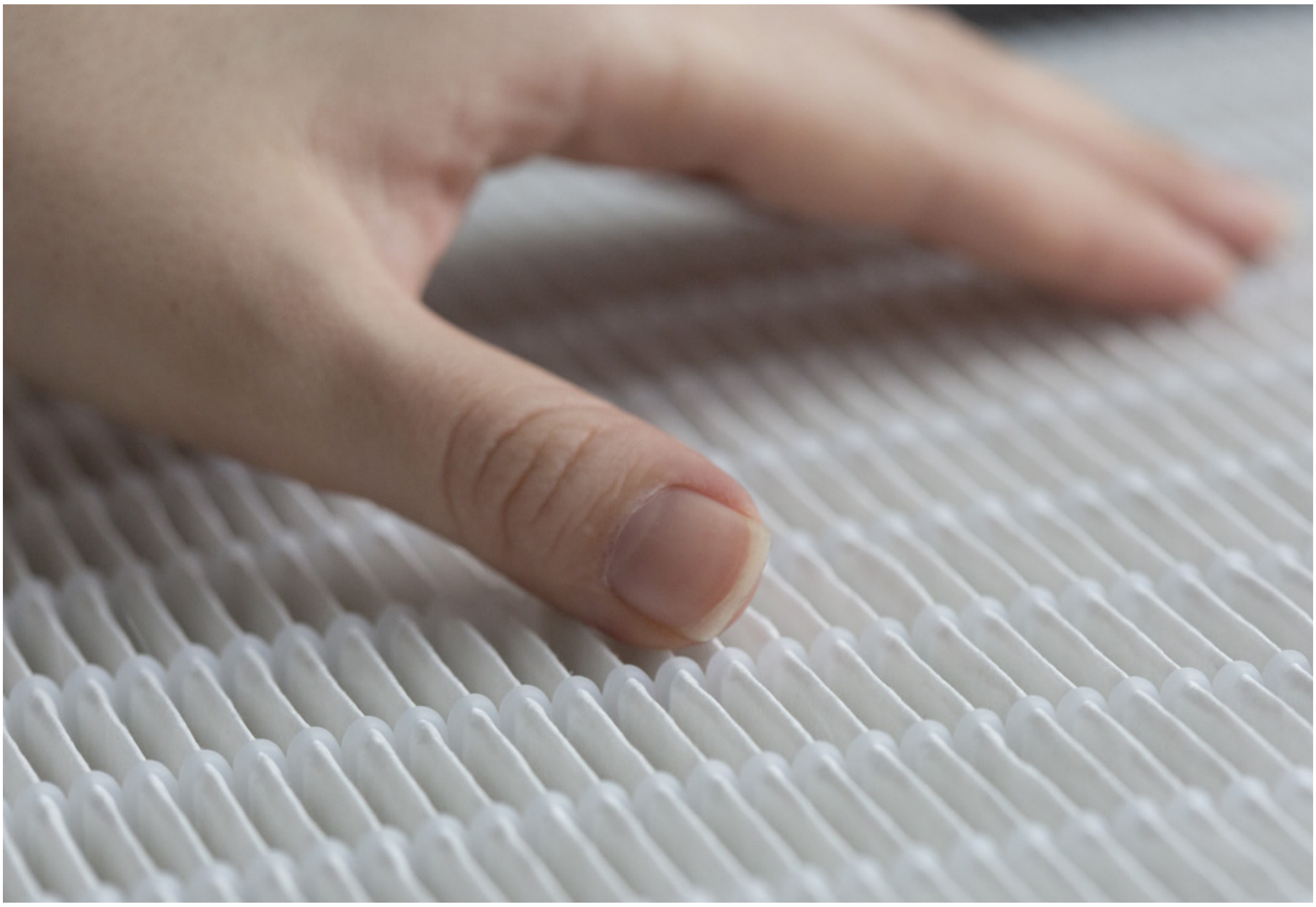
The QleanAir Group operates in Sweden and abroad through wholly owned subsidiaries in Sweden, Japan, USA, Germany, Holland, France and China. The subsidiary QleanAir Scandinavia AB also operates through branches or representative offices in Norway, Denmark, Finland, Germany, Belgium, the Netherlands, Austria, France, Switzerland and Poland. Markets in, for example, the Middle East and South Korea are handled through distributors.

Financial overview of the Group

Revenue for the full year amounted to MSEK 450.3 (503.5), a decrease of 10.6%. Currency-adjusted, a decrease of 7.6%. For the full year 2024, operating profit amounted to MSEK 12.0 (64.1). The adjusted operating profit amounted to MSEK 21.5 (66.7). The adjusted operating profit for 2024 has been adjusted with non-recurring items attributable to an inventory write-down, write-down of Nordic cleanrooms and an organizational change with respect to sales management in Europe, totaling MSEK 9.5 (2.6) For the full year, cash flow from operating activities amounted to MSEK 39.7 (62.6). Cash at the end of the period, excluding available overdraft facilities, amounted to MSEK 52.0 (56.9). Net interest-bearing liabilities amounted to MSEK 164.2 (160.1) excluding rental liabilities, which are now reported as interest-bearing liabilities.

In 2024, cash flow from investing activities amounted to MSEK –23.8 (–23.8). The investments mainly relate to units that are owned by QleanAir and leased to customers.

In 2024, net financial items amounted to MSEK –13.7 (–8.4). The deterioration over the full year is mainly due to a higher utilization of overdraft facilities and negative exchange rate differences.



Reported tax amounted to MSEK –0.3 (–12.3). For January–December 2024, the Group's tax expense as a percentage amounted to 17.1% (22.1).

The average number of employees in the Group was 117 (109). The breakdown between men and women in the Group was 81 (74) men and 36 (35) women. The number of employees at the end of the period was 118 (111).

For the impact of exchange rates, see note 25.1.1.

Seasonal variations

Historical revenues and costs have not significantly been affected by seasonal variations for QleanAir. This is due to the company's revenue model, which consists of a relatively large proportion of recurring revenue from the rental of goods including services and other. In APAC, we experience contract cyclicality, meaning that the number of contracts maturing in a quarter that can be resold to finance companies varies from quarter to quarter, typically at 36-month intervals.

Parent company

The company owns and administers shares in subsidiaries and provides management and consulting services in connection therewith. Revenue for the parent company for the full year January–December 2024 amounted to MSEK 10.2 (10.2). Profit for the period was MSEK –25.3 (17.8). The weaker result is attributable to a higher group contribution in 2023. QleanAir AB, with company registration number 556879-4548, is a Swedish limited liability company with its registered office in Solna, Sweden.

Multi-year comparison (for the Group)

		2024	2023	2022	2021
Net sales	TSEK	450,339	503,518	455,172	450,576
EBITDA	TSEK	45,320	97,470	59,780	112,437
EBIT	TSEK	11,976	64,067	28,578	83,397
Profit after financial items	TSEK	–1,730	55,700	20,781	75,543
Balance sheet total	TSEK	631,132	662,047	647,724	610,813
Number of employees	(total)	117	109	117	108
Equity ratio, subordinated loans from shareholders as equity	%	32%	33%	28%	32%

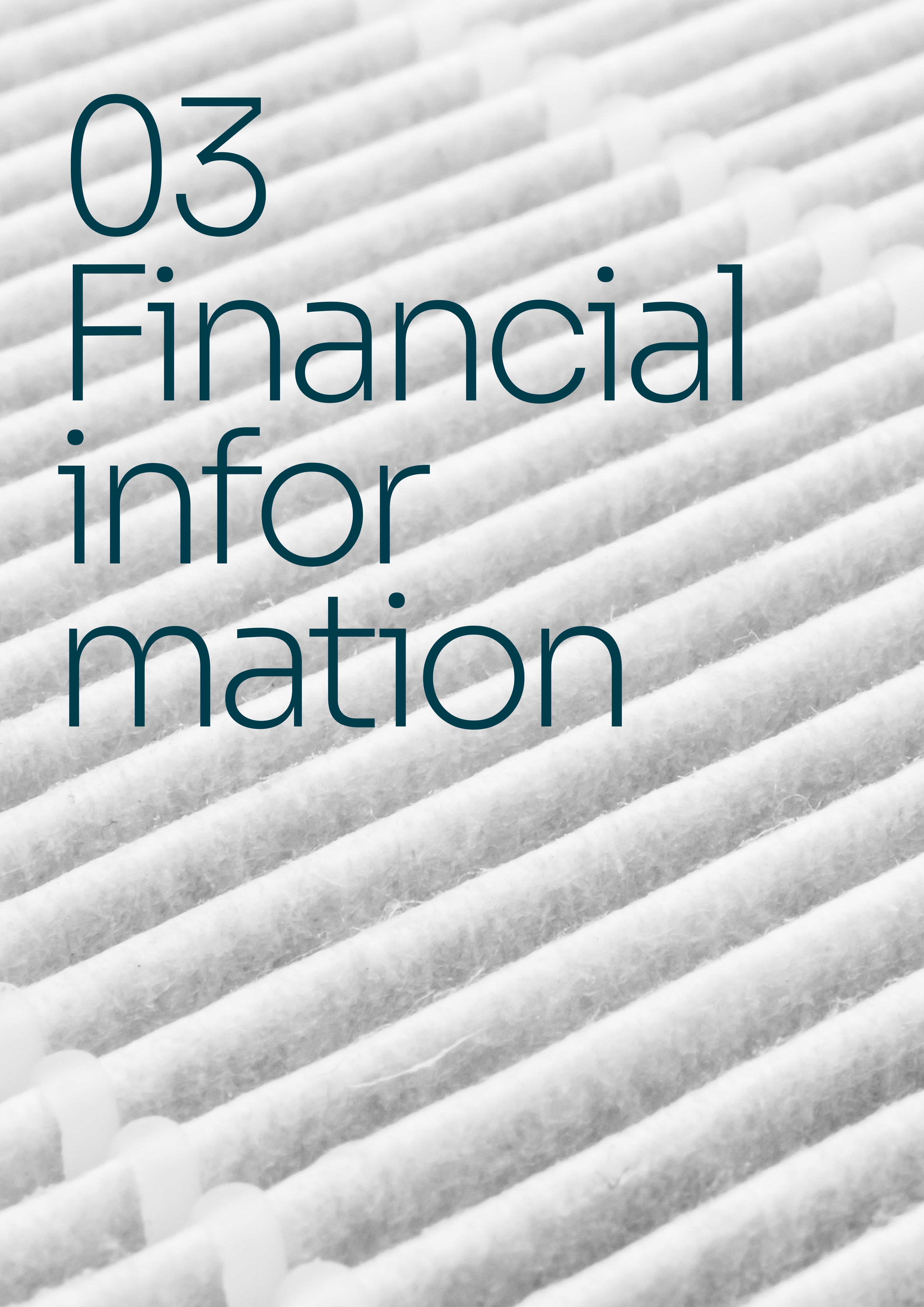
For definitions and additional key figures, see pages 87–89 under Condensed financial information.

Allocation of profits (SEK)

The following profit is at the disposal of the Annual General Meeting	
Retained earnings	72,898,953
Profit/loss for the year	–25,266,853
	47,632,100
The Board and the CEO propose that available profit of SEK 46,146,180 is allocated so that:	
A dividend of SEK 0.00 per share is distributed to shareholders, proposed	0
Carried forward	47,632,100
	47,632,100

Regarding the parent company's and the group's earnings and financial position, refer to the following income statement, balance sheet, cash flow statements and accompanying information. All amounts are in TSEK, unless otherwise stated.

03 Financial information



Consolidated income statement

TSEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Net sales	5	450,339	503,518
Other operating income		36	–
Total income		**450,376**	**503,518**
Operating expenses			
Merchandise	12	–157,155	159,480
Other external expenses	17.4	–121,668	111,974
Costs for remuneration to employees	17	–124,630	134,095
Depreciation and impairment on tangible and intangible non-current assets	7,8,9	–33,343	33,403
Other operating expenses		–1,603	–498
Operating income		**11,976**	**64,067**
Interest expenses and similar profit/loss items	19	–16,893	17,879
Interest income and similar profit/loss items	19	542	588
Other financial income and expenses	20	2,645	8,924
Profit before tax		**–1,730**	**55,700**
Tax on profit for the year	21	–1,095	–12,528
Deferred tax	11.21	1,392	194
Profit/loss for the year		**–1,433**	**43,366**
Profit per share before dilution, SEK	16.4	–0.10	2.92
Profit per share after dilution, SEK	16.4	–0.10	2.92
Profit/loss for the year		–1,433	43,366
Translation difference for the year relating to foreign subsidiaries	16	–3,226	12,338
Profit for the year		**–4,659**	**31,028**
Comprehensive income for the year attributable to:			
Parent company shareholders		–4,659	31,028
Non-controlling interests		0	0
Net profit for the year		**–4,659**	**31,028**

Consolidated balance sheet

Assets

TSEK	Note	2024-12-31	2023-12-31
Intangible non-current assets			
Capitalized development costs	7	13,727	13,214
Goodwill	6	343,704	343,704
		357,431	356,917
Tangible non-current assets	8		
Right-of-use assets	9	23,888	29,254
Leased equipment	8	44,570	45,834
Equipment	8	3,170	3,948
		71,628	79,036
Financial assets			
Deferred tax assets	11	1,143	69
		1,143	69
Total non-current assets		430,202	436,022
Current assets			
Goods in stock	12	47,365	60,482
		47,365	60,482
Current receivables			
Accounts receivable	10, 13	39,671	40,417
Current tax receivable		7,794	–
Other receivables		9,812	9,689
Prepaid expenses and accrued income	15	44,245	58,552
		101,522	108,658
Cash and cash equivalents	10, 14	52,043	56,885
Total current assets		200,930	226,025
Total assets		631,132	662,047

Equity and liabilities

TSEK	Note	2024-12-31	2023-12-31
Equity	16		
Share capital		7,430	7,430
Other paid-in capital		120,894	120,894
Reserves		–21,476	18,249
Appropriated earnings		96,304	61,855
Profit/loss for the year		–1,433	43,366
Total equity		201,720	215,295
Provisions			
Deferred tax liability	11	2,928	3,245
		2,928	3,245
Non-current liabilities			
Liabilities to credit institutions	10	–	144,375
Non-current lease liabilities	9	13,903	22,136
		13,903	166,511
Current liabilities			
Liabilities to credit institutions	10	144,375	26,171
Overdraft facility	10	71,818	46,441
Current lease liabilities	9	10,721	7,420
Accounts payable	9	48,773	38,357
Tax liabilities		7,621	9,166
Other current liabilities		7,231	20,083
Contractual liabilities and other liabilities	18	122,043	129,358
		412,582	276,996
Total equity and liabilities		631,132	662,047

Consolidated statement of changes in equity

TSEK	Note	Share capital	Other paid-in capital	Reserves	Appropriated earnings	Total equity
2024	16					
Opening balance as of 2024-01-01		7,430	120,894	18,249	105,220	215,295
Warrants paid-up/payable		–	–	–	–	0
Dividends		–	–	–	–8,916	–8,916
Profit/loss for the year		–	–	–	–1,433	–1,433
Other comprehensive income		–	–	–3,227	–	–3,227
Closing balance 2024-12-31		**7,430**	**120,894**	**–21,476**	**94,871**	**201,720**

TSEK	Note	Share capital	Other paid-in capital	Reserves	Appropriated earnings	Total equity
2023	16					
Opening balance as of 2023-01-01		7,430	120,602	–5,910	61,855	183,977
Warrants paid-up/payable		–	292	–	–	292
Dividends		–	–	–	–	0
Profit/loss for the year		–	–	–	43,366	43,366
Other comprehensive income		–	–	–12,339	–	–12,339
Closing balance 2023-12-31		**7,430**	**120,894**	**18,249**	**105,220**	**215,295**

Consolidated cash flow statement

TSEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Operating income		11,976	64,067
Adjustments for non-cash items	22	42,878	41,056
		54,854	105,123
Income tax paid		–10,351	4,343
Interest received		542	588
Interest paid		–15,564	16,550
Cash flow from operating activities before changes in working capital		**29,481**	**84,818**
Cash flow from changes in working capital			
Decrease (+)/increase (–) of goods in stock		4,291	4,190
Decrease (+)/increase (–) in trade receivables		66	–14,578
Decrease (+)/increase (–) in receivables		16,154	9,319
Decrease (–)/increase (+) in current liabilities		–18,285	–16,641
Decrease (–)/increase (+) in accounts payable		8,037	3,921
Cash flow from current operations		**39,744**	**62,650**
Investment activities			
Acquisition of tangible non-current assets	8	–18,207	–19,505
Acquisition of intangible non-current assets	7	–5,620	–4,285
Cash flow from investing activities		**–23,827**	**–23,790**
Financing activities			
Borrowings	10	25,376	–
Amortization of lease liabilities	9	–10,216	–10,996
Amortization of liabilities	10	–27,500	–35,531
Dividends paid		–8,916	–
Warrants paid-up/payable		–	283
Cash flow from financing activities		**–21,255**	**–46,244**
Cash flow for the year		–5,338	–7,385
Opening cash and cash equivalents		56,885	66,956
Net foreign exchange difference in cash and cash equivalents		496	–2,686
Closing cash and cash equivalents	14	**52,043**	**56,885**

Notes to the consolidated financial statements

1 The nature of the business

The QleanAir Group has a longstanding tradition of taking care of what is vital. For several decades, environmental problems, health and safety have been at the top of the QleanAir Group's priorities. For more than 30 years, QleanAir Scandinavia has worked to develop solutions that protect people from being exposed to passive smoking.

