

# Air care for healthy growth

# Q3

Interim report 2022

# Summary

## 1 July - 30 September 2022

- Net sales amounted to SEK 326.4 (254.4) million, which corresponds to a growth of 28.3 (33.1) %.
- Operating result before amortizations and depreciations (EBITDA) increased by 41.9 % and amounted to SEK 67.2 (47.4) million, corresponding to a margin of 20.6 (18.6) %.
- Operating result (EBIT) increased by 51.6 % and amounted to SEK 57.3 (37.8) million, corresponding to a margin of 17.6 (14.9) %.
- Earnings per share amounted to SEK 3.81 (2.49).
- Cash flow from operating activities amounted to SEK 78.1 (19.2) million.

## 1 January - 30 September 2022

- Net sales amounted to SEK 999.2 (757.1) million, which corresponds to a growth of 32.0 (13.5) %.
- Operating result before amortizations and depreciations (EBITDA) increased by 52.9 % and amounted to SEK 202.8 (132.6) million, corresponding to a margin of 20.3 (17.5) %.
- Operating result (EBIT) increased by 65.5 % and amounted to SEK 172.7 (104.3) million, corresponding to a margin of 17.3 (13.8) %.
- Earnings per share amounted to SEK 10.98 (6.82).
- Cash flow from operating activities amounted to SEK 141.0 (81.1) million.

# Group key figures

Key figures	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021	Rolling 12 months Oct 2021-Sep 2022
Net sales, SEK thousands	326 427	254 396	999 220	757 119	1 029 807	1 271 908
Sales growth, %	28.3	33.1	32.0	13.5	15.0	29.0
Operating result before amortizations and depreciations (EBITDA), SEK thousands	67 248	47 376	202 764	132 605	168 538	238 697
Operating margin before amortizations and depreciations, %	20.6	18.6	20.3	17.5	16.4	18.8
Adjusted operating result before amortizations and depreciations (EBITDA1*), SEK thousands	67 248	47 376	202 764	132 605	181 162	251 321
Adjusted operating margin before amortizations and depreciations*, %	20.6	18.6	20.3	17.5	17.6	19.8
Operating result (EBIT), SEK thousands	57 332	37 827	172 652	104 296	131 542	199 898
Operating margin, %	17.6	14.9	17.3	13.8	12.8	15.7
Adjusted operating result (EBIT1*), SEK thousands	57 332	37 827	172 652	104 296	144 166	212 522
Adjusted operating margin*, %	17.6	14.9	17.3	13.8	14.0	16.7
Cash flow from operating activities, SEK thousands	78 143	19 184	141 018	81 058	114 510	174 470
Total assets, SEK thousands	1 660 590	1 263 353	1 660 590	1 263 353	1 457 227	1 461 972
Equity ratio, %	39.9	39.5	39.9	39.5	36.4	39.7
Net cash (+) / net debt (-), SEK thousands	-334 385	-261 800	-334 385	-261 800	-392 098	-298 093
Earnings per share, SEK	3.81	2.49	10.98	6.82	8.68	12.84
Equity per share, SEK	58.47	44.05	58.47	44.05	46.82	51.26
Number of outstanding shares at the balance sheet date	11 320 968	11 320 968	11 320 968	11 320 968	11 320 968	11 320 968
Average number of employees	456	403	456	403	446	464

\* Adjusted key ratios are excluding items affecting comparability for the full year 2021 and rolling 12 months Oct 2021-Sep 2022. Key ratios for these periods have been adjusted for items affecting comparability, partly a negative impact on the result of SEK 8.1 million related to the divestment of Bristol and partly costs of SEK 4.6 million related to restructuring of parts of the operations in China and our project-based business in the UK. No adjustments have been made for the other periods.



# CEO comments

## A strong third quarter

During the third quarter of the year, the Group once again reported a strong growth and profitability improvement. Net sales increased by 28.3% to SEK 326.4 (254.4) million, and continuous improvements of the operating margin resulted in an increase of the operating result before amortizations and depreciations (EBITDA) with 41.9% to SEK 67.2 (47.4) million. Our success in gaining market shares in most product areas and markets continues, and we have full order books for the Group's business areas Industrial and Commercial Kitchen. For the quarter, the Group reports a cash flow from operating activities of SEK 78.1 (19.2) million, which is the highest ever for a single quarter. The major improvement is driven partly by high net sales and relatively short delivery times, and partly by seasonality fluctuations in inventory and accounts receivable.

## Industrial

The quarterly growth for the Group's largest business area Industrial amounted to 35.6% and operating margin before amortizations and depreciations (EBITDA) to 21.5%, which constitutes a clear increase compared to the third quarter last year. Region Americas excelled with high growth, total as well as organic. The growth is

attributable to several of the Group's brands, with Absolent, Filtermist and Quatro as the main drivers. The order intake has also been strong in the region, and we are thus well positioned for coming periods. Region EMEA has seen a continued positive trend from previous periods and the development is strong in mainly Germany, France and Austria. Region APAC also recorded a positive development following the reopening of all offices and warehouses, and we look forward to a strong finish of the year.

## Commercial Kitchen

The Commercial Kitchen business area has distinct seasonal effects where the third quarter, with net sales in line with the same quarter last year, is one of the year's weakest in terms of sales. Despite the seasonally low sales volume, the business area improves the operating margin before amortization and depreciation (EBITDA) with slightly over four percentage points to 19.6% compared to the second quarter of the year. The margin improvements are a consequence of price increases to customers related to increased material prices coming into effect, but it is too early to state that the adaption is completed. We are still working determinedly to ensure full control and balance between cost increases and price adjustments.

## The future

Absolent Air Care Group has long been in the forefront of technology within several air filtration areas, which is a cornerstone for our industry-leading growth and profitability. Since a couple of years, we invest a considerable amount of resources in developing the next generation product platform, and we are excited to launch the first units on the platform within a near future. As a result of a modular platform structure, we will be able to continuously deliver new products during the coming three years and to satisfy more customer demands in a more efficient way. We have high expectations that the new products will contribute to a profitable growth during many years to come.

Altogether, we are satisfied with how the Group is positioned and proud of having delivered yet a strong quarter. Currently, there are unusually large volatility in several macro factors such as inflation, energy prices and interest rates that could have an impact on our markets, but we still look with confidence on both growth as well as margin improvement in coming periods.

**Axel Berntsson, CEO and President**  
Gothenburg, in November 2022

# The Group

## July - September 2022

### Net sales

Net sales for the Group amounted to SEK 326.4 (254.4) million, which corresponds to a growth of 28.3 (33.1) %. The Industrial business area showed the largest growth, with a net sales increase from SEK 200.1 million to SEK 271.4 million. For Commercial Kitchen, the Group's other business area, net sales amounted to SEK 55.1 (54.3) million. Net sales increased in all regions.

### Result

Operating result before amortizations and depreciations (EBITDA) amounted to SEK 67.2 (47.4) million, which corresponds to a margin of 20.6 (18.6) %. Operating result (EBIT) amounted to SEK 57.3 (37.8) million with an operating margin of 17.6 (14.9) %. Translation effects of foreign Group companies' results have impacted the operating result (EBIT) for the period with 2.4 (-0.6) million. The result improvement is driven by the Industrial business area, for which operating result (EBIT) increased from SEK 32.4 million to SEK 50.8 million. The increase is an effect of both improved margin and increased net sales. For Commercial Kitchen, operating result (EBIT) amounted to SEK 8.8 (9.9) million, where the decrease mainly is still an effect of the combination of sharp, rapid material price increases and long order cycles.

