

**QUARTER 2**  
INTERIM REPORT JANUARY – JUNE 2021

**QUARTER 2, 2021**

- Net sales amounted to 269.6 MSEK (196.6) which is a growth of 37.2 % (-10.5).
- Operating profit before amortization of goodwill (EBITA) reached 41.4 MSEK (-41.9) with a margin of 15.3 % (-21.3)
- Operating profit after amortization of goodwill (EBIT) amounted to 16.8 MSEK (-62.1 ) with a margin of 6.2 % (-31.6). Amortizations of goodwill had an impact on EBIT with -24.6 MSEK (-20.3).
- Earnings per share amounted to 0.6 SEK (-6.0)
- Cash flow from operating activities amounted to 28.8 MSEK (36.3)

**FIRST SIX MONTHS, 2021**

- Net sales amounted to 502.7 MSEK (475.7) which is an increase of 5.7 % (10.9).
- Operating profit before amortization of goodwill (EBITA) reached 67.8 MSEK (-8.9) with a margin of 13.5 % (-1.9).
- Operating profit after amortization of goodwill (EBIT) reached 19.5 MSEK (-49.3) with a margin of 3.9 % (-10.4). Amortizations of goodwill had an impact on EBIT with 48.3 MSEK (-40.3).
- Earnings per share amounted to 0.24 SEK (-5.7).
- Cash flow from operating activities after change in working capital amounted to 48.4 MSEK (21.4).

## KEY RATIOS

	apr-jun 2021	apr-jun 2020	jan-jun 2021	jan-jun 2020	jan-dec 2020
Net sales (TSEK)	269 643	196 590	502 723	475 701	895 860
Sales growth (%)	37.2	-10.5	5.7	10.9	-13.7
EBITDA (TSEK)	44 565	-33 658	74 329	3 143	73 455
EBITA (TSEK)	41 385	-41 856	67 783	-8 931	49 543
EBITA (%)	15.3	-21.3	13.5	-1.9	5.5
Amortization of goodwill (TSEK)	-24 556	-20 259	-48 275	-40 334	-80 728
Operating profit EBIT (TSEK)	16 829	-62 115	19 507	-49 265	-31 184
Operating margin EBIT (%)	6.2	-31.6	3.9	-10.4	-3.5
Cash flow from operating activities (TSEK)	28 769	36 316	48 414	21 435	54 447
Debt/equity ratio (%)	28.5	29.0	28.5	29.0	30.5
Net debt (TSEK)	191 915	169 035	191 915	169 035	129 903
Earnings per share (SEK)	0.6	-6.0	0.24	-5.7	-4.9
Equity per share (SEK)	30.3	30.8	30.3	30.8	30.4
Number of shares, end of period	11 320 968	11 320 968	11 320 968	11 320 968	11 320 968



## COMMENTS BY THE CEO AXEL BERTSSON

The second quarter has shown the same trend as we have seen since last autumn where order intake continues to exceed sales. We have increased production capacity compared to the first quarter and have been able to deliver sales of 270 MSEK (197), which corresponds to a growth rate of 37% compared to the corresponding period last year and 16% compared to the first quarter.

Operating profit after depreciation (EBITA) continues to increase and amounted to 41.4 MSEK (-41.8) in the second quarter corresponding to an operating margin after depreciation of 15.3% (-21.3%). The corresponding margin for the first quarter was 11.3%. Our cost reduction program proceeds according to plan and delivers the expected margin improvement.

In order to meet the growing demand, we continued to increase production capacity in several factories during the quarter. However, during the quarter we have seen delivery constraints at our suppliers, which in the short term reduces our total delivery capacity. In some material categories, such as sheet metal and electronics, prices have continued to rise. The increases are expected, as announced after the last quarter, to be absorbed by price adjustments to customers with some delayed effect.

The second quarter has been particularly strong in the industrial segment, while commercial kitchens has been neutral in development. Order intake has continued to be good in all regions as well as the inflow of new business opportunities and we look with confidence at how the business will develop.