QleanAir Scandinavia also markets and sells traditional air cleaning. The products clean the air through highly efficient air filters.

QleanAir Scandinavia's Cleanrooms are cleanrooms where the environment is controlled using filters, automatically controlled fans and a unique monitoring system.

2 General information and compliance with IFRS

QleanAir AB (publ) 556879-4548, the Group's parent company, is a limited liability company with its registered office in Solna. The corporate office is located at Torggatan 13, Box 1178, 171 23 Solna, Sweden.

The Group conducts operations abroad through subsidiaries, branches or representative offices in Norway, Denmark, Finland, the Netherlands, Germany, Belgium, Austria, France, Switzerland, Poland, Japan and the US. Markets in, for example, the Middle East and South Korea are handled through distributors.

The group's financial reports have been prepared in accordance with the Annual Accounts Act, RFR 1 Complementary Financial Reporting Rules for Groups and International Financial Reporting Standards (IFRS) as they have been adopted by the EU.

The consolidated financial statements for the year ending December 31, 2024, were approved for issuance by the Board of Directors on April 16, 2025 (see Note 28). According to Swedish regulations, changes to the financial statements are not permitted after approval.

The financial statements have been prepared on the assumption that the Group operates on a going concern basis, which assumes that the Group will be able to discharge its liabilities as they fall due. In confirming the going concern assumption at preparation, the Group has considered the following specific factors:

- The group recorded a loss for 2024 of TSEK 1,433.
- The group generated a positive cash flow from operating activities of TSEK 39,744 for 2024.
- The Group's liquidity needs are continuously monitored over different time periods, see note 25.3.
- Management establishes an annual budget and long-term strategic plans.

Based on these facts, management has reasonable expectations that the Group has and will have adequate resources to continue its operations for the foreseeable future.

The consolidated report on profit and other comprehensive income, the report on financial position as well as the parent company's income statement and balance sheet will be subject to adoption by the Annual General Meeting on May 9, 2025.

3 Changes in accounting principles

3.1 New and updated standards and interpretations

The amendments that entered into force on January 1, 2024 and have therefore been applied this year have not had a material impact on the Group's results and position. At the date of approval of the annual accounts, certain new standards, amendments and interpretations to existing standards that are not yet effective have been published by the IASB or IFRIC. None of these standards have been adopted early by the Group. No interpretations have been published that are applicable to the Group and therefore need to be considered at the balance sheet date.

IAS 1 Disclosure of Accounting Policies An entity shall disclose material accounting policies rather than significant accounting policies. The amendment shall apply from 1 January 2024.

The Board and the CEO assume that all relevant statements will be incorporated into the Group's accounting policies when the statement becomes effective. New standards, amendments and clarifications that are not applied are not expected to have a material impact on the consolidated financial statements.

4 Overview of accounting principles

4.1 Overall considerations

The most important accounting principles that have been used in the preparation of the consolidated accounts are summarized below.

4.2 Basis for consolidation and estimates

In the consolidated financial statements, the parent company's and subsidiaries' operations from January 1, 2024, until December 31, 2024, have been consolidated. The consolidated financial statements have been prepared in accordance with the acquisition method and comprise the companies in which the parent company has a controlling influence directly or through subsidiaries. Controlling influence means that the parent company directly or through subsidiaries has influence over the company, has the right to a variable return and can exercise its influence over the company to influence the return. All subsidiaries have December 31 as their balance sheet date.

Intra-group transactions and balance sheet items are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. In cases where unrealized losses on intra-group sales of assets are reversed on consolidation, the impairment need for the underlying asset is also tested from a group perspective. Where necessary, amounts reported in the financial statements of subsidiaries have been adjusted to ensure compliance with the Group's accounting principles.

Profit and other comprehensive income for subsidiaries acquired or divested during the year are reported from the date the acquisition or divestment takes effect, as applicable.

4.3 Parent company

The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities. This means that, to the extent possible, EU-approved IFRS rules and statements are applied within the framework of the Swedish Annual Accounts Act and Swedish taxation. Depreciation of goodwill occurs in the parent company over 15 years since QleanAir can identify a cash flow from the acquisition that also covers goodwill. All group contributions received or paid are reported as appropriations.

Shares in subsidiaries

Shares in subsidiaries are reported according to the acquisition value method. Acquisition-related costs for subsidiaries, which are expensed in the consolidated accounts, are included as part of the acquisition value of shares in subsidiaries. The book value of shares in subsidiaries is tested for possible impairment when there is an indication of an impairment need.

Leasing

In the Parent Company, all leasing agreements are reported as operational leasing agreements. The company expenses leasing payments on a straight-line basis over the leasing period. Associated costs, such as maintenance and insurance, are expensed when they arise.

Tax

In the parent company, untaxed reserves are recognized including deferred tax liability In the consolidated accounts, on the other hand, untaxed reserves are divided into deferred tax liabilities and equity.

Intra-group services

The parent company's services consist of providing management and consulting services. The costs are invoiced to the subsidiaries quarterly.

4.4 Business combinations

The Group applies the acquisition method when reporting business combinations The remuneration that is transferred by the Group to obtain control of a subsidiary is calculated as the sum of fair values on the date of acquisition of the transferred assets, the liabilities assumed and the equity shares issued by the Group, which includes the fair value of an asset or liability arising from a conditional purchase price agreement. Acquisition costs are expensed as they arise.

The Group recognizes identifiable acquired assets and assumed liabilities in business combinations regardless of whether they have been previously recognized in the acquired company's pre-acquisition financial statements. Acquired assets and assumed liabilities are usually valued at fair value on the date of acquisition.

Goodwill is determined according to separate reporting of identifiable intangible assets. It is calculated as the excess amount of the sum of (a) the fair value of the transferred remuneration, (b) the reported amount of any non-controlling interest in the acquired company and (c) the fair value on the date of acquisition of any existing ownership interest in the acquired company and the fair values on the acquisition date of identifiable net assets. If the fair values of identifiable net assets exceed the estimated amount as described above, the excess amount (i.e., profit on a low-price acquisition) is recognized directly in on the income statement.

4.5 Translation of foreign currency

Functional and presentation currency

Items included in the financial statements of the various entities within the group are measured using the currency primarily used in the economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional and presentation currency.

Transactions and balance sheet items in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Non-monetary items are not translated at the balance sheet date and are measured at cost (translated at the exchange rate on the transaction date). Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date exchange rate. Exchange rate differences arising from the translations are recognized in the profit and loss account. Non-monetary assets and liabilities reported at historical cost are translated at the exchange rate at the time of the transaction.

Foreign operations

Assets and liabilities of foreign operations are translated from the functional currency of the foreign operation into Swedish kronor, the Group's presentation currency, at the exchange rate on the balance sheet date. Revenues and expenses in a foreign operation are translated into Swedish kronor at the average exchange rate, which is an approximation of the exchange rates at the time of each transaction. Translation differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in a separate item in equity, referred to as the translation reserve.

4.6 Revenue recognition

Revenue recognition

IFRS 15, "Revenue from Contracts with Customers" is a principle-based model for reporting income from customer contact. It has a five-stage model whereby reporting of income occurs when control over products and services is transferred to the customer.

The following paragraphs describe different types of contracts, when performance commitments have been fulfilled and the timing of revenue recognition. They also describe the normal terms of payment attributable to different types of contracts as well as the effect on the balance sheet during the term of the contracts. Most of the Group's revenue consists of the sale of goods to financial companies and the rental of goods including services. Sales of goods to finance companies follow the rules of IFRS 16 for manufacturers or retailers who are lessors and revenue is recognized at a certain point in time.

Rental of goods including service

For recurring services such as rental of equipment and service takes place over the agreement period and for service when services are performed, generally pro rata over time. Costs incurred when the services are performed are recognized as the cost of goods sold when they arise and for rental income the costs arise in the form of depreciation on leased equipment over its useful life. For accounting purposes, it is leasing as lessor in accordance with IFRS 16.

Transaction prices under these contracts are invoiced over time, often on a quarterly basis in advance. Invoiced amounts typically have a 30-day payment time from the invoice date. Contractual liabilities or receivables may arise depending on whether the quarterly invoicing is made in advance or based on work performed and is then recognized as accrued income or contract liability.

Sales of goods to finance companies with underlying lease agreements

Revenue from the sale of goods to financial companies consist of rental agreements with end customers that QleanAir sells to external finance companies The income is recognized when the rental agreement is transferred to the finance company, reduced by a service provision corresponding to the term of the agreement. The service provision is recognized as prepaid service income under agreement liabilities and other liabilities in the balance sheet and is then dissolved as the service is performed over the term of the agreement, typically three years. When selling goods with an underlying lease agreement to external finance companies, there is a clause in the lease agreements that the company has the right to withdraw the item at a negligible residual value at the end of the lease term. Consequently, revenue recognition is done according to IFRS 16 paragraph 71c, which means that revenue is recognized at the time of sale. Invoicing and payment of the entire value of the goods is made from the finance company on delivery to the end customer. Invoiced amounts typically have a 30-day payment time from the invoice date.

Sale of goods

Sales of products and services that do not require the performance of significant installation and integration services are generally completed within a short period of time. These products and services are to be regarded as separate and distinct performance commitments. Revenue recognition for these products shall take place when control of the equipment is transferred to the customer at a specific time. This evaluation shall be considered from the customer's perspective considering indicators such as transfer of ownership and risks, customer acceptance, physical access and rights to issue invoices.

For product sales, control is normally deemed to be transferred when the equipment arrives at the customer's premises and for the service work when the service is carried out at the customer's premises. Contract terms may vary and therefore assessments are made to evaluate the indicators for the transfer of control for product sales.

Costs incurred in the delivery of products and services are recognized as the cost of goods sold when an attributable income recognition is made in the income statement. Costs incurred related to performance commitments that are not yet fully delivered are recognized as goods in stock. Transaction prices under these contracts are normally fixed and are usually invoiced upon delivery of the product and with service upon completion of the service. Invoiced amounts typically mean that payment must be made within 30 days from the invoice date.

Customized solutions

Some products and services are sold together as part of a customized solution to the customer. This type of contract requires essential installation and integration services to be performed as part of the solution, normally over a period of about 3–6 months. These products and services are collectively considered as a combined performance commitment. This type of contract is usually sold as a binding contract in which the purpose of the solution and the commitments of both parties are clearly defined for the duration of the contract. Customized solutions do not have any alternative use for the group as they cannot be sold to or used by other customers. Revenue recognition for combined performance commitments shall be made over time if the degree of completion can be measured and mandatory rights to payment exist for the duration of the contract. The degree of completion is estimated by reference to what has been delivered, such as achieved contractual milestones and customer acceptance. This method sets milestones for income over the duration of the contract and is considered relevant because it reflects the nature of the customized solution and how integration services are delivered in these projects. If the criteria are not met, the entire income shall be recognized upon completion of the customized solution when final customer acceptance is received from the customer. Costs incurred to deliver customized solutions are recognized as cost of goods sold when the related income milestones are recognized in the income statement. Costs incurred for future milestones are recognized as inventory and recoverability is regularly evaluated.

The transaction price under these contracts is normally fixed, divided into several payments based on the degree of completion or invoicing milestones defined in the contract. In most cases, revenue recognition is limited to billing based on completion or unconditional billing milestones over the life of the contract, and therefore no contract assets or liabilities arise in these contracts. In some contracts, reporting of income may occur before the invoicing milestones if mandatory payment rights exist throughout the duration of the contract. This will then result in non-invoiced receivables in the balance sheet until invoicing milestones have been reached. Invoiced amounts normally have payment terms of 30 days from the invoice date. Contracts for customized solutions are primarily attributed to the cleanroom business.

Segment reporting

The determination of QleanAir's operating segments has considered the financial reporting reviewed by the company's highest decision maker (CEO). Therefore, only one operating segment is reported.

Interest and dividends

Interest income and expenses are accrued using the effective interest method. Dividend income is reported at the time when the right to receive payment is determined.

4.7 Operating expenses

Operating expenses are reported in the income statement when the service is used, or on the day they occurred.

4.8 Borrowing expenses

Borrowing expenses are expensed in the period when they arise and are reported in the item "Interest expenses and similar income items" (see Note 10).

4.9 Goodwill

Goodwill represents future financial benefits arising from a business combination, but which are not individually identified and separately reported. See Note 4.4 for information on how goodwill is determined on initial recognition. Goodwill is reported as acquisition value less accumulated impairments. See Note 4.13 for a description of impairment testing methods.

4.10 Intangible non-current assets

Reporting of other intangible assets

Capitalized development costs

Capitalized development costs consist of proprietary products for air cleaning, patents and tests and associated salary expense.

Accounting in subsequent periods

All intangible assets, including capitalized development expenses, have a definable useful life. They are therefore reported at acquisition value, whereby capitalized expenses are amortized on a straight-line basis over the estimated useful life. Residual value and useful life are reassessed on each balance sheet date. In addition, an impairment test is performed as described in Note 4.13. The following periods of use are used:

– Proprietary products: 5 years
– Patents and tests: 5 years

Depreciation is included in the item "Depreciation and impairment of intangible and tangible non-current assets".

4.11 Tangible non-current assets

Leased equipment

Leased inventory is initially reported at acquisition value, including expenses to obtain the asset and bring it into a condition to be used in accordance with the Group Management's intentions. Leased inventory is then valued at acquisition value less accumulated depreciation and impairment.

Depreciation of leased inventory is made on a straight-line basis based on the acquisition value with a useful life of 5 years.

On disposal of leased inventory, the compensation received is reported in the item "Net sales" and the book value of the leased inventory in the item "Merchandise".

The risk when leasing inventory is regarded as low. If a customer does not pay, QleanAir has the option to reclaim the product as QleanAir owns the product in the case of a lease agreement

The Group as a lessor

The Group's rental of inventory is classified as operational leasing and thus reported as revenue on a straight-line basis over the leasing period. The book value of this inventory can be found in the item "Rented inventory" in the balance sheet. For more information, see note 4.6.

Other inventory

Other inventory (i.e., fittings in rented premises and furniture) is initially reported at acquisition value including expenses to get the asset in place and in condition for use according to Group management's intentions. The inventory is thereafter reported at acquisition value after deduction of cumulative depreciation and impairment.