Net financial items amounted to SEK -4.8 (-2.4) million, of which exchange rate effects amounted to SEK -0.5 (-0.4) million. These effects are mainly related to the credit facility in foreign currency. The weaker net financial items are mainly attributable to increased interest expenses. Result after tax amounted to SEK 43.2 (28.2) million.

### Investments

During the period July-September, the Group has invested a total of SEK 4.9 (3.9) million in intangible and tangible fixed assets, where this period's investments refer to capitalized development costs, software and machinery.

### Cash flow

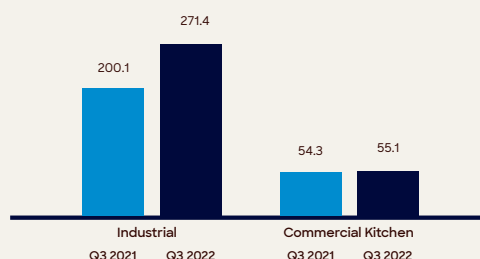
Cash flow from operating activities before changes in working capital amounted to SEK 63.5 (41.4) million and the cash flow after changes in working capital amounted to SEK 78.1 (19.2) million. The improved cash flow is driven partly by the increased operating result and partly by the decreased working capital.

### Financial position

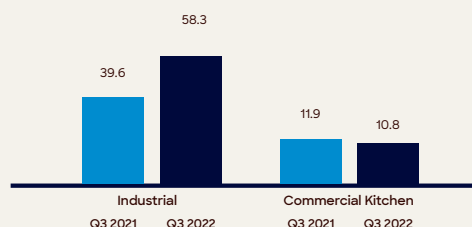
Interest-bearing liabilities at the end of the period amounted to SEK 661.3 (507.2) million, of which SEK 70.5 (79.9) million refers to lease liabilities. The net debt for the Group amounted to SEK 334.4 (261.8) million. The increase is mainly attributable to the acquisition of Quatro Air Technologies Inc. and Aerofil Inc., which was finalized during the fourth quarter 2021.

The equity ratio improved by 0.4 percentage points and amounted to 39.9 (39.5) % at the end of the period. The Parent company's credit facility totals SEK 600 million and expires in 2024.

### Net sales, SEK million



### EBITDA, SEK million



# The Group

## January - September 2022

### Net sales

Net sales for the Group amounted to SEK 999.2 (757.1) million, which corresponds to a growth of 32.0 (13.5) %. The Industrial business area showed the largest growth, with a net sales increase from SEK 583.3 million to SEK 814.7 million. For Commercial Kitchen, the Group's other business area, net sales amounted to SEK 184.6 (173.9) million. Net sales increased in all regions.

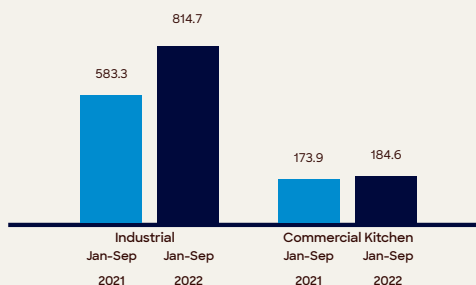
### Result

Operating result before amortizations and depreciations (EBITDA) amounted to SEK 202.8 (132.6) million, which corresponds to a margin of 20.3 (17.5) %. Operating result (EBIT) amounted to SEK 172.7 (104.3) million with an operating margin of 17.3 (13.8) %. Translation effects of foreign Group companies' results have impacted the operating result (EBIT) for the period with 5.6 (-0.3) million. The result improvement is driven by the Industrial business area, for which operating result (EBIT) increased from SEK 83.0 million to SEK 154.2 million. The increase is an effect of both improved margin and increased net sales. For Commercial Kitchen, operating result (EBIT) amounted to SEK 27.1 (31.6) million, where the lower result mainly is an effect of the combination of sharp, rapid material price increases and long order cycles.

The operating result also includes other operating income of SEK 26.5 million, of which exchange rate effects amount to SEK 21.7 million and gain from real estate sale amounts to SEK 3.5 million.

Net financial items amounted to SEK -15.7 (-6.3) million, of which exchange rate effects amounted to SEK -0.9 (0.8) million. These effects are mainly related to the credit facility in foreign cur-

### Net sales, SEK million



rency. Net financial items also include an impairment of a financial receivable of SEK 5.4 million related to a transfer of assets made during the previous year. Result after tax amounted to SEK 124.3 (77.3) million.

### Investments

During the first nine months of the year, the Group has invested a total of SEK 20.7 (9.4) million in intangible and tangible fixed assets, where this year's investments mainly refer to capitalized development costs, software and machinery.

### Cash flow

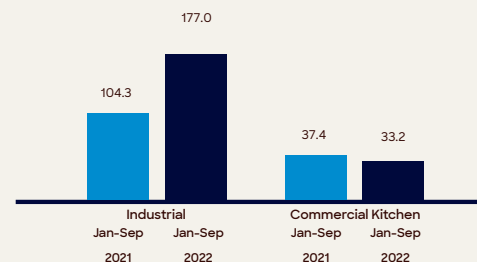
Cash flow from operating activities before changes in working capital amounted to SEK 182.6 (103.9) million and the cash flow after changes in working capital amounted to SEK 141.0 (81.1) million. The cash flow has been positively affected by the improved operating result while the increased working capital had a negative impact.

### Financial position

Interest-bearing liabilities at the end of the period amounted to SEK 661.3 (507.2) million, of which SEK 70.5 (79.9) million refers to lease liabilities. The net debt for the Group amounted to SEK 334.4 (261.8) million. The increase is mainly attributable to the acquisition of Quatro Air Technologies Inc. and Aerofil Inc., which was finalized during the fourth quarter 2021.

The equity ratio improved by 0.4 percentage points and amounted to 39.9 (39.5) % at the end of period. The Parent company's credit facility totals SEK 600 million and expires in 2024.

### EBITDA, SEK million



# Other information

## Risks and uncertainties

Through its operations, Absolent Air Care Group is exposed to several different risks, such as external risks, operational risks as well as financial risks. These risks are described more in detail in the Board of Directors' report in the Absolent Air Care Group Annual report for 2021. (accessible at [www.absolentgroup.com](http://www.absolentgroup.com)). The financial risks are also further described in Note 23 in the Annual report for 2021. The reported risks, as they are described in the Annual report, are deemed to be essentially unchanged.

There is still some uncertainty due to disruptions in the supply chain regarding transport and component shortage. The current geopolitical situation is also a factor of uncertainty, and it cannot be ruled out that the Group, partners, suppliers and/or customers may be affected in the future, both directly and indirectly as a result of macroeconomic factors or global disturbances in the supply chain.

## Accounting policies

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The applied accounting policies for the Group and the Parent company are consistent with the accounting policies used in the presentation of the Annual Report 2021.

No standards, amendments or interpretations effective from 2022 have had any material impact on Absolent Air Care Group's financial statements.