A handwritten signature in black ink, appearing to be 'AB', written over a white background.

**Axel Berntsson, MD and CEO**  
Gothenburg, August 2021

## GROUP JANUARY TO JUNE 2021

### NET SALES

The net sales for the Group amounted to 502.7 MSEK (475.7), which corresponds to a change of 5.7 % (-13.7).

### OPERATING PROFIT

Operating profit (EBIT) amounted to 19.5 MSEK (-49.3), which corresponds to an operating margin (EBIT) of 3.9 % (-10.4). The parent company and the Group do not apply IFRS/IAS 36. Thereby, impairment test of the goodwill is not performed. The Group amortize the goodwill linear over the estimated useful life, which is five to ten years. The amortizations of the goodwill do not affect the taxable profit. EBITA amounted to 67.8 MSEK (-8.9). The currency rates impacted the operating profit (EBIT) positively with 0.3 MSEK (2.1) for the period. The financial items were positively impacted with 1.2 MSEK (-2.4) by the currency rates. The impact is related to the credit facility in foreign currency. After taxes and financial items of -16.8 MSEK (-15.4) the result for the period was 2.7 MSEK (-64.7). Earnings per share amounted to 0.24 SEK (-5.7)

### INVESTMENTS

The Group invested 8.1 MSEK (10.1) for the period January to June mainly in software, machinery, and inventory in current operations. Additional earn out for Interzon of 35.5 MSEK (0) has been paid, in the period. In January 2021, the Group acquired the commercial kitchen ventilation company Tessu Systems B.V. in the Netherlands for 5.3 MEUR on a cash and debt-free basis with an opportunity for an additional earn out conditional on Tessu's performance in 2021 and 2022. In January 2021 Absolent Group divested Gallito Limited in the UK.

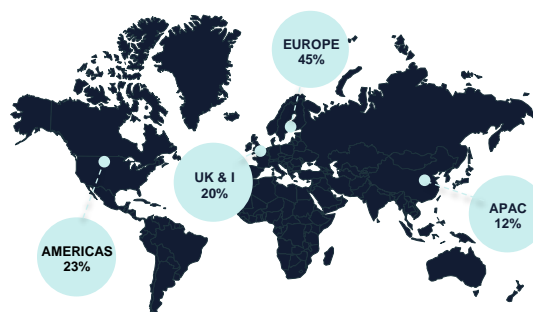
### CASH FLOW

Cash flow from the operating activities before changes in working capital amounted to 48.8 MSEK (37.7). Cash flow after changes in working capital amounted to 48.4 MSEK (21.4).

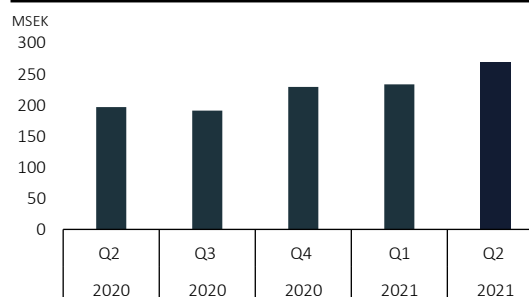
### FINANCIAL POSITION

Interest bearing liabilities amounted to 583.2 MSEK at the end of the period. At the beginning of the period the liabilities amounted to 580 MSEK. Net debt of the Group was 191.9 MSEK by the end of June compared to 129.9 MSEK in the beginning of the period. The debt/equity ratio was at the end of the period 28.5% (30.5). The parent company's credit facility amounts 600 MSEK and expires during 2024.