Depreciation of inventory is done on a straight-line basis of acquisition value with a useful life of 5 years.

Gains or losses arising from the disposal of other inventory are determined as the difference between what has been received and the reported value of the assets and are reported on the income statement in the items "Other income" or "Other expenses".

Depreciation principle, right-of-use assets

Depreciation of right-of-use assets is made on a straight-line basis over the estimated useful life.

Right-of-use assets

Regarding right-of-use assets, the estimated useful life is determined with regard to the useful life of comparable owned assets or, if this is shorter, the leasing period. Assessment of significant residual values and useful lives is updated as necessary, but at least once a year.

4.12 The Group as lessee

At the beginning of the leasing agreement, the Group assesses whether the agreement is a leasing agreement or contains a leasing agreement. A lease is defined as “an agreement, or part of an agreement, that transfers the right of use of an asset (the underlying asset) for a certain period of time in exchange for payment”. To apply this definition, the Group assesses whether the agreement meets the requirements of three criteria:

1. The agreement contains an identified asset that is either specifically identified in the agreement or implicitly specified by being identified at the time the asset has been made available to the Group.
2. The Group is entitled to virtually all the financial benefits arising from the use of the identified asset throughout the lease period, considering the Group’s rights within the defined scope of the agreement.
3. The Group has the right to control the use of the identified asset throughout the lease term. The Group assesses whether it holds the right to control “how and for what purpose” the asset is to be used throughout the lease term.

Rights-of-use assets/Leasing

Most of the Group's right-of-use assets consist of lease contracts for premises. Leasing contracts are normally written for fixed periods of up to three to five years, but there may be opportunities for extension, as described below. The terms are negotiated separately for each agreement and contain many different contractual conditions The leasing agreements do not contain any specific conditions or restrictions that would terminate the contracts if the terms were not met, but the leased assets may not be used as security for loans

The lease liability has been calculated as discounted future commitments for existing contracts, mainly related to rental of premises. The terms used for the leases correspond to the actual, remaining terms of contracts. Leases of less than 12 months are not included. Also not included are leases for assets of lesser value (less than TEUR 50). Payments for short-term contracts and leasing agreements of minor value are expensed on a straight-line basis in the income statement

Extension and termination options

Some leasing agreements contain extension and termination options that the Group can exercise or not exercise, up to one year before the end of the non-cancellable leasing period. Whether it is reasonably certain that an option will be exercised is determined on the commencement date of the leasing agreement. Most commonly, the lease period corresponds to the agreed lease period without extensions. The Group reconsiders whether it is reasonably certain that an option will be exercised if there is an important event or significant change in circumstances within the Group’s control. At the latest, the lease agreement is extended upon the expiration of the option.

4.13 Testing impairment needs for goodwill, other intangible assets and tangible non-current assets

For impairment testing, the assets are grouped into as small cash-generated units as possible A cash-generating unit is an asset group with essentially independent payments. The consequence is that the impairment needs of certain assets are tested individually, and some are tested at the cash-generating unit level. Goodwill is allocated to the cash-generating units that are expected to benefit from synergy effects in the attributable business combinations and represents the lowest level in the Group at which group management monitors goodwill.

The need for impairment of the cash-generating units to which goodwill has been allocated is tested at least once a year. The impairment need of all other individual assets or cash-generating units are examined when events or changes in circumstances indicate that the reported value cannot be recovered.

An impairment loss is recognized for the amount by which the reported value of the asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value reduced by selling expenses and useful value To determine the useful value, Group management estimates expected future cash flows from each cash-generating unit and establishes an appropriate rate to calculate the present value of those cash flows. The data used in the assessment of impairment needs is directly linked to the Group's last approved budget, adjusted as needed to exclude the effects of future reorganizations and asset improvements. Discount factors are determined individually for each cash-generating unit and reflect Group management's assessment of their respective risk profiles such as market and asset-specific risk factors.

Impairment losses on cash-generating units first reduce the book value of any goodwill that is allocated to the cash-generating unit. Any remaining impairment proportionally reduces the other assets in the cash-generating units. Except for goodwill, a new assessment of all assets is made for signs that a previous impairment is no longer justified. An impairment loss is reversed if the recoverable amount of the cash-generating unit exceeds the book value.

4.14 Financial instruments

Reporting and valuation at initial recognition

Financial assets and liabilities are reported when the Group becomes a party to the agreed terms of the financial instrument. Financial assets are removed from the balance sheet when the contractual rights to the financial asset expire, or when the financial asset and all significant risks and benefits are transferred. A financial liability is removed from the balance sheet when it is fulfilled, i.e., when it is fulfilled, canceled or expires.

Classification and valuation of financial assets at initial recognition

Other than trade receivables that do not contain a significant financing component and are valued at the transaction price in accordance with IFRS 15, all financial assets are initially valued at fair value adjusted for transaction costs (where appropriate).

Financial assets, other than those identified and effective as hedging instruments, are classified into the following categories:

– Accrued acquisition value
– Fair value through profit or loss
– Fair value through other comprehensive income

During the periods included in the financial report, the Group has no financial assets categorized as valued at fair value through profit or loss or at fair value through other comprehensive income.

The classification is determined by both:

– The company's business model for the management of financial assets and
– The characteristics of the contractual cash flows from the financial asset

All income and expenses relating to financial assets that are recognized in profit or loss are classified in one of the items Financial costs, Financial income or Other financial items, except in the case of impairment of trade receivables, which are classified in the item Other expenses.

Subsequent valuation of financial assets, financial assets valued at accrued acquisition value

Financial assets are valued at accrued acquisition value if the assets meet the following conditions and are not reported at fair value through profit or loss:

– They are held within the framework of a business model the objective of which is to hold the financial assets and collect contractual cash flows, and
– The contractual terms for the financial assets give rise to cash flows that are only payments of capital sum and interest on the outstanding capital sum.

After initial recognition, these financial assets are valued at accrued acquisition value, using the effective interest method. Discounting is omitted if the effect of discounting is insignificant. The Group's cash and cash equivalents, accounts receivable and most other receivables belong to this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment rules use forward-looking information to recognize expected credit losses. The financial assets covered by these impairment rules include bonds and debt securities that are valued at accrued acquisition value or fair value through other comprehensive income, trade receivables, contractual assets recognized and valued in accordance with IFRS 15 and loan commitments that are not measured at fair value through profit or loss.

Reporting of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers more comprehensive information when assessing credit risk and the valuation of expected credit losses, including past events, current conditions and reasonable and substantiated forecasts that affect the expected possibility of obtaining future cash flows from the asset.

Accounts receivable, other receivables and contractual assets

The Group uses a simplified method for reporting accounts receivable and other receivables and contractual assets and recognizes expected credit losses for the remaining term. These credit losses are expected losses in contractual cash flows given the risk of non-payment at some point during the term of the financial instrument. In the calculation, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provisioning matrix. The Group assesses impairment of accounts receivable individually.

Classification and valuation of financial liabilities

The Group's financial liabilities include loans, accounts payable and other liabilities. Financial liabilities are initially valued at fair value adjusted for transaction costs (if applicable), unless the Group has classified the financial liability at fair value through profit or loss. After initial recognition, financial liabilities are valued at accrued acquisition value using the effective interest method, except for financial liabilities which are valued at fair value through profit or loss and which, after initial recognition, are valued at fair value with gains or losses reported in the income statement.

All interest-related fees and, where applicable, changes in the fair value of an instrument recognized in the income statement are included in the Financial costs or Financial income items.

4.15 Goods in stock

Goods in stock are valued at acquisition value or net realizable value according to the first-in, first-out principle, whichever is lower. The net realizable value is the estimated sales price in the current operations, less any applicable sales costs.

4.16 Income taxes

The tax expense recognized in the income statement consists of the sum of the deferred tax and current tax that is not recognized in other comprehensive income or directly in equity.

Current tax receivables and/or liabilities consist of obligations to, or claims from, tax authorities regarding the current reporting period or previous periods, which have not been paid on the balance sheet date. Current tax shall be paid on taxable profits, which are different from the profit in the financial reports. Calculation of current tax is based on tax rates and tax rules that have been decided or in practice decided at the end of the reporting period.

Deferred tax is calculated using the balance sheet method on temporary differences between the reported values of assets and liabilities and their tax values.

Deferred tax assets and liabilities are calculated without discounting according to the tax rates expected to apply to the accounting period in which they are exercised, if they have been decided or in practice decided at the end of the reporting period.

Deferred tax assets and liabilities are only offset when the group has a right and an intention to offset current tax assets and liabilities from the same tax authority.

Changes in deferred tax assets or liabilities are recognized as a partial amount of tax income or expenses in the income statement.

4.17 Cash and cash equivalents

Cash and cash equivalents consist of cash and available balances with banks and similar institutions.

4.18 Equity, reserves and dividends

Share capital represents the nominal value of issued shares.

Other contributed capital includes any premiums received in connection with a new share issue. Any transaction costs associated with new issues of shares are deducted from this fund, considering any income tax effects. Other contributed capital includes any premiums received in connection with a new share issue. Any transaction costs associated with new issues of shares are deducted from this fund, considering any income tax effects.

The item Reserves contains translation differences from the translation of financial reports for the Group's foreign operations into SEK (see Note 4.5).

Retained earnings include all retained earnings and share-based payments for the current and previous periods.

All transactions with the parent company's owners are reported separately in equity.

4.19 Post-employment benefits and short-term employee benefits

Post-employment benefits

The Group provides post-employment benefits through defined contribution pension plans.

Defined contribution plans

The Group pays defined contributions to independent companies for several government plans and insurance for individual employees. The Group has no legal or informal obligation to pay anything in addition to the payment of the fixed contribution, which is recognized as an expense in the period in which the relevant service is performed.

4.20 Significant estimates by group management in the application of financial reporting principles

When preparing financial reports, Group management makes a number of estimates, calculations and assumptions about reporting and valuation of assets, liabilities, income and expenses.

Significant assessments by Group management

The following are significant assessments made by Group management in applying the Group's financial reporting principles that have the most significant effect on the financial reports.

Reporting revenue from customized solutions

Some of the Group's agreements with customers require significant assessments to be made to determine whether the control of the performance commitment is transferred to the customer over time or at a certain time in accordance with IFRS 15. This mainly concerns the sale of customized solutions in the form of Cleanrooms, which corresponds to TSEK 45,532 (TSEK 54,438) of the Group's revenue. These require assessments when determining actual preparation, estimated expenditure to complete the customized solution and follow-up against the forecast of final outcome.

Valuation of goods in stock

Goods in stock are valued at the lower of acquisition cost and net realizable value.

4.21 Uncertainties regarding estimates

The following information is on estimates and assumptions that have the most significant effect on the reporting and measurement of assets, liabilities, income and expenses. The outcome of these may differ significantly.

Impairment testing of goodwill and shares in subsidiaries

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

4.22 Information on IFRS 18

IFRS 18 Presentation and Disclosures in Financial Statements, effective for financial years beginning on or after January 1, 2027. The standard will replace IAS 1 Presentation of Financial Statements and introduce new requirements that will help to achieve comparability in the reporting of results of similar entities and provide users with more relevant information and transparency. IFRS 18 will not affect the recognition or measurement of items in the financial statements, i.e. will have no impact on net profit. In 2025, management will start assessing the impact of the application of the new standard.

5 Net sales

The Group's revenues by geographic market are as follows:

Financial Year 2024	Sale of goods	Sales of goods to finance companies	Leasing goods, including services and other items	Total
Income				
Europe/EMEA (domicile)	15,726	3,852	198,726	218,305
APAC	3,455	94,603	94,696	192,754
Americas	31,648	2,013	5,619	39,280
In total	**50,829**	**100,468**	**299,041**	**450,339**

Financial Year 2023	Sale of goods	Sales of goods to finance companies	Rental of goods inclu-ding service and other	Total
Income				
Europe/EMEA (domicile)	21,658	8,111	202,053	231,822
APAC	3,394	121,607	98,805	223,806
Americas	41,922	532	5,436	47,890
In total	**66,973**	**130,250**	**306,294**	**503,518**

Timing of revenue recognition	2024	2023
Goods and services transferred over time (rental incl. service)	299,041	306,294
Goods and services transferred on one occasion (sales)	151,298	197,224
In total	**450,339**	**503,518**

The Group's revenues by product category are as follows

TSEK	full year 2024	full year 2023
Cabin Solutions	303,301	345,179
Air Cleaners	101,506	103,901
Cleanrooms	45,532	54,438
In total	**450,339**	**503,518**

Group revenue and non-current assets by country

	Revenue from customer		Non-current assets	
TSEK	2024	2023	2024	2023
Sweden	33,745	36,496	10,244	9,284
Japan	192,753	223,783	12,080	15,940
Germany	106,818	117,340	14,155	15,590
USA	39,280	47,731	138	–
China	–	–	88	121
Norway	2,120	2,207	15	48
Denmark	6,584	7,122	1,807	2,210
Finland	9,331	9,672	1,837	1,786
The Netherlands	817	719	60	125
Belgium	7,349	6,069	2,256	1,544
Austria	15,468	15,246	820	1,129
Switzerland	16,083	16,980	699	421
France	11,713	11,001	2,530	611
Poland	6,697	6,824	1,011	971
Export	1,581	2,329	–	–
In total	**450,339**	**503,518**	**47,740**	**49,782**

Revenue has been distributed by country based on the location of customers.

Non-current assets have been distributed by country based on the location of the assets.

The company has only broken down tangible non-current assets by country. Right-of-use assets and goodwill have not been distributed by country.

Sales and installation of cleanrooms are recognized as revenue over time and are included in Sales of goods in the tables above.

Sales of goods and Sales of goods to finance companies are reported at a certain time. Rental of goods including services is recognized over time. The full revenue refers to revenue from contracts with customers. For sales of goods to finance companies with underlying leases, revenue is recognized in accordance with the rules of IFRS 16 for manufacturers who are lessors.

Of the Group's total net revenue for 2024 of TSEK 450,339 (TSEK 503,518), TSEK 349,871 (TSEK 373,268) are sales from agreements with customers recognized in accordance with IFRS 15 and TSEK 100,468 (TSEK 130,250) are sales to finance companies recognized in accordance with IFRS 16.

Information about major customers

No customer's sales amount to 10% or more of the Group's total revenues. Most sales consist of multi-year agreements with many customers.

6 Goodwill

Reported goodwill values are as follows:

	2024	2023
Acquisition value of acquired businesses	343,704	343,704
Closing balance December 31	343,704	343,704
Cumulative impairment	0	0

Impairment testing

The Group's goodwill of MSEK 343.7 (MSEK 343.7) has arisen through the acquisition of the subsidiary group QleanAir Scandinavia AB and the goodwill item consists in its entirety of the surplus value of the subsidiary group as a cash-generating unit. Goodwill is impairment tested annually.

Impairment testing consists of assessing whether the unit's recoverable amount is higher than the book value. The recoverable amount has been calculated based on the unit's value in use, which is the present value of the unit's expected future cash flows, without regard to any future business expansion and restructuring. The recoverable amounts were determined based on useful value calculations, which included a five-year forecast, followed by extrapolation of expected cash flows for the unit's useful life using the growth rates determined by Group management. The length of the useful life has been set as infinite.

Significant assumptions used for calculations of value in use are shown below:

- The cash flow forecast is made for the next five years based on the preliminary outcome in 2024. The annual growth volume for the first five years has been carefully estimated based on the companies' forecasts at 3% growth. These calculations are based on conservative estimates of future cash flows before tax, based on financial forecasts approved by company management.
- The operating margins have been calculated on a cautious basis and are assumed in the forecast to be 14.7% (16.3%).
- The weighted average growth rate for extrapolating cash flows beyond the forecast period has been estimated at 2% (2).
- The discount rate before tax used in the present value calculation of estimated future cash flows is 10.7% (12.7) for the cash-generating unit. The discount rate corresponds to QleanAir's estimated average cost of capital, i.e. the weighted sum of the required return on equity and the cost of externally borrowed capital. The required return on equity is based on the assumption of a risk-free interest rate of 1.9% (4.0), a market risk premium of 6.1% (6.1), a company-specific premium of 2.7% (2.6) and a beta value of 1.0 (1.0). The beta value shows the relationship between the price of the QleanAir share and changes in a benchmark index. Support for the assumptions has been obtained from an external market and valuation report. With a discount factor of 10.7% (12.7), the value in use exceeds the book value by a significant amount. Thus, there is no need for impairment as of December 31, 2024.