## Contact information

Axel Berntsson, CEO and President  
Karin Brossing Lundqvist, CFO

Phone: +46 (0) 510 48 40 00  
E-mail: [ir@absolentgroup.com](mailto:ir@absolentgroup.com)

Absolent Air Care Group AB (publ)  
Västra Hamngatan 10  
SE-411 17 Gothenburg  
Corp. ID: 556591-2986  
[www.absolentgroup.com](http://www.absolentgroup.com)

## Certified adviser

Erik Penser Bank AB is the company's Certified Adviser.

## Financial calendar

Year-end report 2022, Feb 22, 2023  
Interim report Jan-Mar 2023, May 16, 2023  
Annual General Meeting, May 16, 2023  
Interim report Jan-Jun 2023, Aug 17, 2023  
Interim report Jan-Sep 2023, Oct 30, 2023

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

This document is a translation of the Swedish original. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.

The interim report is accessible on the Group website ([www.absolentgroup.com](http://www.absolentgroup.com)).

Gothenburg, November 11, 2022  
Axel Berntsson  
CEO and President

This information is information Absolent Air Care Group AB (publ.) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. CET November 11, 2022.

## Group income statements

SEK thousands	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	1, 2, 3	326 427	254 396	999 220	757 119	1 029 807
Costs for products and services sold	6	-193 355	-150 013	-589 313	-453 624	-615 616
<b>Gross profit</b>		<b>133 072</b>	<b>104 382</b>	<b>409 907</b>	<b>303 495</b>	<b>414 192</b>
Sales expenses	6	-38 569	-32 621	-121 173	-96 881	-131 146
Administrative expenses	6	-41 580	-29 847	-116 437	-88 188	-126 134
Research and development expenses	6	-7 981	-7 115	-25 597	-19 474	-27 224
Other operating income*	6	12 438	3 029	26 535	5 592	8 733
Other operating expenses*		-48	-	-583	-246	-6 879
<b>Operating result</b>	<b>3</b>	<b>57 332</b>	<b>37 827</b>	<b>172 652</b>	<b>104 296</b>	<b>131 542</b>
Financial income*		63	40	263	1 685	1 045
Financial expenses*	6	-4 898	-2 418	-15 928	-7 944	-9 357
<b>Result after financial items</b>	<b>3</b>	<b>52 497</b>	<b>35 450</b>	<b>156 987</b>	<b>98 038</b>	<b>123 230</b>
Tax expense	6	-9 346	-7 225	-32 713	-20 783	-24 999
<b>Result for the period</b>		<b>43 153</b>	<b>28 224</b>	<b>124 275</b>	<b>77 254</b>	<b>98 232</b>
<b>Result for the period attributable to:</b>						
Shareholders of the Parent company		43 153	28 224	124 275	77 254	98 232
Non-controlling interests		-	-	-	-	-
<b>Earnings per share**, SEK</b>		<b>3.81</b>	<b>2.49</b>	<b>10.98</b>	<b>6.82</b>	<b>8.68</b>

\* Currency gains and losses within operating result as well as financial items are reported on a net basis starting from this report. Comparison figures have been reclassified.

\*\* Before and after dilution.

## Statement of other comprehensive income

SEK thousands	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
<b>Result for the period</b>		<b>43 153</b>	<b>28 224</b>	<b>124 275</b>	<b>77 254</b>	<b>98 232</b>
Other comprehensive income						
<i>Items that may be reclassified to the income statement</i>						
Translation differences	6	1 570	3 872	30 222	23 589	33 966
<b>Other comprehensive income</b>		<b>1 570</b>	<b>3 872</b>	<b>30 222</b>	<b>23 589</b>	<b>33 966</b>
<b>Total comprehensive income</b>		<b>44 723</b>	<b>32 096</b>	<b>154 497</b>	<b>100 843</b>	<b>132 198</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the Parent company		44 723	32 096	154 497	100 843	132 198
Non-controlling interests		-	-	-	-	-



## Consolidated statements of financial position

SEK thousands	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>				
<i>Fixed assets</i>				
Goodwill	6	612 123	424 073	562 096
Other intangible fixed assets	6	66 992	33 959	53 863
Tangible fixed assets	6	168 988	185 208	184 515
Financial fixed assets		562	3 027	5 914
Deferred tax assets	6	8 298	3 906	5 257
<b>Total fixed assets</b>	<b>2</b>	<b>856 963</b>	<b>650 172</b>	<b>811 645</b>
<i>Current assets</i>				
Inventories		195 755	115 461	143 770
Accounts receivable		224 653	170 138	200 935
Current tax receivables		5 912	19 333	17 498
Other receivables		14 642	8 022	15 358
Prepaid expenses and accrued income	6	35 777	54 867	34 791
Cash and cash equivalents		326 887	245 360	233 230
<b>Total current assets</b>		<b>803 626</b>	<b>613 181</b>	<b>645 582</b>
<b>TOTAL ASSETS</b>	<b>4</b>	<b>1 660 590</b>	<b>1 263 353</b>	<b>1 457 227</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Share capital		3 363	3 363	3 363
Other capital contributions		32 510	32 510	32 510
Translation reserve	6	32 072	-8 526	1 850
Retained earnings incl. result for the period		593 954	471 344	492 321
<b>Equity attributable to Parent company shareholders</b>		<b>661 899</b>	<b>498 690</b>	<b>530 044</b>
Non-controlling interests		1	1	1
<b>Total equity</b>	<b>6</b>	<b>661 900</b>	<b>498 691</b>	<b>530 045</b>
<i>Long-term liabilities</i>				
Long-term interest-bearing lease liabilities	6	50 850	59 128	58 405
Other long-term interest-bearing liabilities	5	590 149	426 016	545 926
Provisions		1 713	11 499	1 604
Deferred tax liabilities		23 402	19 447	24 234
Other long-term liabilities	6	18 288	26 249	49 499
<b>Total long-term liabilities</b>		<b>684 402</b>	<b>542 340</b>	<b>679 668</b>
<i>Short-term liabilities</i>				
Short-term interest-bearing lease liabilities	6	19 691	20 769	20 779
Other short-term interest-bearing liabilities		582	1 247	218
Prepayments from customers		22 121	19 762	15 870
Accounts payable		75 246	56 252	63 823
Current tax liabilities		24 907	-	5 889
Other liabilities		57 821	37 366	32 838
Accrued expenses and prepaid income		113 922	86 925	108 099
<b>Total short-term liabilities</b>		<b>314 290</b>	<b>222 322</b>	<b>247 515</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4</b>	<b>1 660 590</b>	<b>1 263 353</b>	<b>1 457 227</b>

## Consolidated statement of changes in equity

SEK thousands	Share capital	Other capital contributions	Translation reserve*	Retained earnings incl. result for the period	Total	Non-controlling interests	Total equity
Opening equity 1 Jan 2021	3 363	32 510	-32 115	414 466	418 224	1	418 225
Result for the period	-	-	-	77 254	77 254	-	77 254
<b>Other comprehensive income</b>							
Translation differences	-	-	23 589	-	23 589	-	23 589
<b>Transactions with shareholders</b>							
Dividend	-	-	-	-20 378	-20 378	-	-20 378
<b>Closing equity 30 Sep 2021</b>	<b>3 363</b>	<b>32 510</b>	<b>-8 526</b>	<b>471 344</b>	<b>498 690</b>	<b>1</b>	<b>498 691</b>
Opening equity 1 Jan 2022	3 363	32 510	1 850	492 321	530 044	1	530 045
Result for the period	-	-	-	124 275	124 275	-	124 275
<b>Other comprehensive income</b>							
Translation differences	-	-	30 222	-	30 222	-	30 222
<b>Transactions with shareholders</b>							
Dividend	-	-	-	-22 642	-22 642	-	-22 642
<b>Closing equity 30 Sep 2022</b>	<b>3 363</b>	<b>32 510</b>	<b>32 072</b>	<b>593 954</b>	<b>661 899</b>	<b>1</b>	<b>661 900</b>

\* After conversion to IFRS, translation reserve is recorded as separate component in equity. For further information, see Note 6.