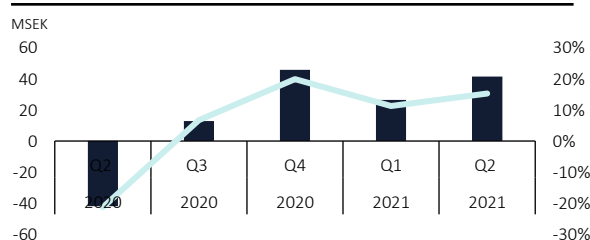
### NET SALES PER REGION, JAN TO JUN



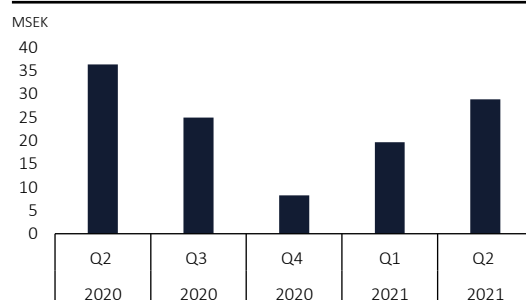
### NET SALES



### EBITA AND EBITA MARGIN



### CASH FLOW FROM OPERATING ACTIVITIES



## OTHER INFORMATION

### RISKS AND UNCERTAINTIES

The Group and the parent company are exposed to different risks in their daily operations such as business risk, competitor risk, distributor risk, supplier risk and acquisition risk. These risks are described in detail in the Annual Report of Absolent Air Care Group for 2020 (available on [www.absolentgroup.com](http://www.absolentgroup.com)). The risk profile remains since the Annual Report of 2020 was published. However, the spread of Covid-19 has created uncertainties in the market that are difficult to predict.

### FINANCIAL IMPACT OF COVID 19

The Group has received governmental grants of approximately 2.4 MSEK for the period January to June 2021. The impact of Covid-19 remains, and the Group management follows the development closely and evaluates both the operational and financial impact and takes proactive measures to limit the effects.

### ACCOUNTING PRINCIPLES

The Group and the parent company applies the Swedish Annual Accounts Act (1995:1554) and General recommendation BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3) of the Swedish Accounting Standard Board. The accounting principles applied are the same as those described in the disclosures of the annual report for 2020 (available on [www.absolentgroup.com](http://www.absolentgroup.com)). The group have changed the presentation of deferred tax assets and liabilities, and the comparison figures have been adjusted accordingly. Government grant is reported as other operating income.

No new accounting principles for 2021 has been applied by the Group.

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 1:00 p.m. CEST Aug 18, 2021

### CONTACT INFORMATION

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### CERTIFIED ADVISER

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

### FINANCIAL CALENDER

Third quarter 2021, November 12, 2021

This interim report has not been reviewed by the company 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 available on the Group website ([www.absolentgroup.com](http://www.absolentgroup.com)).

Göteborg August 18, 2021  
Axel Berntsson  
MD and CEO

## GROUP – INCOME STATEMENT

	apr-jun	apr-jun	jan-jun	jan-jun	jan-dec
(TSEK)	2021	2020	2021	2020	2020
Net sales	269 643	196 590	502 723	475 701	895 860
Cost of products and services sold	-158 401	-149 835	-303 860	-322 742	-592 490
<b>Gross profit</b>	<b>111 242</b>	<b>46 755</b>	<b>198 863</b>	<b>152 959</b>	<b>303 370</b>
Sales expenses	-57 177	-61 407	-111 570	-119 543	-211 431
Administrative expenses	-29 221	-47 147	-57 719	-80 354	-124 761
Research and development expenses	-6 800	-10 790	-12 357	-16 590	-24 948
Other operating income and expenses	-1 215	10 474	2 291	14 263	26 586
<b>Operating result (EBIT)</b>	<b>16 829</b>	<b>-62 115</b>	<b>19 507</b>	<b>-49 265</b>	<b>-31 184</b>
Financial items	-2 452	-1 760	-2 910	-5 547	-9 947
<b>Result before tax</b>	<b>14 377</b>	<b>-63 875</b>	<b>16 598</b>	<b>-54 812</b>	<b>-41 131</b>
Taxes	-7 550	-4 034	-13 912	-9 875	-13 955
<b>Result for the period</b>	<b>6 827</b>	<b>-67 909</b>	<b>2 686</b>	<b>-64 687</b>	<b>-55 086</b>