Sensitivity analysis

QleanAir has also analyzed whether a negative adjustment of several percentage points to the assumptions made for the discount rate and operating profit would result in an impairment of goodwill.

If the estimated operating margin over the forecast period had been one percentage point lower than management's estimate, then the total recoverable amount would have decreased by 19%. If the estimated growth rate of extrapolating cash flows beyond the budget period had been one percentage point lower than the baseline assumption of 2%, then the overall recoverable amount would decrease by 13%. If the estimated weighted cost of capital applied for discounted cash flows for the Group had been one percentage point higher than the basic assumption of 10.7%, the total recoverable amount would have decreased by 12%. None of the above negative adjustments leads to a need for impairment.

The estimated weighted cost of capital can be increased to 23.3% before there is a need for impairment of goodwill and to 20.3% before there is a need for impairment of the shares in QleanAir Scandinavia AB.

Thus, no reasonable change in important assumptions would mean that the book value of the cash-generating unit would exceed the recoverable amount. Group management is currently not aware of any other probable changes that would require changes in the most important estimates.

7 Intangible non-current assets

The Group's intangible non-current assets refer to other intangible non-current assets and capitalized development expenses (proprietary products, patents, tests and related salaries) and consist of the following:

	Proprietary products	Patents and tests	Total
Opening acquisition value 2024-01-01	41,712	5,211	46,923
Investments	5,620	–	5,620
Disposals	–	–	–
Cumulative acquisition value 2024-12-31	**47,332**	**5,211**	**52,542**
Opening depreciation 2024-01-01	–29,050	–4,658	–33,709
Depreciation	–4,930	–177	–5,106
Disposals	–	–	–
Closing cumulative depreciation	–33,980	–4,835	–38,815
Closing planned residual value 2024-12-31	**13,351**	**376**	**13,728**
Opening acquisition value 2023-01-01	37,427	5,211	42,637
Investments	4,285	–	4,285
Disposals	–	–	–
Cumulative acquisition value 2023-12-31	**41,712**	**5,211**	**46,923**
Opening depreciation 2023-01-01	–24,822	–4,330	–29,152
Depreciation	–4,228	–328	–4,557
Disposals	–	–	–
Closing cumulative depreciation	–29,050	–4,658	–33,709
Closing planned residual value 2023-12-31	**12,661**	**553**	**13,214**

8 Tangible non-current assets

The book value of the Group's inventory is as follows:

Acquisition value, gross	Leased equipment	Equipment *	Total
Opening balance January 1, 2024	57,211	24,600	81,812
Reclassifications	0	0	0
Procurement	17,231	1,031	18,262
Divestments	–11,319	–122	–11,441
Exchange rate differences	1,036	19	1,055
Closing balance December 31, 2024	**64,159**	**25,528**	**89,687**
Depreciation and impairment			
Opening balance January 1, 2024	–11,378	–20,653	–32,030
Divestments	8,213	122	8,335
Exchange rate differences	–592	–71	–663
Depreciation	–15,832	–1,756	–17,588
Closing balance December 31, 2024	**–19,588**	**–22,358**	**–41,947**
Book value December 31, 2024	**44,570**	**3,170**	**47,740**

Acquisition value, gross	Leased equipment	Equipment	Total
Opening balance January 1, 2023	59,849	25,194	85,044
Reclassifications	0	0	0
Procurement	18,116	543	18,659
Divestments	–17,063	–65	–17,128
Exchange rate differences	–3,691	–1,072	–4,763
Closing balance December 31, 2023	**57,211**	**24,600**	**81,812**
Depreciation and impairment			
Opening balance January 1, 2023	–12,068	–19,524	–31,592
Divestments	14,224	25	14,248
Exchange rate differences	2,433	677	3,111
Depreciation	–15,967	–1,831	–17,798
Closing balance December 31, 2023	**–11,378**	**–20,653**	**–32,030**
Book value December 31, 2023	**45,834**	**3,948**	**49,782**

All depreciation (or any reversals) is included in the item “Depreciation and impairment on intangible and tangible non-current assets”.

9 Right-of-use assets and leasing liabilities

Right-of-use assets:

Acquisition value, gross	Premises	Vehicle	Other	Total
Opening balance January 1, 2024	68,038	10,066	665	78,768
Procurement	3,756	1,591	0	5,347
Exchange rate differences	366	171	–10	527
Closing balance December 31, 2024	**72,160**	**11,828**	**654**	**84,642**
Depreciation and impairment				
Opening balance January 1, 2024	–41,478	–7,391	–645	–49,514
Exchange rate differences	–473	–129	10	–592
Depreciation	–8,604	–2,026	–19	–10,649
Closing balance December 31, 2024	**–50,555**	**–9,545**	**–654**	**–60,755**
Book value December 31, 2024	**21,605**	**2,282**	**0**	**23,888**

Right-of-use assets:

Acquisition value, gross	Premises	Vehicle	Other	Total
Opening balance January 1, 2023	40,642	8,768	738	50,147
Procurement	29,301	1,333	0	30,634
Exchange rate differences	–1,905	–35	–73	–2,013
Closing balance December 31, 2023	**68,038**	**10,066**	**665**	**78,768**
Depreciation and impairment				
Opening balance January 1, 2023	–34,479	–5,558	–587	–40,625
Exchange rate differences	2,028	67	64	2,159
Depreciation	–9,027	–1,899	–123	–11,049
Closing balance December 31, 2023	**–41,478**	**–7,391**	**–645**	**–49,514**
Book value December 31, 2023	**26,560**	**2,675**	**19**	**29,254**

The increase in 2023 is mainly due to the extension of the rental contract for the corporate office in Solna.

9.1 Leasing agreement as lessee

Future minimum lease fees are as follows:

	Minimum lease fees 2024-12-31			
	Within 1 year	1–5 years	After 5 years	Total
Rent of premises	8,259	13,903	–	22,162
Cars	2,462	–	–	2,462
Other	–	–	–	0
				24,623

The leases have a term of between 1 month and 24 months.

	Minimum lease fees 2023-12-31			
	Within 1 year	1–5 years	After 5 years	Total
Rent of premises	7,331	19,503	–	26,834
Cars	68	2,633	–	2,701
Other	20	0	–	20
				29,555

The leases have a term of between 1 month and 44 months.

The following amounts related to leasing agreements are recognized in the Group's consolidated balance sheet:

Future maturity structure of lease liabilities	2024-12-31	2023-12-31
Within a year	10,721	7,420
Later than one but within five years	13,903	22,136
Later than five years	–	–
Total	**24,623**	**29,555**

The following amounts are recognized in the income statement related to leasing agreements:

Amounts recognized in the Group's consolidated income statement, TSEK	2024-12-31	2023-12-31
Depreciation of right-of-use assets		
– Premises	8,604	9,027
– Vehicles	2,026	1,899
– Other	19	123
Total depreciation	**10,649**	**11,049**
Interest expenses for lease liabilities	610	759
Costs attributable to short-term lease agreements	–	–
Total costs related to lease agreements	**11,259**	**11,808**

Amounts reported in the Group's consolidated cash flow statement.

The total cash flow from lease agreements during 2024 (2023) was TSEK 10,826 (TSEK 11,755). The above cash outflow includes amounts for leasing agreements that are reported as leasing liabilities, as well as amounts paid for variable leasing fees, short-term leases and low-value leases.

9.2 Leasing agreements as lessor

The Group rents out equipment in accordance with operational leasing agreements.

	Minimum lease fees			
	Within 1 year	1–5 years	After 5 years	Total
12/31/2024	50,896	255,205	19,701	**325,801**
2023-12-31	63,319	259,432	14,425	**337,177**

For more information, see Notes 4.6 and 4.11.

10 Financial assets and liabilities

10.1 Categories of financial assets and liabilities

Note 4.14 describes each category of financial assets and liabilities and associated financial reporting principles. The reported values of financial assets and liabilities are as follows:

December 31, 2024	Accrued acquisition value	Fair value through profit or loss (FVTPL)	Derivatives for hedging purposes (FV)	In total
Other financial non-current assets				
Accounts receivable and other receivables	39,671	–	–	39,671
Cash and cash equivalents	52,043	–	–	52,043
Total assets	91,713	0	0	91,713

December 31, 2024		Fair value through profit or loss (FVTPL)	Other liabilities (accrued acquisition value)	In total
Financial liabilities				
Non-current borrowing		–	–	0
Current borrowing		–	216,193	216,193
Accounts payable and other liabilities		–	48,773	48,773
Total liabilities		0	264,966	264,966

December 31, 2023	Accrued acquisition value	Fair value through profit or loss (FVTPL)	Derivatives for hedging purposes (FV)	In total
Financial assets				
Accounts receivable and other receivables	40,417	–	–	40,417
Cash and cash equivalents	56,885	–	–	56,885
Total assets	97,302	0	0	97,302

December 31, 2023	Fair value through profit or loss (FVTPL)	Other liabilities (accrued acquisition value)	In total
Financial liabilities			
Non-current borrowing	–	144,375	144,375
Current borrowing	–	72,612	72,612
Accounts payable and other liabilities	–	38,357	38,357
Total liabilities	0	255,344	255,344

The methods used to calculate the fair value of financial assets and liabilities are described in Note 9. A description of the Group's risk regarding financial instruments, including risk management objectives and principles, can be found in Note 25.

10.2 Borrowing

Borrowings includes the following financial liabilities, valued at accrued acquisition value:

	Current		Non-current	
TSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Overdraft	71,818	46,441	–	–
Bank loan	144,375	26,171	–	145,704
Accrued borrowing costs	–	–	–	–1,329
Total book value	**216,193**	**72,612**	**0**	**144,375**

Borrowing at accrued acquisition value:

As security for bank loans, the parent company has provided shares in QleanAir Scandinavia AB. As security for the overdraft facility, MSEK 90 (90), corporate mortgages in QleanAir Scandinavia AB of MSEK 90 (90) have been provided. Bank borrowings have been made at variable interest rates, which averaged 7.5% (7.6) in 2024.

In January 2025, QleanAir changed its bank to Danske Bank. Approximately MSEK 115 will be recognized as non-current liability in 2025.

Covenants

QleanAir had 2024 covenants to be met under the financing agreement with Swedbank. The covenants were interest coverage ratio (>3.0) and net debt/EBITDA (<2.5). The covenants were achieved for the period January–June 2024. For the period July–December 2024, QleanAir obtained a waiver for the covenants, after which Swedbank approved the outcome. Otherwise, QleanAir would have breached the covenants.

10.3 Liabilities attributable to financing activities

		Cashflow impacts		Non-cash items			
	2024-01-01	Amortization	Payments	New leasing contracts	Exchange rate fluctuations	Accrued borrowing costs	2024-12-31
Liabilities to credit institutions	216,987	–27,500	25,376	–	–	1,329	216,193
Lease liabilities	29,555	–10,216	–	5,208	76	–	24,623
Total liabilities from financial activities	**246,543**	**–37,716**	**25,376**	**5,208**	**76**	**1,329**	**240,816**

		Cashflow impacts		Non-cash items			
	2023-01-01	Amortization	Payments	New leasing contracts	Exchange rate fluctuations	Accrued borrowing costs	2023-12-31
Liabilities to credit institutions	251,190	–35,531	–	–	–	1,329	216,987
Lease liabilities	9,780	–10,996	–	31,382	–611	–	29,555
Total liabilities from financial activities	**260,970**	**–46,527**	**0**	**31,382**	**–611**	**1,329**	**246,543**

11 Provision for taxes

Amounts relating to deferred tax assets and tax liabilities in the balance sheet relate to the following:

Deferred tax assets:	2024	2023
Deferred tax assets on temporary differences	1,143	69
Reported deferred tax assets	**1,143**	**69**
Deferred tax liabilities:		
Deferred tax liabilities on temporary differences	2,928	3,245
Reported deferred tax liabilities	**2,928**	**3,245**

Deferred tax assets and liabilities are reported net in cases where they relate to the same tax authority and can be offset.

Deferred tax assets and liabilities reported in the balance sheet relate to the following:

			2024			2023
	Receivables	Liabilities	Net	Receivables	Liabilities	Net
Leasing agreements	169	–	169	69	–	69
Internal profits	974	–	974	–	–	–
Untaxed reserves	–	2,928	–2,928	–	3,245	–3,245
Net tax assets and liabilities	**1,143**	**2,928**	**–1,784**	**69**	**3,245**	**–3,176**

The change in respect of deferred taxes is as follows:

Group 2024	Non-current assets	Untaxed reserves	Total
As of December 31, 2023	69	–3,245	–3,176
Through income statement	1,074	317	1,392
Via other comprehensive income	–	–	–
As of December 31, 2024	**1,143**	**–2,928**	**–1,784**
Group 2023			
As of December 31, 2022	260	–3,628	–3,368
Through income statement	–189	383	194
Via other comprehensive income	–2	–	–2
As of December 31, 2023	**69**	**–3,245**	**–3,176**

Deferred tax related to leases

The deferred tax assets and deferred tax liabilities arising from the recognition of leases are netted in the balance sheet. Deferred tax assets related to lease liabilities amount to 5,649 (6,773) and deferred tax liabilities related to right-of-use assets amount to 5,480 (6,704) as of December 31, 2024.

12 Goods in stock

Goods in stock are valued at the lower of acquisition value and net realizable value. Acquisition value includes all expenses that are directly attributable to the products. Costs for usually interchangeable items are allocated according to the first-in, first-out principle. The net realizable value is the estimated sales price in the current operations, less any applicable sales costs.

Geographical distribution of goods in stock

	2024-12-31	2023-12-31
EMEA	14,244	35,323
Americas	13,609	8,596
APAC	19,512	16,563
Total	**47,365**	**60,482**

In 2024, costs related to inventories and goods for resale totaling 157,155 (159,480) were included in profits.

Goods in stock

	2024-12-31	2023-12-31
Components	18,103	19,710
Finished goods	29,263	40,771
Total	**47,365**	**60,482**

Write-down of goods in stock to net realizable value has been carried out for work in progress and is deducted from the carrying amount and amounts to TSEK 7,100 (TSEK 0).

13 Accounts receivable

The Group's accounts receivable consists of both non-current and current accounts receivable. In cases where the accounts receivable have a maturity of more than 1 year, they have been classified as non-current receivables in the balance sheet.

	2024-12-31	2023-12-31
Accounts receivable, gross	39,671	40,417
Total	**39,671**	**40,417**

The book value of accounts receivable is considered a reasonable approximation of fair value.

All the Group's accounts receivable have been examined for signs of impairment. There is no need for impairment.

An analysis of non-impaired accounts receivable that have fallen due can be found in Note 25.1.

14 Cash and cash equivalents

Cash and cash equivalents include the following:

Cash and cash equivalents at a bank:	2024-12-31	2023-12-31
– SEK	3,825	5,201
– CHF	1,260	2,479
– DKK	981	580
– EUR	15,733	18,611
– JPY	27,574	22,202
– NOK	321	1,052
– PLN	1,029	2,405
– USD	1,309	4,341
– CNY	12	13
Total	**52,043**	**56,885**

15 Prepaid expenses and accrued income

	2024-12-31	2023-12-31
Prepaid rent	1,420	1,400
Accrued income	19,159	25,405
Prepaid commission	11,736	14,273
Other prepaid expenses	11,931	17,474
Total	**44,245**	**58,552**

16 Equity

16.1 Share capital

The share capital in QleanAir AB consists solely of fully paid ordinary shares with a quota value of SEK 0.50. All shares have the same right to dividends and repayment of invested capital and correspond to one vote at QleanAir's Annual General Meeting.