## Group cash flow statements

SEK thousands	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
<b>Operating activities</b>						
Operating result		57 332	37 827	172 652	104 296	131 542
Adjustments for items not included in the cash flow		7 253	9 875	24 360	34 192	33 251
Received interest		139	315	244	501	774
Paid interest	6	-3 879	-2 091	-8 805	-8 196	-9 754
Paid income tax		122	-4 488	-8 336	-26 915	-26 251
<b>Cash flow from operating activities before changes in working capital</b>		<b>60 967</b>	<b>41 439</b>	<b>180 115</b>	<b>103 878</b>	<b>129 561</b>
<b>Changes in working capital</b>						
Changes in inventories		-10 508	-3 628	-37 748	-9 123	-12 645
Changes in operating receivables	6	14 667	2 781	-2 167	-36 062	-25 450
Changes in operating liabilities		13 015	-21 408	817	22 365	23 042
<b>Cash flow from operating activities</b>		<b>78 143</b>	<b>19 184</b>	<b>141 018</b>	<b>81 058</b>	<b>114 510</b>
<b>Investing activities</b>						
Business combinations		-	-	-	-45 731	-192 905
Earnout payments		-	-	-15 560	-39 003	-39 003
Investments in intangible fixed assets		-3 951	-1 306	-14 768	-3 908	-7 784
Investments in tangible fixed assets		-932	-2 605	-5 910	-5 467	-7 374
Sale of tangible fixed assets		41	-	9 241	233	367
Increase/decrease of long-term receivable		-83	-78	50	-3 085	-5 647
<b>Cash flow from investing activities</b>	3	<b>-4 925</b>	<b>-3 989</b>	<b>-26 947</b>	<b>-96 961</b>	<b>-252 346</b>
<b>Financing activities</b>						
Amortizations of loans		-	-159 695	-	-160 271	-48 773
Amortizations of lease liabilities	6	-5 266	-5 676	-16 082	-16 327	-21 595
Paid dividend		-	-	-22 642	-20 378	-20 378
<b>Cash flow from financing activities</b>		<b>-5 266</b>	<b>-165 371</b>	<b>-38 724</b>	<b>-196 975</b>	<b>-90 746</b>
<b>Cash flow for the period</b>		<b>67 952</b>	<b>-150 176</b>	<b>75 347</b>	<b>-212 877</b>	<b>-228 580</b>
Cash and cash equivalents at the beginning of the period		254 954	392 565	233 230	451 846	451 846
Translation difference in cash and cash equivalents		3 980	2 971	18 309	6 392	9 964
<b>Cash and cash equivalents at the end of the period</b>		<b>326 887</b>	<b>245 360</b>	<b>326 887</b>	<b>245 360</b>	<b>233 230</b>



## Parent company income statement

SEK thousands	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	10 804	6 735	32 423	21 093	31 757
Sales expenses	-288	-326	-1 317	-1 007	-1 461
Administrative expenses	-11 537	-9 306	-33 615	-27 428	-37 895
Research and development expenses	-1 280	-1 007	-4 271	-2 433	-4 275
Other operating income*	1 753	13	1 703	264	718
Other operating expenses*	-	-94	-	-	-
<b>Operating result</b>	<b>-547</b>	<b>-3 985</b>	<b>-5 077</b>	<b>-9 511</b>	<b>-11 156</b>
<i>Financial items</i>					
Result from participations in Group companies	-	-	48 124	-	-
Financial income*	3 603	1 290	8 437	2 714	4 257
Financial expenses*	-5 372	-1 915	-10 729	-6 204	-12 373
<b>Result after financial items</b>	<b>-2 316</b>	<b>-4 610</b>	<b>40 754</b>	<b>-13 002</b>	<b>-19 272</b>
Appropriations	-	-	-	-	58 319
<b>Result before tax</b>	<b>-2 316</b>	<b>-4 610</b>	<b>40 754</b>	<b>-13 002</b>	<b>39 047</b>
Tax expense	468	947	1 505	2 668	-8 987
<b>Result for the period</b>	<b>-1 848</b>	<b>-3 663</b>	<b>42 259</b>	<b>-10 335</b>	<b>30 060</b>

Total comprehensive income for the period corresponds to the result for the period

\* Currency gains and losses within operating result as well as financial items are reported on a net basis starting in this report. Comparison figures have been reclassified.

## Parent company balance sheet

SEK thousands	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	24 519	11 269	14 218
Tangible fixed assets	453	574	544
Participations in Group companies	479 287	489 593	479 262
Receivables on Group companies	276 184	88 563	242 158
Deferred tax asset	6	-	-
<b>Total fixed assets</b>	<b>780 448</b>	<b>589 998</b>	<b>736 181</b>
<i>Current assets</i>			
Receivables on Group companies	54 013	71 080	60 255
Current tax receivables	-	3 392	-
Other receivables	517	55	348
Prepaid expenses and accrued income	2 343	878	1 576
Cash and cash equivalents	152 444	103 189	84 953
<b>Total current assets</b>	<b>209 318</b>	<b>178 594</b>	<b>147 131</b>
<b>TOTAL ASSETS</b>	<b>989 765</b>	<b>768 593</b>	<b>883 312</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	3 363	3 363	3 363
Restricted reserve	918	918	918
Development costs reserve	3 486	-	3 486
<b>Total restricted equity</b>	<b>7 767</b>	<b>4 281</b>	<b>7 767</b>
Share premium reserve	32 510	32 510	32 510
Retained earnings	85 928	81 996	78 510
Result for the period	42 259	-10 335	30 060
<b>Total unrestricted equity</b>	<b>160 697</b>	<b>104 171</b>	<b>141 080</b>
<b>Total equity</b>	<b>168 465</b>	<b>108 452</b>	<b>148 847</b>
<i>Untaxed reserves</i>			
Tax allocation reserve	14 542	-	14 542
<b>Total untaxed reserves</b>	<b>14 542</b>	<b>-</b>	<b>14 542</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	590 149	425 998	545 926
Liabilities to Group companies	7 961	-	-
Other long-term receivables	-	26 249	23 011
<b>Total long-term liabilities</b>	<b>598 110</b>	<b>452 247</b>	<b>568 937</b>
<i>Short-term liabilities</i>			
Accounts payable	2 991	2 762	4 373
Current tax liabilities	5 970	-	8 270
Liabilities to Group companies	155 739	170 550	107 639
Other liabilities	28 224	24 652	18 344
Accrued expenses and deferred income	15 725	9 929	12 360
<b>Total short-term liabilities</b>	<b>208 649</b>	<b>207 893</b>	<b>150 986</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>989 765</b>	<b>768 593</b>	<b>883 312</b>

# Note 1 Revenue

The Group's contracts with customers refer to sales of products for cleaning of process air in a variety of industries, in the Group's two operating segments Industrial and Commercial Kitchen. Net sales refers only to revenue from contracts with customers. Related to the products, the Group also sell installation services in a many cases as well as maintenance. The Group sometimes also recharge freight to customers, depending on the incoterms.