Subscribed and paid shares

	2024-12-31	2023-12-31
Share capital	7,430	7,430
Total share capital December 31	**7,430**	**7,430**

The Group had issued a total of 14,859,200 shares as of December 31, 2024. Each share has the same right to a dividend and repayment of invested capital and corresponds to one vote at QleanAir's Annual General Meeting.

Incentive program
Warrant Scheme 2021/2024

At QleanAir's Annual General Meeting on May 12, 2021, it was decided to adopt an incentive program for the Group's senior executives and other key employees through the issue of warrants entailing the right to subscribe for new shares in the Parent Company (“Warrant Scheme 2021/2024”).

The warrants have been transferred on market terms at a price (premium) determined based on an estimated market value of the warrants using the Black & Scholes valuation model, calculated by an independent valuation institute. Under the incentive program, the warrants are earned over time based on continued employment for a period of three years.

Upon full exercise of all 88,604 warrants subscribed, the parent company's share capital will increase by a maximum of SEK 44,302 divided into 88,604 shares, each with a quota value of SEK 0.5, corresponding to a dilution effect of a maximum of approximately 0.60% based on the share capital and votes in the parent company at the time of the Annual General Meeting on May 12, 2021.

Each warrant entitles the holder to subscribe for one new share in the company at a subscription price corresponding to 130% of the volume-weighted average price paid for the company's share over a period of ten trading days immediately preceding the Annual General Meeting. The warrants can be exercised for subscription of new shares from July 1, 2024 up to and including December 31, 2024.

Warrant Scheme 2022/2025

At QleanAir's Annual General Meeting on May 12, 2022, it was decided to adopt an incentive program for the Group's senior executives and other key employees through the issue of warrants entailing the right to subscribe for new shares in the Parent Company (“Warrant Scheme 2022/2026”).

The warrants have been transferred on market terms at a price (premium) determined based on an estimated market value of the warrants using the Black & Scholes valuation model, calculated by an independent valuation institute. Under the incentive program, the warrants are earned over time based on continued employment for a period of three years.

Upon full exercise of all 105,348 warrants subscribed, the parent company's share capital will increase by a maximum of SEK 52,674 divided into 105,348 shares, each with a quota value of SEK 0.5, corresponding to a dilution effect of a maximum of approximately 0.70% based on the share capital and votes in the parent company at the time of the Annual General Meeting on May 12, 2022.

Each warrant entitles the warrant holder to subscribe for one new share in the company at a subscription price corresponding to 130% of the volume weighted average price paid for the company's share during a period of ten trading days immediately preceding the annual general meeting (the subscription price is SEK 43.24/per share). The warrants can be exercised for subscription of new shares from July 1, 2025 up to and including December 31, 2025.

Warrant Scheme 2023/2026

At QleanAir's extraordinary general meeting on March 9, 2023, it was decided to adopt an incentive program for the Group's CEO through the issue of warrants carrying the right to subscribe for new shares in the parent company ("Warrant Scheme 2023/2026").

The warrants have been transferred on market terms at a price (premium) determined based on an estimated market value of the warrants using the Black & Scholes valuation model, calculated by an independent valuation institute. Under the incentive program, the warrants are earned over time based on continued employment for a period of three years.

Upon full exercise of all 445,776 warrants subscribed, the parent company's share capital will increase by a maximum of SEK 222,888 divided into 445,776 shares, each with a quota value of SEK 0.5, corresponding to a dilution effect of a maximum of approximately 3% based on the share capital and votes in the parent company at the time of the Annual General Meeting on May 9, 2023.

Each warrant entitles the warrant holder to subscribe for one new share in the company at a subscription price of SEK 40.00 per share. The warrants can be exercised for subscription of new shares from April 1, 2026 up to and including October 31, 2026.

Warrant Scheme 2023/2026

At QleanAir's Annual General Meeting on May 10, 2023, it was decided to adopt an incentive program for the Group's senior executives and other key employees through the issue of warrants entailing the right to subscribe for new shares in the Parent Company (“Warrant Scheme 2023/2026”).

The warrants have been transferred on market terms at a price (premium) determined based on an estimated market value of the warrants using the Black & Scholes valuation model, calculated by an independent valuation institute. Under the incentive program, the warrants are earned over time based on continued employment for a period of three years.

Upon full exercise of all 237,500 warrants subscribed, the parent company's share capital will increase by a maximum of SEK 118,750 divided into 237,500 shares, each with a quota value of SEK 0.5, corresponding to a dilution effect of a maximum of approximately 1.6% based on the share capital and votes in the parent company at the time of the Annual General Meeting on May 10, 2023.

Each warrant entitles the warrant holder to subscribe for one new share in the company at a subscription price of SEK 40.00 per share. The warrants can be exercised for subscription of new shares from June 1, 2026 up to and including December 31, 2026. There are no outstanding share-based incentive programs in the Parent Company in addition to the warrants described above.

Warrant Scheme 2024/2027

At QleanAir's Annual General Meeting on May 8, 2024, it was decided to adopt an incentive program for the Group's senior executives and other key employees through the issue of warrants entailing the right to subscribe for new shares in the Parent Company (“Warrant Scheme 2023/2026”).

The warrants have been transferred on market terms at a price (premium) determined based on an estimated market value of the warrants using the Black & Scholes valuation model, calculated by an independent valuation institute. Under the incentive program, the warrants are earned over time based on continued employment for a period of three years.

Upon full exercise of all 70,000 warrants subscribed, the parent company's share capital will increase by a maximum of SEK 35,000 divided into 70,000 shares, each with a quota value of SEK 0.5, corresponding to a dilution effect of a maximum of approximately 0.5% based on the share capital and votes in the parent company at the time of the Annual General Meeting on May 8, 2024.

Each warrant entitles the warrant holder to subscribe for one new share in the company at a subscription price of SEK 40.00 per share. The warrants can be exercised for subscription of new shares from June 1, 2027 up to and including December 31, 2027. There are no outstanding share-based incentive programs in the Parent Company in addition to the warrants described above.

There are no outstanding share-based incentive programs in the Parent Company in addition to the warrants described above.

16.2 Other paid-in capital

Amounts received for issued shares in addition to the nominal value during the year (premium) are included in the item "Other paid-in capital".

16.3 Reserves

Refers to translation reserves and includes all exchange rate differences that occur when translating financial reports from companies that have prepared their financial reports in a currency other than the currency in which the Group's financial reports are presented.

16.4 Earnings per share and dividends

Earnings per share

Both basic and diluted profit for shares have been calculated using profits attributable to the shareholders in the parent company as numerators, i.e., no adjustments to profits needed to be made in 2024 or 2023.

Reconciliation of the weighted average number of shares used to calculate diluted earnings per share may be reconciled with the weighted average ordinary shares used in the calculation of profit per share before dilution as follows:

Number of shares in thousands	2024	2023
Weighted average number of shares used for calculating earnings per share before dilution	14,859,200	14,859,200
Weighted average of share-based compensation programs	929,728	946,653
Weighted average number of shares used in calculating earnings per share after dilution	**15,788,928**	**15,805,853**
Shares that can be issued free of charge in share-based remuneration programs	947,228	1,100,116

Dividends

For the financial year 2024, the Board of Directors proposes no dividend (previous year: SEK 0.60).

17 Remuneration to employees, etc.

17.1 Costs for employee benefits

Costs reported for employee benefits are broken down as follows:

	2024		2023	
	Salaries and other remuneration	Social expenses (of which pension costs)	Salaries and other remuneration	Social expenses (of which pension costs)
Parent company	6,869	4,724	8,446	5,086
		(1,424)		(1,724)
Subsidiaries				
QA Scandinavia AB	27,363	13,650	29,828	13,286
		(2,958)		3,356
IFS BV	0	0	645	30
		(0)		(0)
QA Scandinavia KK	23,811	3,726	27,917	4,159
		(3,380)		(3,819)
QA Scandinavia GmbH	14,330	3,031	15,353	3,144
		(90)		(142)
QA Scandinavia Inc	15,828	1,823	15,665	1,745
		(0)		(0)
QA Scandinavia China	0	0	0	0
		(0)		(0)
SFS Finance AB	0	0	0	0
		(0)		(0)
QA Scandinavia SAS	635	236	0	0
		(0)		(0)
Total, Group	**88,836**	**27,190**	**97,854**	**27,450**
		(7,852)		**(9,041)**

Salaries and remuneration by country and between board members etc. and employees:

	2024		2023	
	Board and CEO (of which bonuses on profits, etc.)	Other employees	Board and CEO (of which bonuses on profits, etc.)	Other employees
Parent company	4,708	2,161	6,293	2,153
	(0)		(1,744)	
Subsidiaries				
QA Scandinavia AB	0	27,363	0	29,828
	(0)		(0)	
IFS BV	0	0	0	645
	(0)		(0)	
QA Scandinavia KK	0	23,811	0	27,917
	(0)		(0)	
QA Scandinavia GmbH	0	14,330	0	15,353
	(0)		(0)	
QA Scandinavia Inc	0	15,828	0	15,665
	(0)		(0)	
QA Scandinavia China	0	0	0	0
	(0)		(0)	
SFS Finance AB	0	0	0	0
	(0)		(0)	
QA Scandinavia SAS	0	635	0	0
	(0)			(0)
Total, Group	**4,708**	**84,128**	**6,293**	**91,561**
	(0)		**(1,744)**	

Costs that are reported for remuneration to employees are broken down as follows

	The group		Parent company	
	2024	2023	2024	2023
Salaries, Board and CEO	4,708	6,293	4,708	6,293
Salaries, other employees	84,128	91,561	2,161	2,153
Pensions, defined contribution, Board and CEO	1,042	1,068	1,042	1,068
Pensions, defined contribution, other employees	6,810	7,972	382	348
Other social contributions	19,338	18,411	3,300	3,670
Total	**116,026**	**125,305**	**11,593**	**13,532**

Expensed remuneration and other benefits to the Board, CEO and other senior executives, 2024

	Basic salary/ remuneration to the board	Variable remuneration	Other benefits	Total
Bengt Engström, Chair of the Board	500	–	–	500
Fredrik Persson, board member	250	–	–	250
Jan-Olof Backman, board member	250	–	–	250
Dan Pitulia, board member	250	–	–	250
Towe Ressman, board member	88	–	–	88
Sara Uhlén	125	–	–	125
Sebastian Lindström, CEO	3,245	–	–	3,245
Henrik Resmark, CFO	1,687	–	107	1,794
Total	**6,395**	**0**	**107**	**6,502**

The Group has concluded an agreement with the CEO, Sebastian Lindström, which means that in case of termination, the company shall observe a notice period of six (6) months and Sebastian Lindström a notice period of six (6) months.

In the event of termination by the company, in addition to the termination salary Sebastian Lindström is entitled to a severance payment corresponding to six (6) times the fixed monthly salary upon termination of employment. The severance pay is paid monthly with one sixth at a time starting in the month after the termination of employment. From the severance pay must be deducted what Sebastian Lindström receives from other employment during the period during which the severance pay is paid.

Expensed remuneration and other benefits to the Board, CEO and other senior executives, 2023

	Basic salary/ remuneration to the board	Variable remuneration	Other benefits	Total
Bengt Engström, Chair of the Board	500	–	–	500
Mats Hjerpe, board member	219	–	–	219
Johan Westman, board member	219	–	–	219
Johan Ryrberg, board member	242	–	–	242
Towe Ressman, board member	250	–	–	250
Sebastian Lindström, CEO	3,120	1,744	–	4,864
Henrik Resmark, CFO	1,622	453	78	2,153
Total	**6,172**	**2,197**	**78**	**8,447**

17.2 Average number of employees

	2024		2023	
	Average number	Of which men	Average number	Of which men
Parent company	2	100%	2	100%
Subsidiaries				
QA Scandinavia AB	39	62%	36	60%
IFS BV	0	0%	0	0%
QA Scandinavia Japan KK	43	68%	39	68%
QA Scandinavia GmbH	16	78%	17	79%
QA Scandinavia Inc	16	75%	15	71%
QA Scandinavia SAS	1	100%	0	0%
QA China	0	0%	0	0%
Total for the Group	**117**	**69%**	**109**	**68%**

Guidelines for remuneration to senior executives

The total remuneration to senior executives may consist of fixed remuneration, variable remuneration, pension and other benefits. Variable remuneration shall be paid in cash and is based on outcome in relation to performance targets within the individual area of responsibility and shall be aligned with the interests of the shareholders. Variable remuneration shall correspond to a maximum of 100% of the fixed annual salary for the CEO and a maximum of 50% of the fixed annual salary for other senior executives. The Board decides on bonus programs annually. Senior executives shall, unless otherwise specifically agreed, be offered market pension terms in relation to the situation in the country in which the holders of the posts are permanent residents. As a rule, variable remuneration shall not be pensionable. Other benefits, such as company car, supplementary health insurance or occupational healthcare, shall be of limited value in relation to other remuneration and may be paid to the extent that this is deemed to be the market standard for senior executives in corresponding positions in the labor market in which the executive operates.

In the event of termination by the company, the notice period for all senior executives shall not exceed twelve months with the right to severance pay after the end of the notice period, corresponding to a maximum of 100% of the fixed salary for a maximum of twelve months, i.e., fixed salary during the notice period and severance pay for the senior executives shall not exceed 24 fixed monthly salaries when combined. As a rule, any right to severance pay shall be reduced in situations where compensation during the relevant period is obtained from another employer. In the event of resignation by senior executives, the notice period shall normally be six months for the CEO and three to six months for other senior executives.

To the extent that board members elected by the AGM perform work that goes beyond the work of the Board, it shall be possible to remunerate them for such work. The remuneration must be market-based and must be approved by the Board. The guidelines cover the persons who are included in the circle of senior executives during the time the guidelines apply. The guidelines apply to agreements concluded after the time of listing of the company's shares on First North Premier, and if changes are made to existing agreements after this time. The Board shall have the right to deviate from the guidelines if, in individual cases, there are special reasons for doing so. The same rules are proposed to apply for future years.

17.3 Gender representation on the Board

Of the 5 (5) members of the Board, 1 (1) is a woman.

17.4 Remuneration to auditors

	2024	2023
– Audit assignments	2,146	2,386
– Audit activities in addition to audit assignments	291	260
– Tax advisory	543	601
– other services	257	0
Total	**3,237**	**3,247**

18 Contractual liabilities and other liabilities

	2024-12-31	2023-12-31
Accrued salaries and bonuses	21,270	20,914
Accrued holiday pay	6,493	7,772
Accrued statutory social costs.	2,717	3,839
Other accrued expenses	17,362	23,941
Reserve service provision	26,190	26,901
Deferred revenue rent / service	48,011	45,991
Total	**122,043**	**129,358**

Deferred revenue for rent and services (contractual liabilities) relates to advances received for rented goods and for future performance obligations that will be recognized as revenue in the 2024 financial year.

When contracts are sold to finance companies, part of the revenue, i.e. the service provision, is reserved for future performance obligations. This provision is released over the life of the contracts and is recognized as revenue over a three-year period at an average rate of one third per year.

19 Interest expenses and interest income

Financial expenses for the reporting periods consist of the following:

	2024	2023
Interest expenses, borrowing at accrued acquisition value:		
Interest expenses, group companies	–	–
Interest expense, lease liabilities	610	759
Other interest expenses	16,283	17,120
Total interest expenses for financial liabilities that are not reported at fair value through profit or loss	**16,893**	**17,879**
Financial revenue for the reporting periods consists of the following:		
Interest income, cash and cash equivalents	542	588

20 Other financial income and expenses

Other financial items consist of the following:

	2024	2023
Foreign exchange gains	2,645	8,924
Total	**2,645**	**8,924**

21 Taxes

The following components are included in the tax costs

	2024	2023
Current tax	1,095	12,529
Deferred tax in respect of:		
Untaxed reserves	–318	–382
Temporary differences, tangible non-current assets	–1,074	188
Reported tax	**–296**	**12,335**
Reported profit before tax	–1,730	55,700
Tax according to current tax rate 20.6% (20.6%)	356	–11,474
Tax effect of:		
Adjustment of tax in previous years	3,087	493
Non-deductible expenses	–297	–547
Non-taxable income	21	6
Negative net interest, not utilized	–3,015	0
Loss carried forward, utilized	726	204
Difference in tax rate between parent company and foreign subsidiaries	–581	–1,017
Reported tax	**296**	**–12,335**

22 Cash flow adjustments

The following non-cash adjustments have been made in profit before tax to arrive at cash flow from operating activities:

Adjustments

	2024	2023
Depreciation and impairment on non-financial items	33,343	33,403
Capital gains, non-current assets	–	–
Cost of goods sold on sale of non-current assets	3,107	2,953
Provisions	–617	4,269
Project loss & Inventory write-down	6,778	–
Exchange rate gain/losses	267	430
Total adjustments	**42,878**	**41,056**

23 Transactions with key persons

The group's key persons include the Board of directors and the CEO as described below.

There are no transactions with special terms and conditions, and no guarantees have been issued or received. Outstanding balances are usually settled with cash and cash equivalents.

23.1 Transactions with key persons

The Group's key persons are QleanAir's Board of directors and CEO. Remuneration to key persons includes the following costs:

	2024	2023
Salaries including bonus	4,708	6,293
Statutory and contractual social expenses	2,521	3,045
Of which pension expenses	1,042	1,068
Total	**7,229**	**9,338**

See Note 17 for information on remuneration to key persons.

24 Pledged assets and contingent liabilities

Pledged assets

Shares in QleanAir Scandinavia AB at a consolidated value of MSEK 488.2 (MSEK 475.5) regarding non-current liabilities to credit institutions in QleanAir AB. Company mortgage loans of MSEK 90.0 (MSEK 90.0) relating to an overdraft facility in QleanAir Scandinavia AB. Guarantee of approximately MSEK 1.9 (MSEK 1.9). Total approx. MSEK 580.1 (MSEK 567.4). Guarantee commitment in favor of Group companies concerning liabilities to credit institutions, regarding utilized overdraft facility in QleanAir Scandinavia AB, TSEK 71,818 (46,441).

Contingent liabilities

There were no contingent liabilities as of December 2024 (0).

25 Risk relating to financial instruments

Risk management objectives and principles

The Group is exposed to various risks in relation to financial instruments. Summary information on the Group's financial assets and financial liabilities by category can be found in Note 10. The main types of risk are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated from its corporate office, in close collaboration with the Board of Directors and focuses actively on hedging the Group's short to medium-term cash flows by minimizing exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively trade in financial assets for speculative purposes, nor does it issue options. The most significant financial risks to which the Group are exposed are described below. For further information, see Significant risks and uncertainties in the Annual Review.

25.1 Market risk analysis

The Group is exposed to market risk and, in particular, to currency risk, interest rate risk and certain other price risks, because of both operating activities and investing activities. One market risk is legislation on tobacco smoking. The market risk regarding legislation refers to a number of countries in which QleanAir operates.

The political agenda directs the legislation towards a restriction on tobacco smoking. QleanAir has its origins in Sweden, where new laws and regulations against indoor smoking were introduced as early as the beginning of the 1990s. Based on the knowledge of these laws, QleanAir has become the market leader in Europe in protection against tobacco smoke and passive smoking in workplaces.

Today, all EU member states have laws that regulate smoking in the workplace. Today, there is also a working group under The Directorate-General for Employment, Social Affairs and Inclusion, which will assess whether the member states have done enough on the issue. This group will also take a position on any further need for EU legislation.

QleanAir monitors and works actively with all issues that deal with tobacco smoking, especially in workplaces. Based on what is known today, the company believes that the risk that the EU will come up with a proposal that completely bans QleanAir's solutions in the workplace does exist but is currently not likely.

25.1.1 Sensitivity to foreign currency

The majority of the Group's transactions are in Euro, Japanese Yen and US dollars. Exposures to exchange rate changes arise from the Group's sales to, and purchases from, other countries. Exchange rate gains have affected other financial items by TSEK 2,645 (TSEK 8,924), see note 20.

Exchange rate impact

If the SEK is strengthened or weakened by 10% against the EUR and YEN respectively, QleanAir's total revenue in percent will be affected as shown in the table below:

	Revenue, percentage change 2024	Revenue, percentage change 2023
EUR	+/– 3.8%	+/– 3.9%
YEN	+/– 4.3%	+/– 4.4%
USD	+/– 0.9%	+/– 1.3%

25.1.2 Analysis of credit risk

Credit risk is the risk that a counterparty fails to fulfill an obligation to the group. The Group is exposed to this risk for various financial instruments, e.g. by granting loans and receivables to customers, making deposits, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets at the balance sheet date, as summarized below:

Types of financial assets – book values

	2024-12-31	2023-12-31
Accounts receivable	39,671	40,417
Other receivables	9,812	9,689
Cash and cash equivalents	52,043	56,885
Total	**101,526**	**106,991**

The receivables fall due for payment as below:

	2024-12-31	2023-12-31
Due within 1 year	101,526	106,991
Due in 1–2 years	0	0
Due in 2–3 years	0	0
Total	**101,526**	**106,991**

The Group continuously monitors payments from customers and other counterparties, identified individually or in groups, and incorporates this information into its credit risk controls. If external credit ratings and/or reports regarding customers and other counterparties are available at a reasonable cost, these are obtained and used. The Group's policy is to only do business with creditworthy counterparties.

Group management believes that all the above financial assets, that have not been impaired or fallen due for payment on the current balance sheet date, have a high credit quality.

Some of the current receivables have fallen due for payment on the balance sheet date. These can be listed as follows:

	2024-12-31	2023-12-31
Not due	20,092	17,348
Due up to 30 days	2,653	9,371
Due 31–60 days	4,476	3,064
Due 61–90 days	1,568	2,881
Due 91 days and older	13,452	8,065
Of which reserved for bad debt losses	–2,571	–311
In total	**39,671**	**40,417**

With regard to accounts receivable and other receivables, the Group is not exposed to any significant credit risks in respect of any individual counterparty or group of counterparties with similar characteristics. Accounts receivable consists of many customers in different industries and geographical areas. Based on historical information about customers' cancellations, Group management believes that accounts receivable that have not fallen due for payment or have been written down have a good credit quality. The non-current receivables from individual parties are also considered to have good credit quality as the receivable is also based on payment flows from many customers in different industries.

The credit risk for cash and cash equivalents is considered negligible, as the counterparties are well-known banks with high credit ratings by external assessors.

25.2 Sensitivity to interest rate risk

The Group's non-current borrowing consists of bank loans that run at variable interest rates. Therefore, only changes in market interest rates through bank loans are exposed to interest rate risk as of December 31, 2024. To minimize the Group's exposure to interest rate risk, interest rate developments are monitored continuously and decisions on any interest rate hedging are discussed in connection with the Group's Board meetings.

At the balance sheet date, the Group had variable rate liabilities of TSEK 216,193, of which bank loans represent TSEK 144,375. A 1% +/– change in interest rates on bank loans would affect the Group's interest expense before tax by TSEK 1,440.

25.3 Analysis of liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations. The Group manages liquidity needs by monitoring planned loan payments for non-current financial liabilities as well as forecast payments and disbursements in day-to-day operations. The data used to analyze these cash flows are consistent with those used in the analysis of agreed maturities below. Liquidity needs are monitored in different time spans, daily and weekly. Long-term liquidity needs for a period of 360 days are identified quarterly. The net cash requirements are compared with available credit facilities to determine the safety margin or any deficits. This analysis shows that available loan facilities are expected to be sufficient during this period.

The Group's goal is to have cash and cash equivalents that meet the liquidity requirements for periods of at least 30 days. This target was achieved during the reporting periods. The financing of long-term liquidity needs is also secured by an adequate amount of credit facilities granted and the opportunity to sell long-term financial assets.

The Group considers expected cash flows from financial assets when assessing and managing liquidity risk, especially cash reserves and accounts receivable. The Group's existing cash reserves and accounts receivable (see notes 14, 25) exceed the current requirements for cash outflows. Cash flows from accounts receivable and other receivables all fall due within six months.

As of December 31, 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) that can be summarized as follows:

- Credits refer to bank loans and overdraft facilities. Bank loans have a variable interest rate and the current average interest rate for the financial year has been 7.5% (7.6).
- The overdraft facility amounts to TSEK 90,000 (90,000) and the unused portion on the balance sheet date amounts to TSEK 18,182 (43,559).

26 Principles and routines for asset management

The Group's asset management objectives are:

– to ensure the Group's ability to continue operations

– to provide an appropriate return to shareholders by pricing products and services corresponding to the level of risk

The Group monitors capital based on the book value of equity plus its subordinated loans, less cash and cash equivalents as reported in the statement of financial position and cash flow hedges reported in other comprehensive income.

Management assesses the Group's capital requirements to maintain an effective overall financing structure and at the same time avoid excessive leverage effects. This also includes subordinate levels of the Group's various debt classes. The Group manages the capital structure and adjusts in the event of changed economic conditions and regarding the risk properties of the underlying assets. To maintain or adjust the capital structure, the Group can adjust the amount of dividends to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

The Group's asset management objectives are to maintain a relationship between capital and total financing that is in accordance with the Group's so-called covenants included in the credit terms. In 2024, the Group was subject to externally imposed capital requirements regarding the net debt/equity ratio (<2.5) and interest coverage ratio (>3.0). In the first and second quarters of 2024, QleanAir fulfilled its covenants towards Swedbank. During the third and fourth quarters, QleanAir received waivers from Swedbank regarding the covenants that would otherwise have been breached.

In January 2025, QleanAir changed its bank to Danske Bank. QleanAir has a covenant to be achieved every quarter. The covenant is net debt/EBITDA (<3.90, <3.50, <3.00, <2.75).

27 Events after the balance sheet date

The Board assesses that the war in Ukraine and the situation in the Middle East are having a negative effect on the economy and will primarily impact new sales of QleanAir's products and solutions and thus the financial development. In addition, deliveries from QleanAir's suppliers are negatively affected, with delays and price increases as a consequence. The management and the Board actively monitor the development and take regular measures to limit the negative effects on the business.

QleanAir appoints Fredrik Sandelin as the new CFO.

In January 2025, QleanAir changed its bank to Danske Bank. QleanAir has a covenant to be achieved every quarter. The covenant is net debt/EBITDA (<3.90, <3.50, <3.00, <2.75).

28 Issue of financial reports

The consolidated financial statements for the reporting period ending December 31, 2024 were approved by the Board of Directors on April 16, 2025.

Parent company income statement

TSEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Operating income etc.			
Net sales	29	10,200	10,200
		10,200	10,200
Operating expenses			
Other external expenses	30	–7,390	–7,575
Personnel costs	31	–11,210	–11,583
Depreciation of intangible non-current assets		–8,254	–8,254
Operating income		–16,654	–17,211
Profit from financial investments			
Other financial income and expenses		–	–
Interest income and similar profit/loss items		4	5
Interest expenses and similar profit/loss items		–11,788	–13,227
Interest expenses to group companies		–13,826	–17,002
Profit after financial items		–42,265	–47,435
Appropriations			
Group contribution received		18,635	75,000
Tax on profit for the year	32	–1,637	–9,745
Profit/loss for the year		–25,267	17,820

Parent company balance sheet

Assets

TSEK	Note	2024-12-31	2023-12-31
Goodwill	33	17,195	25,448
Financial assets			
Shares in group companies	34	429,000	429,000
Total non-current assets		446,195	454,448
Current assets			
Current receivables			
Tax receivables		40	–
Prepaid expenses and accrued income		168	1,566
		209	1,566
Cash and bank deposits		1,731	2,923
Total current assets		1,939	4,488
Total assets		448,134	458,937

Equity and liabilities

TSEK	Note	2024-12-31	2023-12-31
Restricted equity			
Share capital		7,430	7,430
Unrestricted equity			
Share premium reserve		122,445	122,445
Appropriated earnings		–58,461	–67,366
Profit/loss for the year		–25,267	17,820
Total equity		**46,146**	**80,329**
Non-current liabilities	35		
Liabilities to credit institutions		144,375	144,375
		144,375	**144,375**
Current liabilities			
Liabilities to credit institutions		–	27,500
Accounts payable		572	699
Liabilities to group companies		243,984	191,511
Current tax liabilities		7,621	8,026
Other current liabilities		222	168
Accrued expenses and prepaid income	36	5,214	6,329
		257,613	**234,233**
Total equity and liabilities		**448,134**	**458,937**

Changes in equity, parent company

TSEK	Share capital	Share premium reserve	Unrestricted reserves	Profit/loss for the year	Total equity
2024					
Opening balance as of 2024-01-01	**7,430**	**122,445**	**–67,366**	**17,820**	**80,329**
Transfer of previous year's profit			17,820	–17,820	0
Dividends			–8,916		–8,916
Profit/loss for the year				–25,267	–25,267
Per closing balance 2024-12-31	**7,430**	**122,445**	**–58,461**	**–25,267**	**46,146**
2023					
Opening balance as of 2023-01-01	**7,430**	**122,162**	**–45,941**	**–21,424**	**62,225**
Transfer of previous year's profit			–21,424	21,424	0
Dividends					0
Warrants paid-up/payable		283			283
Profit/loss for the year				17,820	17,820
Closing balance 2023-12-31	**7,430**	**122,445**	**–67,366**	**17,820**	**80,329**

Parent company cash flow

TSEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Parent company's cash flow report			
Operating income		–16,654	–17,211
Adjustments for non-cash items	33	8,254	8,254
Interest paid		–25,615	–30,229
Interest received		4	5
Income tax paid		–2,082	–8,801
Cash flow from operating activities before changes in working capital		**–36,094**	**–47,983**
Changes in working capital			
Change in other current receivables		1,397	1,179
Change in accounts payable		–128	284
Change in other current liabilities		70,047	76,160
Cash flow from current operations		**35,224**	**29,640**
Investment activities			
Acquisition of intangible non-current assets		–	–
Acquisition of tangible non-current assets		–	–
Acquisition of group companies		–	–
Cash flow from investing activities		**0**	**0**
Financing activities			
Amortization of loans		–27,500	–27,500
Options		–	–12
Dividends paid		–8,916	–
Warrants paid-up/payable		–	283
Cash flow from financing activities		**–36,416**	**–27,228**
Cash flow for the year/change in cash and cash equivalents		–1,192	2,411
Opening cash and cash equivalents		2,923	511
Closing cash and cash equivalents		**1,731**	**2,923**

Notes, parent company

29 Intra-group purchases and sales

	2024	2023
Sales to subsidiaries	10,200	10,200

30 Information about the auditor's fee and cost reimbursement

Grant Thornton Sweden AB

	2024	2023
Audit assignment	927	1,096
Audit activities in addition to audit assignments	291	260
Tax advisory	428	412
Tax advisory	257	0
Total	**1,903**	**1,768**

Audit assignments refer to the auditor's work on the statutory audit and audit activities refer to various types of quality assurance services. Other assignments are those that are not included in audit assignments, audit activities or tax advisory.

31 Number of employees, salaries, other benefits and social costs

The average number of employees, by gender

	2024	2023
Men	2	2
Women	0	0
In total	**2**	**2**
Salaries and remuneration		
Board and CEO	4,708	6,293
Other employees	2,161	2,153
Total salaries and remuneration	**6,869**	**8,446**
Statutory and contractual social expenses	4,724	3,670
Of which pension expenses	1,424	1,416
Total salaries, remuneration, social expenses and pension expenses	**11,593**	**12,116**

Of the company's pension expenses, 1,033 (1,068) relate to the Board and CEO.