In the majority of the Group's contracts with customers, products and installation are deemed to be distinct and are accounted for as separate performance obligations. However, for some contracts with customers the installation services do not meet the criteria for being distinct, since these contracts include a slightly higher degree of customization and the contract is more of a package solution where the installation cannot be separated. In these cases, products and installation are considered as one joint performance obligation. The Group's products come with standardized

warranties, which are assessed to be a part of the product and not considered as separate performance obligations.

The performance obligation for sale of products is deemed to be fulfilled when control is transferred to the customer, which is assessed to coincide with physical delivery to the customer. Installation services as well as service and maintenance are assessed to be performance obligations fulfilled over time. Hence, the revenue for these services is recognized as they are performed. However, installation is usually performed in connection with delivery of the products and mainly refers to short installation assignments. For these short installation assignments, the revenue is thus recognized in practice when the installation has been completed. For the customer contracts where products and installation are considered a joint performance obligation, the revenue is recognized over time, based on costs incurred in relation to total costs for the products and services under the contract.

## Net sales per products and services

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Products, recorded at a certain point in time	226 501	160 883	44 930	45 104	271 431	205 988
Services, recorded over time	29 596	17 388	2 130	1 320	31 725	18 707
Products and services, recorded over time	15 268	21 806	8 002	7 894	23 270	29 700
<b>Total</b>	<b>271 366</b>	<b>200 078</b>	<b>55 062</b>	<b>54 317</b>	<b>326 427</b>	<b>254 396</b>

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Products, recorded at a certain point in time	682 827	462 308	144 847	134 419	827 674	596 728
Services, recorded over time	85 659	57 310	5 891	3 745	91 550	61 055
Products and services, recorded over time	46 165	63 631	33 830	35 704	79 995	99 335
<b>Total</b>	<b>814 651</b>	<b>583 249</b>	<b>184 568</b>	<b>173 868</b>	<b>999 220</b>	<b>757 119</b>

SEK thousands	Industrial	Commercial Kitchen	Total
	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021
Products, recorded at a certain point in time	653 854	172 964	826 818
Services, recorded over time	73 558	9 741	83 299
Products and services, recorded over time	74 590	45 099	119 690
<b>Total</b>	<b>802 003</b>	<b>227 804</b>	<b>1 029 807</b>

## Net sales per geographic region

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
EMEA*	131 086	108 816	51 755	52 225	182 841	161 041
Americas	101 748	56 355	369	172	102 117	56 527
APAC	38 532	34 907	2 937	1 920	41 469	36 827
<b>Total</b>	<b>271 366</b>	<b>200 078</b>	<b>55 062</b>	<b>54 317</b>	<b>326 427</b>	<b>254 396</b>

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
EMEA*	390 381	322 758	175 458	166 893	565 839	489 650
Americas	313 546	169 602	1 726	2 570	315 273	172 173
APAC	110 726	90 893	7 383	4 403	118 108	95 296
<b>Total</b>	<b>814 653</b>	<b>583 253</b>	<b>184 567</b>	<b>173 866</b>	<b>999 220</b>	<b>757 119</b>

SEK thousands	Industrial	Commercial Kitchen	Total
	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021
EMEA*	428 665	216 727	645 392
Americas	242 500	3 545	246 044
APAC	130 839	7 532	138 371
<b>Total</b>	<b>802 003</b>	<b>227 804</b>	<b>1 029 807</b>

\* The previously separately reported regions Europe and UK & I have been merged and are now reported as EMEA.

## Note 2 Reporting per geographic area

The Group's net sales per geographic area have been reported for the Group's regions and the most important markets. Net sales is reported based on where the customer is located and the assets

are allocated to each region based on where they are physically located. No single customer accounts for more than 10 percent of total sales for the Group.

SEK thousands	Net sales				
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
EMEA*	182 841	161 041	565 839	489 650	645 392
of which UK	64 414	58 090	177 533	158 707	201 938
of which Sweden	28 709	32 830	108 259	99 759	133 002
Americas	102 117	56 527	315 273	172 173	246 044
of which USA	70 412	38 820	200 502	117 049	164 854
APAC	41 469	36 827	118 108	95 296	138 371
<b>Total</b>	<b>326 427</b>	<b>254 396</b>	<b>999 220</b>	<b>757 119</b>	<b>1 029 807</b>

SEK thousands	Fixed assets**		
	30 Sep 2022	30 Sep 2021	31 Dec 2021
EMEA*	210 650	208 617	209 948
of which UK	82 431	84 607	85 270
of which Sweden	101 260	87 964	91 171
Americas	32 817	12 736	31 955
of which USA	5 896	6 284	6 029
APAC	812	1 719	1 732
<b>Total</b>	<b>244 278</b>	<b>223 072</b>	<b>243 636</b>

\* The previously separately reported regions Europe and UK & I have been merged and are now reported as EMEA.

\*\* Do not include goodwill or financial fixed assets. Goodwill has not been allocated on geographical areas since it is only allocated per operating segment.



# Note 3 Segment reporting

The Group's operations consists of two business areas, Industrial and Commercial Kitchen. The Group CEO has been identified as the chief operating decision-maker (CODM), and the Group CEO follows the development of the business areas based on net sales and operating result. Net financial items and tax is not followed per business area, neither is the balance sheet. Any transactions

between the business areas are conducted on market terms. The result for each business area includes directly attributable items and items that can be allocated to each business area on a reasonable and reliable manner. Group functions are not allocated to each business area, but recorded separately. Net investments refer to intangible and tangible fixed assets.

SEK thousands	Industrial		Commercial Kitchen		Group functions		Eliminations		Total	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Net sales	271 366	200 078	55 062	54 317	-	-	-	-	326 427	254 396
Operating result	50 800	32 425	8 752	9 893	-2 218	-4 490	-	-	57 332	37 827
Net financial items									-4 835	-2 378
Result before tax									52 497	35 450
Amortizations and depreciations	-7 466	-7 163	-2 051	-1 957	-396	-429	-	-	-9 913	-9 549
Net investments	-2 223	-3 719	-117	-	-2 502	-192	-	-	-4 842	-3 911

SEK thousands	Industrial		Commercial Kitchen		Group functions		Eliminations		Total	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Net sales	814 660	583 253	184 639	173 895	-	-	-79	-29	999 220	757 119
Operating result	154 246	83 040	27 060	31 617	-8 653	-10 361	-	-	172 652	104 296
Net financial items									-15 665	-6 259
Result before tax									156 987	98 038
Amortizations and depreciations	-22 760	-21 240	-6 171	-5 822	-1 180	-1 247	-	-	-30 111	-28 308
Net investments	-88	-6 309	-892	-688	-10 456	-2 145	-	-	-11 437	-9 142

SEK thousands	Industrial		Commercial Kitchen		Group functions		Eliminations		Total	
	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021
Net sales					802 008	227 829	-	-29	1 029 807	
Operating result					105 796	38 905	-13 158	-	131 542	
Net financial items									-8 312	
Result before tax									123 230	
Amortizations and depreciations					-28 222	-7 254	-1 521	-	-36 996	
Net investments					-8 796	-954	-5 041	-	-14 791	

## Note 4 Financial instruments

SEK thousands	Financial assets			Financial liabilities		
	30 Sep 2022	30 Sep 2021	31 Dec 2021	30 Sep 2022	30 Sep 2021	31 Dec 2021
Measured at amortized cost	577 541	455 257	470 665	701 335	531 295	663 307
Measured at fair value through profit and loss	-	-	-	58 244	50 479	67 396
<b>Total</b>	<b>577 541</b>	<b>455 257</b>	<b>470 665</b>	<b>759 579</b>	<b>581 774</b>	<b>730 703</b>

Financial instruments are measured at amortized cost or fair value based on classification. For more detailed information, see the Group accounting policies in the Annual Report for 2021.

## Note 5 Pledged assets and contingent liabilities

### Group

SEK thousands	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Pledged assets for liabilities to credit institutions</b>			
Floating charges	-	3 000	-
<b>Total</b>	<b>-</b>	<b>3 000</b>	<b>-</b>
<b>Other pledged assets</b>			
Bank funds	339	327	2 873
<b>Total</b>	<b>339</b>	<b>327</b>	<b>2 873</b>

### Parent company

SEK thousands	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Contingent liabilities</b>			
Guarantees for Group companies	25 904	-	25 428
<b>Total</b>	<b>25 904</b>	<b>-</b>	<b>25 428</b>

## Note 6 Transition to IFRS

Absolent Air Care Group AB has previously applied BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3). The date of transition to IFRS has been set at 1 January 2020, and the transition to IFRS is reported in accordance with IFRS 1. The first report the Group prepared in accordance with IFRS was the Annual report for 2021, which was published on 26 April 2022. In that report, the transition effects for the balance sheet as of 1 January 2020, 31 December 2020 and 31 December 2021 as well as for the income statement and cash flow statement for the full year of 2021 and 2020 were reported. In this interim report, transition effects on the financial statements for the third quarter 2021 and the period January - September 2021 are reported.

The general rule of IFRS 1 is that an entity shall apply all recommendations retroactively when determining the opening balance. However, there are some mandatory and optional exceptions to retroactive application. The Group has chosen to apply the following exceptions:

- The Group has chosen to apply the practical expedient in IFRS 1 appendix C item 1, and thus not recalculated any business combinations made before the transition date to IFRS, 1 January 2020.
- Lease liabilities have been measured at the present value of remaining lease payments, discounted by the marginal borrowing rate at the time of transition to IFRS. The right-of-use asset has been valued to an amount corresponding to the lease liability, with adjustments for any prepaid or accrued leasing fees. Assessments of whether an agreement contains a lease have been made based on facts and circumstances as of the transition date to IFRS. The Group has also chosen to apply the rules that lease agreements ending within twelve months from transition to IFRS and lease agreements where the underlying assets are of low value are expensed on a linear basis over the leasing period.
- Accumulated translation differences in equity are set to zero at the date of transition to IFRS.

The following tables present and quantify the effects assessed by management on the consolidated statement of comprehensive income, consolidated statement of financial position, cash flow statement as well as equity in transition to IFRS for the Group. The main effects on the financial reporting are the following:

- Reversal of amortization of goodwill, see Note 6.A.
- Application of IFRS 3 to the purchase price allocation regarding the acquisition completed during the period January - September 2021, see Note 6.A.
- For the lease agreements previously recorded as operational leases, the Group will recognize right-of-use assets and lease liabilities, see Note 6.B.
- Reclassification of obligations related to earn-outs from other provisions to other long-term liabilities and other short-term liabilities, see Note 6.C.

In connection with preparing of the interim report in accordance with IFRS, several reclassifications of balance sheet items have been made. All italicized balance sheet items have been reclassified as below:

- Other equity including profit for the period has been included in the item retained earnings incl. result for the period. Translation reserve was previously included in the item other equity including profit for the period, but is reported on a separate row in accordance with IFRS. For more information, see Note 6.D.
- Deferred tax liabilities and other provisions were previously reported under the line provisions. At the time of transition to IFRS, these items have been included under long-term liabilities instead.
- The item liabilities to credit institutions has changed name and is now reported as other long-term interest-bearing liabilities.

Some minor reclassifications and name changes have also been made in the income statement and cash flow statement, and some previously aggregated items have been divided into more detailed items.

## Group income statement

SEK thousands	Note	Jul-Sep 2021 K3	Effects from transition to IFRS	Jul-Sep 2021 IFRS	Jan-Sep 2021 K3	Effects from transition to IFRS	Jan-Sep 2021 IFRS
Net sales		254 395	-	254 395	757 119	-	757 119
Cost of products and services sold	6.B	-150 299	285	-150 013	-454 158	535	-453 624
<b>Gross profit</b>		<b>104 097</b>	<b>285</b>	<b>104 382</b>	<b>302 960</b>	<b>535</b>	<b>303 495</b>
Sales expenses	6.A, 6.B	-57 023	24 402	-32 621	-168 593	71 712	-96 881
Administrative expenses	6.A, 6.B	-29 935	88	-29 847	-87 654	-534	-88 188
Research and development expenses	6.B	-7 113	-2	-7 115	-19 470	-4	-19 474
Other operating income	6.B	-	3 029	3 029	-	5 592	5 592
Other operating expenses		-	-	-	-	-246	-246
<i>Other operating income and expenses</i>		3 028	-3 028	-	5 319	-5 319	-
<b>Operating result</b>		<b>13 054</b>	<b>24 773</b>	<b>37 828</b>	<b>32 562</b>	<b>71 735</b>	<b>104 296</b>
Financial income		-	40	40	-	1 685	1 685
Financial expenses	6.B	-	-2 418	-2 418	-	-7 944	-7 944
<i>Financial items</i>		-1 904	1 904	-	-4 814	4 814	-
<b>Result after financial items</b>		<b>11 150</b>	<b>24 300</b>	<b>35 450</b>	<b>27 748</b>	<b>70 290</b>	<b>98 038</b>
Tax expense	6.A, 6.B	-7 383	158	-7 226	-21 295	512	-20 783
<b>Result for the period</b>		<b>3 767</b>	<b>24 457</b>	<b>28 224</b>	<b>6 453</b>	<b>70 801</b>	<b>77 254</b>
<b>Result for the period attributable to:</b>							
Shareholders of the Parent company		3 767	24 457	28 224	6 453	70 801	77 254
Non-controlling interests		-	-	-	-	-	-