32 Tax on profit for the year

	2024	2023
The following components are included in the tax costs:		
Current tax	–1,637	–9,745
Reported tax	**–1,637**	**–9,745**
Reported profit before tax	–23,630	27,565
Tax according to the current tax rate	4,868	–5,678
Tax effect of:		
Non-deductible expenses	–6,504	–4,066
Reported tax	**–1,637**	**–9,745**

33 Goodwill

	2024-12-31	2023-12-31
Opening acquisition value	116,237	116,237
Closing accumulated acquisition value	**116,237**	**116,237**
Opening depreciation	–90,789	–82,536
Depreciation for the year according to plan	–8,254	–8,254
Closing cumulative depreciation	**–99,043**	**–90,789**
Closing planned residual value	**17,195**	**25,448**

Goodwill is entirely attributable to QleanAir AB's acquisition of the operating subsidiary QleanAir Scandinavia AB and can be traced to a previous change of ownership that took place in 2012.

Goodwill is depreciated over a period of 15 years. The depreciation rate is based on the acquisition's long-term strategic importance and is set at 15 years due to the company's structure and the unit's earning capacity. In addition to goodwill being depreciated in the parent company, the acquisition is tested for impairment annually. For a further description of impairment testing, see Note 6 in the notes to the consolidated financial statements.

34 Shares in group companies

Shares in Group companies are accounted for using the acquisition value method. Impairment testing of the units' book value is performed when there is an indication that the value of the units has decreased. If the book value exceeds the recoverable amount, impairment is made. Dividends received are reported in the income statement under profit from interests in group companies.

	2024-12-31	2023-12-31
Opening acquisition value	429,000	429,000
Closing acquisition value	**429,000**	**429,000**

Direct ownership

The name of the company	Number of shares	Share %	Book value
QleanAir Scandinavia AB	1,000,000	100	429,000

Company name and CRN	Corporate office	Equity	Results after financial net
QleanAir Scandinavia AB (556303-9162)	Solna	190,454	10,149

In the annual impairment test, goodwill is distributed in its entirety to subsidiary group QleanAir Scandinavia AB.

Indirect ownership

Company name and CRN	Number of shares	Share %	Book value
International Facility Solutions B.V., Naarden, NL, 32088469	18,000	100%	–
QleanAir Scandinavia GmbH, Frankfurt, DE, 040/241/50654	1	100%	275
QleanAir Scandinavia KK, Tokyo, JP, 0104-01-077796	200	100%	10,000
QleanAir Scandinavia Inc, USA, 5767624	100	100%	8
QleanAir Scandinavia (Shanghai) Co Ltd, 91310115MA1K438WXU	100	100%	–
QleanAir Scandinavia SAS, France	1,000	100%	111
Smoke Free Systems Finance AB, 556789-5536	200,000	100%	8,700
Total			**19,095**

	Equity	Result
International Facility Solutions B.V., Naarden, NL	–14,995	–542
QleanAir Scandinavia GmbH, Frankfurt, DE	–10,982	1,594
QleanAir Scandinavia KK, Tokyo, JP	96,522	3,997
QleanAir Scandinavia Inc, USA	–9,750	2,084
QleanAir Scandinavia (Shanghai) Co Ltd	191	–42
QleanAir Scandinavia SAS	115	–782
Smoke Free Systems Finance	23,121	2,711

35 Financial liabilities

	2024-12-31	2023-12-31
Liabilities to credit institutions due within 1 year	–	27,500
Liabilities to credit institutions, due in years 2–5	144,375	144,375
Total	**144,375**	**171,875**

36 Accrued expenses and prepaid income

	2024-12-31	2023-12-31
Accrued holiday pay	969	1,004
Accrued social charges	595	311
Other items	3,651	5,014
Total	**5,214**	**6,329**

37 Pledged assets

	2024-12-31	2023-12-31
Shares in subsidiaries	**429,000**	**429,000**

Guarantee commitment in favor of Group companies regarding liabilities to credit institutions, concerning utilized overdraft facility in QleanAir Scandinavia AB, TSEK 71,818 (46,441).

Allocation of profits

Allocation of profits (SEK)

The following profit is at the disposal of the Annual General Meeting	
Retained earnings	72,898,953
Profit/loss for the year	–25,266,853
	47,632,100

The Board and the CEO propose that available profit of SEK 47,632,100 is allocated so that:

A dividend of SEK 0 per share is paid to shareholders	47,632,100
Carried forward	47,632,100

With reference to the above and what has otherwise come to the board's attention, the board's assessment is that a comprehensive assessment of the company's and the group's financial position indicates that the dividend is reasonable, with reference to the requirements that the business's nature, scope and risks set for the amount of the company and group equity, as well as the company and group consolidation needs, liquidity and position in general.

38 Issue of financial reports

The parent company's financial statements for the reporting period ending December 31, 2024 were approved by the Board of Directors on April 16, 2025.

Declaration by the Board of Directors

Declaration by the Board of Directors and the CEO

The Board of Directors and the President certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's position and results. The annual report has been prepared in accordance with generally accepted accounting principles and provides a true and fair account of the parent company's position and results.

The Annual Review for the Group and the Parent Company provides a fair overview of the development of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainties that the Parent Company and the companies included in the Group face.

April 16th, 2025

Sebastian Lindström **CEO**	**Bengt Engström** **Chair of the Board**
Fredrik Persson	**Jan-Olof Backman**
Dan Pitulia	**Sara Uhlén**

Our audit report was issued on April 16th, 2025
Grant Thornton Sweden AB
Olof Nordgaard
Authorized Public Accountant

Auditor's report

N.B. The English text is a translation of the official version in Swedish. In the event of any con-flict between the Swedish and English version, the Swedish shall prevail.

To the general meeting of the shareholders of QleanAir AB (publ) Corporate identity number 556879 - 4548

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of QleanAir AB (publ) for the year 2024.

The annual accounts and consolidated accounts of the company are included on pages 37–79 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3–36 och 88–95. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of QleanAir AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, according to the date indicated by the electronic signature.

Grant Thornton Sweden AB

Olof Nordgaard
Authorised Public Accountant

04 Corporate governance and the share

Corporate governance report

The company applies the Swedish Corporate Governance Code (the Code) and complies with applicable corporate governance laws, primarily the Swedish Companies Act and Annual Accounts Act.

This corporate governance report has been prepared in accordance with the Swedish Corporate Governance Code (the Code) and has been reviewed by the Company's auditors. The corporate governance report covers the calendar year 2024.

The company's share has been listed on Nasdaq First North Premier Growth Market since December 12, 2019.

The Code has been applied since December 12, 2019.

Shares and owners

The share capital in the company at the end of the year amounted to SEK 7,429,600, divided into 14,859,200 shares. The company's shares give one vote per share and equal rights to a share of the company's assets and dividends.

The company's ten largest shareholders as of December 31, 2024

Shareholders	%, capital and votes
Staffan Persson (Swedia Capital)	28.7%
Fredrik Palmstierna	10.3%
Avanza Pension	9.2%
Calandrella Ltd	6.6%
Life insurance company Skandia	4.6%
Jan-Olof Backman (company)	4.4%
SEB Life Assurance, Ireland	3.3%
Nordnet Pension	1.9%
Citibank London Nordic Small Cap Fund	1.9%
Sebastian Lindström	1.4%
Total, ten largest shareholders	72.3%

Public list of nominees as of December 31, 2024, Euroclear.

General meeting

The general meeting is the highest decision-making body in the company. At the Annual General Meeting, shareholders exercise their voting rights to make decisions on key issues, such as approval of income statements and balance sheets, appropriation of the company's profit or loss, granting discharge from liability for board members and the CEO, election of board members and auditors and remuneration to the Board and auditors.

The Annual General Meeting shall be held within six months from the end of the financial year. In addition to the Annual General Meeting, notice can also be given of an Extraordinary General Meeting, if the Board deems such necessary or if an owner of at least 10% of the shares so requests.

There is no provision in QleanAir's articles of association that limits the right to transfer shares or the number of votes each shareholder can cast at a general meeting.

The 2024 Annual General Meeting

The 2024 Annual General Meeting was held on May 8, 2024 in Solna. In total, 100% of a total of 14,859,200 of shares were represented. The 2023 accounts were approved and the members of the board and the CEO were discharged from liability. Decisions were also made on the election of board members, Chair of the Board and auditors, as well as remuneration to the Board and auditors. Furthermore, a decision was made on an incentive program.

Under the incentive program, participants will be offered to acquire warrants which entitle the holder to acquire shares in the company at SEK 40 per share. Subscription of new shares supported by the warrants may take place during the period from June 1, 2027, to December 31, 2027. In total, a maximum of 70,000 warrants can be issued. Based on the number of shares in the company, the maximum dilution as a result of the incentive program can amount to approximately 0.5%.

Nomination committee

The Nomination Committee consists of Staffan Persson, Chair, Dan Pitulia (Calandrella) and Fredrik Palmstierna.

The nomination committee appoints one of its members as chair of the nomination committee. The company's Chair of the Board may not be appointed chair of the nomination committee. The term of office for the members of the nomination committee continues until a new nomination committee is appointed. The members of the nomination committee shall not receive any fee. The nomination committee shall submit proposals for the chair at the Annual General Meeting, proposals for election and remuneration regarding board members (incl. Chair of the Board) and auditor as well as, where applicable, procedural matters for the next nomination committee.

Auditors

The auditors of the company are elected by the Annual General Meeting and at the 2024 Annual General Meeting, Grant Thornton was re-elected as the audit firm for the period until the end of the 2025 Annual General Meeting. Olof Nordgaard has been appointed chief auditor. The audit mainly covers continuous auditing and review of the annual report.

Role and composition of the Board

After the annual general meeting, the Board is the company's highest decision-making body. The Board's work is regulated by, among other things, the Swedish Companies Act, the Articles of Association and the Board's rules of procedure. The Board sets goals and strategic guidelines, is responsible for the CEO implementing Board decisions and holds ultimate responsibility for the Group's internal governance and control as well as risk management. The Board's members elected by the Annual General Meeting are elected annually by the Annual General Meeting for the period until the next Annual General Meeting is held. According to the Articles of Association, the company's Board shall consist of a minimum of three and a maximum of seven ordinary members, elected by the AGM without deputies. The 2024 Annual General Meeting decided that the Board will consist of five ordinary members until the end of the Annual General Meeting to be held in 2025. Bengt Engström, Ferdrik Persson, Jan-Olof Backman and Dan Pitulia were re-elected. Sara Uhlén was elected as a new member. Towe Ressman declined re-election. No representative of the company's management is included on the Board. No employee representatives or deputies have been appointed to the Board. The members of the Board are presented on pages 88–89.

Chair of the Board

The Chair of the Board leads the work of the Board and monitors operations in dialogue with the CEO. The chair represents the company in matters concerning the ownership structure and matters of special importance. The task entails responsibility for the Board's work being well organized, efficient, that the Board fulfills its commitments and that the Board receives satisfactory information and decision-making materials. Annually, the Board conducts a detailed evaluation once a year of the forms of its work, the composition of the Board, the Board's performance and areas for improvement. Each year, the Chair of the Board initiates and directs the evaluation of the Board's work. The purpose of the evaluation is to further develop working methods, dynamics, efficiency and working climate, as well as the main focus for the Board's work. This evaluation also focuses on access to, and the need for, specific competence on the Board. The evaluation includes interviews, joint discussions and that the Chair of the Board has individual discussions with individual board members. The evaluations are discussed at a Board meeting and serve as a basis for the nomination committee's work of proposing board members.

The work of the Board

The Board appoints the CEO. The division of the Board's and the CEO's responsibilities and powers can be found in the Board's rules of procedure, which are established annually, as well as the Board's instructions to the CEO. The Board meetings follow the adopted rules of procedure which determine the items on the agenda that are fixed and those that may vary. The Board convenes regularly following a schedule laid down in the rules of procedure, which includes some fixed decision-making points, as well as other decision-making points as necessary. The Board has not currently established an Audit Committee or a Remuneration Committee as the Board has not found it appropriate given its size.

Ensuring quality in financial reporting

The rules of procedure adopted annually by the Board include detailed instructions on, among other things, which financial reports and financial information shall be submitted to the Board. In addition to the year-end report, interim reports and annual report, the Board reviews and evaluates extensive financial information relating to both the company as a whole and various entities that are part of the group. The Board also discusses information about risk assessments, disputes and any irregularities that may impact the company's financial position. The Board also reviews the most significant accounting principles applied in the group regarding financial reporting, as well as material changes to the principles and reports on internal controls and the processes for financial reporting. The company's auditors report to the Board as required, but at least twice a year.

Remuneration to the Board

The agreed remuneration to the Board of Directors amounted to a total of SEK 1,500,000 in 2024, distributed within the Board as shown in the table below. The 2024 Annual General Meeting decided that the fee to the Chairman of the Board shall amount to SEK 500,000 per year and to other board members SEK 250,000 per board member per year.

Company management

The CEO leads the work of company management and makes decisions in consultation with the other members of management. Management consists of the CEO, CFO and managers of global functions and business area managers. Company management has regular reviews of operations under the direction of the CEO.

Remuneration to senior executives

In 2024, a total of SEK 4,932,096 was paid in fixed remuneration to the company's senior executives (company management). The total gross remuneration paid to the CEO and executive management, including basic salary, pension payments and car and health insurance benefits, amounted to SEK 6,453,660 in 2024, of which SEK 4,277,880 was remuneration to the CEO. Remuneration to senior executives is described in Note 17. Remuneration paid complies with the decision on Guidelines for remuneration to senior executives made by the Extraordinary General Meeting on October 7, 2019. Guidelines for remuneration to senior executives are set out in Note 17. The same rules are proposed to apply for future years.

Audit

The company's auditors review the annual accounts and annual report, as well as the company's day-to-day operations and procedures, and then present their opinion on the financial reporting and the management by the Board and the CEO. After each financial year, the auditors shall submit an auditor's report to the annual general meeting. Every year, the company's auditors report their observations from the audit and their assessments of the company's internal control to the Board personally. At the Annual General Meeting on May 8, 2024, audit firm Grant Thornton was elected as the company's auditor with authorized public accountant Anders Meyer as the chief auditor for the period until the end of the Annual General Meeting to be held in 2025. At the 2024 Annual General Meeting, it was decided that remuneration to the auditor would be paid according to an approved invoice. The auditor's fee in 2024 amounted to a total of TSEK 2,146 for the entire Group. The interim report January–September 2024 was broadly reviewed by the company's auditors.

Internal controls

According to the Swedish Companies Act, the Board is responsible for internal control. According to the Code, the corporate governance report shall contain information on the most important elements in the company's system for internal control and risk management, in connection with the financial reporting. The company's internal control structure follows the principles in the COSO model, according to which there is a review and assessment in the areas of control environment, risk assessment, control activities, information and communication and follow-up.

Control environment

The Board has established a number of governing documents for the company's internal control and governance, including the Board's rules of procedure and instructions for the CEO, reporting instructions, authorization provisions, risk policy and financial policy, all of which aim to ensure a clear division of roles and responsibilities. Financial information is reported through a group-wide reporting system. Maintaining an effective control environment and the ongoing work with internal control and risk management is the responsibility of the CEO and CFO, who report to the Board based on established procedures. Senior executives at various levels in the company also have this responsibility within their respective areas of responsibility, and in turn report to Group management. The company's essential governing documentation in the form of policies, guidelines and manuals is primarily communicated via a group-wide intranet and a common business system.

Risk assessment

The company continuously updates the risk analysis regarding the assessment of risks that may lead to errors in financial reporting. This is mainly done through contacts between management and the finance function. At the risk reviews, the company identifies the areas where the risk of errors is increased. Sustainability issues are an ongoing part of the risk analysis and assessment; see the company's sustainability report.