## Statement of comprehensive income

SEK thousands	Note	Jul-Sep 2021 K3	Effects from transition to IFRS	Jul-Sep 2021 IFRS	Jan-Sep 2021 K3	Effects from transition to IFRS	Jan-Sep 2021 IFRS
<b>Result for the period</b>		<b>3 767</b>	<b>24 457</b>	<b>28 224</b>	<b>6 453</b>	<b>70 801</b>	<b>77 254</b>
Other comprehensive income							
<i>Items that may be reclassified to the income statement</i>							
Translation differences	6.D	-	3 872	3 872	-	23 589	23 589
<b>Other comprehensive income</b>		<b>-</b>	<b>3 872</b>	<b>3 872</b>	<b>-</b>	<b>23 589</b>	<b>23 589</b>
<b>Total comprehensive income</b>		<b>3 767</b>	<b>28 330</b>	<b>32 096</b>	<b>6 453</b>	<b>94 391</b>	<b>100 843</b>
<b>Total comprehensive income attributable to:</b>							
Shareholders of the Parent company		3 767	28 330	32 096	6 453	94 391	100 843
Non-controlling interests		-	-	-	-	-	-

## Consolidated statement of financial position

SEK thousands	Note	30 Sep 2021 K3	Effects from transition to IFRS	30 Sep 2021 IFRS
<b>ASSETS</b>				
<i>Fixed assets</i>				
Goodwill	6.A	-	424 073	424 073
Other intangible fixed assets	6.A	-	33 959	33 959
<i>Intangible fixed assets</i>		303 375	-303 375	-
Tangible fixed assets	6.B	105 849	79 359	185 208
Financial fixed assets		3 027	-	3 027
Deferred tax assets	6.B	3 414	492	3 906
<b>Total fixed assets</b>		<b>415 665</b>	<b>234 508</b>	<b>650 172</b>
<i>Current assets</i>				
Inventories		115 461	-	115 461
Accounts receivable		170 138	-	170 138
Current tax receivables		-	19 333	19 333
Other receivables		83 981	-75 959	8 022
Prepaid expenses and accrued income	6.B	-	54 867	54 867
Cash and cash equivalents		-	245 360	245 360
<i>Cash and cash equivalents</i>		245 360	-245 360	-
<b>Total current assets</b>		<b>614 940</b>	<b>-1 760</b>	<b>613 181</b>
<b>TOTAL ASSETS</b>		<b>1 030 605</b>	<b>232 748</b>	<b>1 263 353</b>

## Consolidated statement of financial position

SEK thousands	Note	30 Sep 2021 K3	Effects from transition to IFRS	30 Sep 2021 IFRS
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Share capital		3 363	-	3 363
Other capital contributions		32 510	-	32 510
Translation reserve	6.D	-	-8 526	-8 526
Retained earnings incl. result for the period		-	471 344	471 344
<i>Other equity including profit for the period</i>		313 770	-313 770	-
<b>Equity attributable to Parent company shareholders</b>		<b>349 643</b>	<b>149 048</b>	<b>498 690</b>
Non-controlling interests		1	-	1
<b>Total equity</b>		<b>349 644</b>	<b>149 048</b>	<b>498 691</b>
<i>Provisions</i>				
<i>Deferred tax liabilities</i>		15 667	-15 667	-
<i>Other provisions</i>		61 964	-61 964	-
<b>Total provisions</b>		<b>77 631</b>	<b>-77 631</b>	<b>-</b>
<i>Long-term liabilities</i>				
Long-term interest-bearing lease liabilities	6.B	-	59 128	59 128
Other long-term interest-bearing liabilities		-	426 016	426 016
<i>Liabilities to credit institutions</i>		426 016	-426 016	-
Provisions	6.C	-	11 499	11 499
Deferred tax liabilities	6.A	-	19 447	19 447
Other long-term liabilities	6.C	-	26 249	26 249
<b>Total long-term liabilities</b>		<b>426 016</b>	<b>116 326</b>	<b>542 340</b>
<i>Short-term liabilities</i>				
Short-term interest-bearing lease liabilities	6.B	-	20 769	20 769
Other short-term interest-bearing liabilities		1 247	-	1 247
Prepayments from customers		-	19 762	19 762
Accounts payable		56 252	-	56 252
Current tax liabilities		-	-	-
Other liabilities	6.C	119 814	-82 449	37 366
Accrued expenses and prepaid income		-	86 925	86 925
<b>Total short-term liabilities</b>		<b>177 314</b>	<b>45 008</b>	<b>222 322</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 030 605</b>	<b>232 749</b>	<b>1 263 353</b>

## Group cash flow statement

SEK thousands	Note	Jul-Sep 2021 K3	Effects from transition to IFRS	Jul-Sep 2021 IFRS	Jan-Sep 2021 K3	Effects from transition to IFRS	Jan-Sep 2021 IFRS
<b>Operating activities</b>							
Operating result		13 054	24 774	37 827	32 562	71 735	104 296
Adjustments for items not included in the cash flow		28 542	-18 667	9 875	85 865	-51 673	34 192
Received interest		-	315	315	-	501	501
Paid interest	6.B	-	-2 091	-2 091	-	-8 196	-8 196
<i>Financial net, paid</i>		-1 376	1 376	-	-6 827	6 827	-
Paid income tax		-4 488	-	-4 488	-26 915	-	-26 915
<b>Cash flow from operating activities before changes in working capital</b>		<b>35 732</b>	<b>5 706</b>	<b>41 439</b>	<b>84 685</b>	<b>19 193</b>	<b>103 878</b>
<b>Changes in working capital</b>							
Changes in inventories		-	-3 628	-3 628	-	-9 123	-9 123
Changes in operating receivables	6.B	-	2 781	2 781	-	-36 062	-36 062
Changes in operating liabilities		-	-21 408	-21 408	-	22 365	22 365
<i>Changes in working capital</i>		-22 293	22 293	-	-22 832	22 832	-
<b>Cash flow from operating activities</b>		<b>13 439</b>	<b>5 746</b>	<b>19 184</b>	<b>61 853</b>	<b>19 207</b>	<b>81 058</b>
<b>Investing activities</b>							
Business combinations		-	-	-	-	-45 731	-45 731
<i>Acquired operations</i>		-	-	-	-82 045	82 045	-
Earnout payments		-	-	-	-	-39 003	-39 003
Investments in intangible fixed assets		-	-1 306	-1 306	-	-3 908	-3 908
Investments in tangible fixed assets		-	-2 605	-2 605	-	-5 467	-5 467
Sale of tangible fixed assets		-	-	-	-	233	233
Increase/decrease of long-term receivable		-	-78	-78	-	-3 085	-3 085
<i>Investing activities</i>		-3 920	3 920	-	-12 037	12 037	-
<b>Cash flow from investing activities</b>		<b>-3 920</b>	<b>-68</b>	<b>-3 988</b>	<b>-94 082</b>	<b>-2 878</b>	<b>-96 961</b>
<b>Financing activities</b>							
Amortizations of loans		-	-159 695	-159 695	-	-160 271	-160 271
Amortizations of lease liabilities	6.B	-	-5 676	-5 676	-	-16 327	-16 327
Paid dividend		-	-	-	-	-20 378	-20 378
<i>Cash flow from financing activities</i>		-159 695	159 695	-	-180 648	180 648	-
<b>Cash flow from financing activities</b>		<b>-159 695</b>	<b>-5 677</b>	<b>-165 371</b>	<b>-180 648</b>	<b>-16 326</b>	<b>-196 975</b>
<b>Cash flow for the period</b>		<b>-150 176</b>	<b>-</b>	<b>-150 176</b>	<b>-212 877</b>	<b>-</b>	<b>-212 877</b>
Cash and cash equivalents at the beginning of the period		392 565		392 565	451 846		451 846
Translation differences in cash and cash equivalents		2 971		2 971	6 392		6 392
<b>Cash and cash equivalents at the end of the period</b>		<b>245 360</b>		<b>245 360</b>	<b>245 360</b>		<b>245 360</b>

## Statement of changes in equity

SEK thousands	Note	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. result for the period	Total
30 Sep 2021 K3		3 363	32 510	-	313 770	349 643
<b>Effects from transition to IFRS</b>						
Translation reserve separate component in equity	6.D	-	-	19 775	-19 775	-
Opening IFRS transition effect*		-	-	-32 115	106 547	74 431
Effects recorded in the result for the period		-	-	-	70 801	70 801
Translation effect IFRS 16		-	-	-68	-	-68
Translation effect reversed amortizations of goodwill	6.A	-	-	3 695	-	3 695
Translation effect from acquisition analysis adjustment	6.A	-	-	263	-	263
Other		-	-	-76	-	-76
<b>30 Sep 2021 IFRS</b>		<b>3 363</b>	<b>32 510</b>	<b>-8 526</b>	<b>471 344</b>	<b>498 690</b>

\* See specification in the Group annual report for 2021.





## Note 6A Intangible fixed assets

SEK thousands	Goodwill	Other intangible fixed assets	Total
Book value K3 30 Sep 2021	284 538	18 837	303 375
Opening IFRS adjustment, net*	75 898	-	75 898
Reversed amortizations	73 231	-	73 231
Acquisition analysis in accordance with IFRS 3	-13 289	16 606	3 317
Amortizations	-	-1 747	-1 747
Translation differences	3 695	263	3 958
<b>Book value IFRS 30 Sep 2021</b>	<b>424 073</b>	<b>33 959</b>	<b>458 031</b>

\* Opening effects from transition to IFRS are presented in the Group annual report for 2021.

According to IFRS, goodwill is an intangible asset with an indeterminate useful life, which means that the item is not amortized but subject to impairment testing. This differs from the previous accounting policy (K3), where goodwill has been amortized over the estimated economic life (5-10 years). The transition to IFRS therefore means that amortization of goodwill in 2021 is reversed. Goodwill is not a deductible expense, and the adjustment therefore has no tax effects.

In the transition to IFRS, acquisition analyses prepared during 2020 and 2021 have been reviewed, which has resulted in the identification of other intangible assets related to the acquisition of Tessu Systems B.V. during the first quarter of 2021. The identified intangible assets refer to customer relations, which has been reclassified from goodwill to other intangible assets and also affected defer-

red tax liabilities. In total, the other intangible assets category has increased by an amount of SEK 16,606 thousands related to these customer relations. The useful life of the customer relations has been determined to seven years, and the amount will be amortized over this period. Total amortization for the period January-September 2021 amounts to SEK 1,747 thousands, on which deferred tax of SEK 437 thousands has been recorded. As of 30 September 2021, the deferred tax liability related to these customer relations amounts to SEK 3,780 thousands.

Acquisition-related expenses of SEK 834 thousands related to the acquisition of Tessu Systems B.V. have been removed from the intangible assets and recognized as administration costs in the income statement.

## Note 6B Leasing

In accordance with previously applied accounting policies, the Group recorded all leasing agreements as operational. According to IFRS 16, the Group recognizes the leasing agreements as a right-of-use asset and a lease liability in the balance sheet instead. This treatment implies that the costs for the previously operational leasing agreements will be reclassified from operating expenses to depreciations of the right-of-use asset and interest expenses on the lease liability.

As of 30 September 2021, the total book value for the right-of-use asset amounted to SEK 79,359 thousands and the lease liability to SEK 79,897 thousands, of which SEK 20,769 thousands is recorded as short-term. The item prepaid expenses and accrued income is also affected by the transition to IFRS 16. This item contains prepaid leasing fees, and according to IFRS 16 these prepaid leasing fees shall increase the value of the right-of-use asset. Hence, prepaid leasing fees have been reclassified to the right-of-use asset in the conversion to IFRS. Reversal of leasing fees as well as depreciations on the right-of-use asset are specified per function in the table below. The discrepancy between accounting according to IFRS 16 and the legal accounting in the Group companies results in a deferred tax on the net effect in the income statement, which affects the tax expense for the year as well as deferred tax receivables.

Transition to IFRS 16 has also affected the presentation of the cash flows for the Group. In accordance with previous accounting policies, the cash flow from the operational leasing agreements was recognized as part of the operating activities. However, according to IFRS 16 the cash flow is split between amortizations of the lease liability and interest payments. Of the various parts of the cash flow for the period January–September, the operating result is affected by SEK 1,085 thousands, adjustment for items not affecting cash flow with SEK 16,709 thousands, paid interest increased by SEK 1,445 thousands and amortizations of lease liability amounted to SEK 16,327 thousands. For the period July–September, operating result is affected by SEK 424 thousands, adjustment for items not affecting cash flow with SEK 5,663 thousands, paid interest increased by SEK 474 thousands and amortizations of lease liability amounted to SEK 5,676 thousands.

For more detailed presentation of the transition to IFRS 16 and accounting policies, please see the Group annual report for 2021.

### Reversal of leasing fees

SEK thousands	Jul-Sep 2021	Jan-Sep 2021
Cost of products and services sold	2 087	6 055
Sales expenses	1 835	5 406
Administrative expenses	2 064	6 055
Research and development expenses	101	279
<b>Total</b>	<b>6 088</b>	<b>17 795</b>

### Depreciation of right-of-use asset

Cost of products and services sold	-1 801	-5 520
Sales expenses	-1 782	-5 177
Administrative expenses	-1 976	-5 755
Research and development expenses	-103	-283
<b>Total</b>	<b>-5 663</b>	<b>-16 736</b>

## Note 6C Other provisions

SEK thousands	30 Sep 2021
<b>Book value K3</b>	<b>61 964</b>
Reclassifications of earnouts to other long-term liabilities	-26 249
Reclassifications of earnouts to other short-term liabilities	-24 230
Additional provision related to lease agreements	14
<b>Book value IFRS</b>	<b>11 499</b>

In accordance with IFRS 3, earn-outs that meet the definition of a financial liability are to be recognized as financial liabilities. Hence, earn-out attributable to the acquisition of Tessu has been reclass-

sified from other provisions to other long-term liabilities and other short-term liabilities, depending on due date.

## Note 6D Translation reserve

In accordance with IAS 21, translation differences are recorded in other comprehensive income as well as an accumulated separate component in equity. The Group applies the exception rule in IFRS

1, which implies that accumulated translation differences for all foreign subsidiaries are considered to amount to zero at the transition date to IFRS.

## Note 6E Credit risk reserve related to accounts receivable

In accordance with previous accounting policies, Absolent Air Care Group has applied a model for bad debt provision based on occurred events. According to IFRS 9, both historical and forward-looking information shall be taken into account when assessing expected credit losses. The Group has chosen to apply the simplified model

of expected credit losses on accounts receivable under which total expected credit losses for the remaining maturity of the receivable are reported. Transition to the model according to IFRS 9 has not had any effect on the Group's financial statements.