Control activities

Every month, financial reports are prepared for all companies within the group. These form the basis for the meetings of executive management. Here, special analysis is made of the order situation, cost follow-up, investments and cash flow. At these meetings, special attention is paid to ensuring that any problems are followed up on and that correct financial reporting is ensured. Follow-up is done on outcomes and ensures that the financial information is true and correct.

The control environment is created through common values, company culture, rules and policies, communication and follow-up, as well as by the way the business is organized. The main task for company management and its employees is to implement, further develop and maintain the group's control procedures, and to perform internal controls focused on business-critical issues. The company's auditor reviews the financial information for the annual accounts. In addition, the auditor reviews a selection of controls and processes each year and reports any areas for improvement to company management and the Board. The company's finance function is located at the corporate office in Solna.

Internal audits

Due to its size, the company has no internal audit function.

Meeting attendance in 2024

For a presentation of the Board, see pages 88–89.

Name	Year elected	Independent of the company	Independent of major shareholders	Remuneration decided by the General Meeting	Board meetings
Bengt Engström	2020	Yes	Yes	500,000	16/16
Towe Ressman	2021	Yes	Yes	250,00	7/16
Fredrik Persson	2023	Yes	No	250,00	16/16
Jan-Olof Backman	2023	Yes	Yes	250,00	16/16
Dan Pitulia	2023	Yes	Yes	250,00	16/16
Sara Uhlén	2024	Yes	Yes	250,00	9/16

Towe Ressman left the Board in May 2024.

Board

The Board of Directors has its registered office in Solna, Sweden. According to QleanAir's Articles of Association, the Board shall consist of a minimum of three and a maximum of seven ordinary members without deputies. The Board of Directors currently consists of five ordinary members elected for the period until the end of the Annual General Meeting to be held in 2025.

The table below presents the board members, their positions, the year they were appointed and their independence in relation to QleanAir and its senior executives as well as major shareholders. Major shareholders are defined in accordance with the Swedish Corporate Governance Code as shareholders who directly or indirectly control ten percent or more of the shares or votes in the company.

			Independent in relation to:	
Name	Position	Board member since	QleanAir and senior executives	Major shareholders as of today
Bengt Engström	Chair of the Board	2020	Yes	Yes
Fredrik Persson	Board member	2023	Yes	No
Jan-Olof Backman	Board member	2023	Yes	Yes
Dan Pitulia	Board member	2023	Yes	Yes
Sara Uhlén	Board member	2024	Yes	Yes

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in QleanAir AB (publ), corporate identity number 556879-4548

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 83–87 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm the 16th of April 2025
Olof Nordgaard
Authorized Public Accountant

Board

Bengt Engström
(Chair)

Born: 1953

Position: Chair since 2020.

Other ongoing assignments: Chair of Nordic Flanges AB, Qlosr AB, BEngström AB/BEngström Förvaltning AB. Board member of Scanfil Oy, Real Holding AB, Scandinavian Chemotech AB and Polygiene AB.

Previous assignments in the last five years: Chairman/Board member of Prevas AB, Advania AB, Opticos AB, Crem International AB, Scandinavian Executive AB, Bure Equity AB, Scandinova Systems AB, KTH Executive School, IFG Duroc.

Other relevant experience: Bengt holds a master's degree in engineering from KTH and has worked in senior positions in various companies since the 1980s.

Started as Director Production & Supply Chain at Bofors AB. Then various managerial jobs in Whirlpool such as global VP Microwave Ovens, European VP Manufacturing & Technology and then EVP Whirlpool Corporation and President Whirlpool Europe. After returning home to Sweden, he became CEO of Duni AB and Nordic CEO at Fujitsu. In recent years, he has worked as an advisor, board member and investor in both large and small companies

Independent in relation to QleanAir and its senior executives: Yes.

Independent in relation to major shareholders (as of today): Yes.

Holdings in QleanAir: 67,071 shares (privately held and through companies, as well as holdings of related natural persons).

Fredrik Persson
(Board member)

Born: 1984

Position: Board member since 2023.

Other ongoing assignments: Investment Manager at Swedia Capital AB, Chairman Stiga Sports AB, board member Spotlight Group AB, board member Greengold AB, Member Lundqvist Intressenter AB, board member Arctic Falls AB.

Previous assignments in the last five years: Board member Breaking Media AB, L ETNetworks AB. Board member Optise AB.

Other relevant experience: Master of Engineering from Uppsala University

Independent in relation to QleanAir and its senior executives: Yes.

Independent in relation to major shareholders (as of today): No.

Holdings in QleanAir: 4,463,893 shares, partly through Swedia Capital and partly privately.

Jan-Olof Backman
(Board member)

Born: 1961

Position: Board member since 2023.

Other ongoing assignments: Chairman of Layer Group AB, Chairman of Northclean Group AB, Chairman of Credentia AB, Member of Tagehus Holding AB, Member of Sveab Holding AB, Member of Ifoodbag AB.

Previous assignments in the last five years: Chairman of 24Storage AB, Member of Vasakronan AB, Member of Logent AB, Member/Chair of Microsystemation AB.

Other relevant experience: Master of Science in Civil Engineering from KTH and Master of Science from the University of Washington, Seattle. Held senior positions at McKinsey & Co, Skanska and Coor Service Management AB.

Independent in relation to QleanAir and its senior executives: Yes.

Independent in relation to major shareholders (as of today): Yes.

Holdings in QleanAir: 663,329 shares through companies

Dan Pitulia
(Board member)

Born: 1956

Position: Board member since 2023.

Other ongoing assignments: Board member 2006–2010 and Chair of the Board from 2011 in Neoventa Holding AB. Director at Pitulia&Co Ltd (UK).

Previous assignments in the last five years: CEO of CoalaLife Group AB.

Other relevant experience: International business experience in management positions since 1984, firstly in consumer products and then medical technologies. CEO 2012–2018 and Vice Chairman 2018–2019 QleanAir AB. Chairman of the Board of Memira AB 2017–2019.

Independent in relation to QleanAir and its senior executives: Yes.

Independent in relation to major shareholders (as of today): Yes.

Holdings in QleanAir: 1,145,000 shares, through insurance and related parties.

Sara Uhlén
(Board member)

Born: 1975

Position: Board member since 2024.

Other ongoing assignments: Business Area Manager Finance & Payroll at Ludvig & Co. Board member of Spotlight Group AB, Cabben Invest AB, Karmarlin AB and Usmooth AB.

Previous assignments in the last five years: Partner, board member, business unit manager and authorized accounting consultant at Grant Thornton Sweden AB. Talent Acquisition Specialist at PE Teknik & Arkitektur AB.

Other relevant experience: Experience in developing and supporting the finance department and business control in fast growing companies. This includes quality control and efficiency work, mainly in internal control and financial reporting. Experience in leadership, P&L responsibilities, talent acquisition and talent management. Sara has studied Business Administration at Luleå University of Technology and HR Manager Executive Training at FEI (Företagsekonomiska Institutet).

Independent in relation to QleanAir and its senior executives: Yes.

Independent in relation to major shareholders (as of today): Yes.

Holdings in QleanAir: 9,000 shares through companies.

Management

At present, QleanAir's CEO and CFO are the company's senior executives. Below is information about the senior executives' age, position, other ongoing assignments, previous assignments during the past five years, other relevant experience and holdings of shares and share-related instruments in the company. Assignments in subsidiaries within the Group have been excluded.

Sebastian Lindström
(CEO)

Born: 1965

Position: CEO since November 2022.

Other ongoing assignments: Senior advisor VEA Ventures SRL, Founder and Chair of Lindstrom Invest AB and CASL et al AB, Board member of Heby Holding AB and Heby-textil AB. Board member of Motucsal AB.

Previous assignments in the last five years: Board member of QleanAir Scandinavia AB 2022. VP and Managing Director Crem, CEO Crem International Holding AB.

Other relevant experience: In 1991, Sebastian acquired an MSc in Engineering from Linköping University, specializing in Industrial Economics. For the past 20 years, Sebastian has worked in senior positions in a number of portfolio companies in the venture capital industry; Deputy CEO Granngården, Interim COO Bodilsen A/S, CEO Atea Holding AB.

Holdings in QleanAir: 245,000 shares, partly through company and partly privately. 445,776 warrants (2023/2026). In addition, 6,650 shares through related party.

Fredrik Sandelin
(CFO)

Born: 1962

Position: CFO since April 2025.

Other ongoing assignments: –

Other relevant experience: Fredrik has several years of experience as CFO for listed companies, most notably Scandic Hotels, IBS and Eniro and has also worked as CEO for 24Storage and A-Com. Fredrik holds a M.Sc. in Business Administration and Economics from the Stockholm School of Economics.

Holdings in QleanAir: –

QleanAir shares

Listing

QleanAir's shares began trading on the Nasdaq First North Premier Growth Market under the ticker QAIR on December 12, 2019. The IPO share price was SEK 40 per share.

Share capital

On December 31, 2024, the share capital amounted to SEK 7,429,600, divided into 14,859,200 shares with a quota value of SEK 0.50. All shares are of the same class with equal voting rights and share of the company's capital and profits.

Trading in the share

The closing price on the last trading day of the year, December 30, 2024, was SEK 16.2, corresponding to a market capitalization of approximately MSEK 241. A total of 5,676,123 shares were traded during 2024, corresponding to a value of approximately MSEK 161. The average number of shares traded per trading day was 22,614.

Shareholders

On December 31, 2024, there were 2,869 shareholders. The company's ten largest owners accounted for 72.3% of the share capital and votes. Staffan Persson (Swedia Capital) was the largest shareholder with 28.7% of the shares.

Certified Advisor

All companies whose shares are listed on the Nasdaq First North Premier Growth Market must have a Certified Advisor. FNCA Sweden AB (+46 8 528 00 399, info@fnca.se) has been contracted as QleanAir's Certified Advisor.

The company's ten largest shareholders as of December 31, 2024

Staffan Persson (Swedia Capital)	28.7%
Fredrik Palmstierna	10.3%
Avanza Pension	9.2%
Calandrella Ltd	6.6%
Life insurance company Skandia	4.6%
Jan-Olof Backman (company)	4.4%
SEB Life Assurance, Ireland	3.3%
Nordnet Pension	1.9%
Citibank London Nordic Small Cap Fund	1.9%
Sebastian Lindström	1.4%
Total, ten largest shareholders	**72.3%**

Public list of nominees as of December 31, 2024, Euroclear.

Financial information in summary

The Group's report on earnings and other comprehensive income

TSEK	full year 2024	full year 2023
Revenue	450,375	503,518
Merchandise	–157,155	159,480
Gross profit	**293,221**	**344,038**
Selling and administrative expenses	281,244	–279,971
Operating income	**11,976**	**64,067**
Financial income	3,187	9,512
Financial costs	–16,893	17,879
Profit before tax	**–1,730**	**55,700**
Taxes	296	–12,334
Profit/loss for the year	**–1,433**	**43,366**

The Group's report on financial position

TSEK	12/31/2024	2023-12-31
Non-current assets	430,202	436,022
Current assets	148,887	169,140
Cash and cash equivalents	52,043	56,885
Total assets	**631,132**	**662,047**
Equity	201,720	215,295
Non-current liabilities	16,830	169,756
Current liabilities	412,582	276,996
Total liabilities	**631,132**	**662,047**

Key ratios

	2024	2023
Share of recurring revenue, %	66%	61%
EBITDA, TSEK	45,320	97,470
EBITDA margin, %	10.1%	19.4%
EBIT, TSEK	11,976	64,067
EBIT margin, %	2.7%	12.7%

Quarterly information

	Oct–Dec 2024	Jul–Sept 2024	Apr–Jun 2024	Jan–Mar 2024	Oct–Dec 2023
Net sales, TSEK	103,642	112,844	114,725	119,127	123,751
Installed units	12,269	12,249	12,357	12,739	12,696
Recurring revenue, TSEK	77,019	72,753	74,092	75,178	78,545
Gross profit, TSEK	68,153	70,443	72,504	82,121	82,391
Gross margin, %	65.8%	62.4%	63.2%	68.9%	66.6%
EBITDA, TSEK	2,997	12,665	9,802	19,856	17.808
EBITDA margin, %	2.9%	11.2%	8.5%	16.7%	14.4%
EBIT, TSEK	–5,443	4,192	1,622	11,605	9,627
EBIT margin, %	–5.3%	3.7%	1.4%	9.7%	7.8%
Cash flow from operating activities (operating cash flow), TSEK	17,074	3,431	19,071	169	14,426
Working capital, TSEK	–36,781	–25,500	–30,642	–16,393	–27,824
Average capital employed, TSEK	423,920	427,416	432,186	435,876	432,911
Net interest-bearing liabilities excl. IFRS16, TSEK	164,150	173,417	169,759	166,200	160,103
Equity ratio, %	32.0%	32.1%	31.9%	33.4%	32.5%
Net debt/equity ratio	0.8	0.8	0.8	0.8	0.7
Return on capital employed (ROCE), %	2.8%	6.3%	9.2%	13.6%	14.8%

Definitions

Key ratios	Definition and purpose
Revenue	Revenue, including other operating revenue. The ratio shows the company's total revenue.
Gross profit	Revenue less cost of sold goods.
Gross margin	Gross profit as percentage of revenue.
EBITDA	Earnings before depreciation and write-downs. The ratio is used to show the company's profitability before depreciations and write-downs.
EBITDA margin	Operating income before depreciation and write-downs as a percentage of revenue. This ratio is used to measure operating profitability before depreciation and write-downs.
Operating result (EBIT)	Profit before financial items and tax. The measure shows the operational profitability of the company.
Adjusted EBIT	Operating profit before financial items and tax, adjusted for non-recurring non-operating items, such as transaction costs. The ratio is used to show the earning potential of the business before financial items and tax, excluding non-recurring items.
EBIT margin	Operating income as a percentage of revenue. The measure is used to measure operating profitability after depreciation and write-downs.
Adjusted EBIT margin	Adjusted EBIT as a percentage of revenue. The measure is used to show the profitability of the business before financial items and tax, excluding non-recurring items.
Operational cash flow	Adjusted EBITDA minus net investment in tangible and intangible fixed assets and adjustment for cash flow from changes in working capital. Operational cash-flow is stated to track the cash flow generated by operating activities.
Working capital	Current assets excluding cash and cash equivalents minus current liabilities (non-interest-bearing).
Average capital employed	Average equity and interest-bearing liabilities for the period. This ratio is used to analyze how much capital is employed in the business during the period.
Net interest-bearing debt	Interest-bearing short- and long-term liabilities minus cash and cash equivalents. Does not include IFRS 16 items. The ratio shows the financial position of the company.
Equity/asset ratio	Equity as a percentage of the company's total assets. The ratio is used to assess the financial stability of the company.
Net debt/equity ratio	Interest-bearing liabilities minus cash and cash equivalents divided by equity. Does not include IFRS 16 items. Net debt/equity ratio is stated because the Company believes that the ratio contributes to investors' understanding of the company's financial position.
Adjusted return on average capital employed	Adjusted EBIT rolling twelve months as a percentage of average capital employed. This ratio has been included to help investors understand the company's profitability relative to the capital employed in the business during the year. Adjusted EBIT is stated as the Company believes it excludes the impact of non-recurring items, which allows for a comparison of underlying operating profitability.
Recurring revenue	Recurring revenue is defined as revenue from leases on own balance sheet, service contracts and consumables.
Earnings per share	Earnings per share have been adjusted for the 2019 stock split for comparability.
EMEA	Germany, Austria, Switzerland, the Netherlands, Belgium, France, Poland and the Nordic countries
APAC	Japan
Americas	USA

Upcoming reporting dates

May 9, 2025:
Interim report for the first quarter 2025
Annual General Meeting 2025

August 8, 2025:
Interim report for the second quarter 2025

November 7, 2025:
Interim report for the third quarter 2025

February 6, 2026:
Interim report for the fourth quarter and full year 2025

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