## GROUP – BALANCE SHEET

(TSEK)	30-jun 2021	30-juni 2020	31-dec 2020
<b>Assets</b>			
<i>Fixed assets</i>			
Intangible assets	325 373	315 911	261 332
Tangible assets	105 810	122 804	107 499
Other long-term assets	3 016	91	87
Deferred tax assets	3 459	3 754	2 622
<b>Total fixed assets</b>	<b>437 658</b>	<b>442 560</b>	<b>371 540</b>
<i>Current assets</i>			
Inventories	110 714	119 459	98 788
Account receivables	177 490	164 110	157 713
Other current assets	82 018	51 928	46 980
Cash and cash equivalents	392 565	429 775	451 846
<b>Total current assets</b>	<b>762 787</b>	<b>765 272</b>	<b>755 327</b>
<b>Total assets</b>	<b>1 200 445</b>	<b>1 207 832</b>	<b>1 126 867</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital (11,320,968 shares)	3 363	3 363	3 363
Other contributed capital	32 510	32 510	32 510
Other equity including profit for the year	306 829	312 796	307 920
Minority interests	1	1	1
<b>Total equity</b>	<b>342 703</b>	<b>348 670</b>	<b>343 794</b>
<i>Provisions</i>			
Deferred tax liabilities	14 815	14 960	16 553
Other provisions	61 695	95 681	47 469
<b>Total provisions</b>	<b>76 510</b>	<b>110 641</b>	<b>64 022</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	583 207	592 304	579 967
<b>Total long-term liabilities</b>	<b>583 207</b>	<b>592 304</b>	<b>579 967</b>
<i>Short-term liabilities</i>			
Other interest-bearing liabilities	1 275	3 872	1 782
Bank overdraft	-	2 633	-
Account payables	66 943	43 582	46 734
Other current liabilities	129 807	106 130	90 568
<b>Total short-term liabilities</b>	<b>198 025</b>	<b>156 217</b>	<b>139 084</b>
<b>Total equity and liabilities</b>	<b>1 200 445</b>	<b>1 207 832</b>	<b>1 126 867</b>

## GROUP - STATEMENT OF CHANGES IN EQUITY

(TSEK)	jan-jun 2021	jan-jun 2020	jan-dec 2020
Opening balance	343 794	427 073	427 073
Translation differences	16 601	-13 716	-28 193
Dividends	-20 378	-	-
Result for the year	2 686	-64 687	-55 086
Change in minority interest	-	-	-
<b>Closing balance</b>	<b>342 703</b>	<b>348 670</b>	<b>343 794</b>

## GROUP - CASH FLOW STATEMENT

(TSEK)	apr-jun 2021	apr-jun 2020	jan-jun 2021	jan-jun 2020	jan-dec 2020
Operating result (EBIT)	16 829	-62 115	19 507	-49 265	-31 184
Adjustment for items not included in the cash flow	27 190	76 281	57 324	102 568	117 114
Financial net, paid	-3 622	-2 701	-5 451	-3 434	-7 930
Paid tax	-7 946	4 338	-22 427	-12 196	-39 318
Changes in working capital	-3 683	20 513	-539	-16 237	15 765
<b>Cash flow from operating activities</b>	<b>28 768</b>	<b>36 316</b>	<b>48 414</b>	<b>21 436</b>	<b>54 447</b>
Investing activities	-3 674	-1 588	-8 117	-10 115	-3 550
Acquired operations	-35 480	-	-82 045	-27 000	-32 000
<b>Cash flow from investing activities</b>	<b>-39 154</b>	<b>-1 588</b>	<b>-90 162</b>	<b>-37 115</b>	<b>-35 550</b>
<b>Cash-flow from financing activities</b>	<b>-20 366</b>	<b>295 711</b>	<b>-20 954</b>	<b>294 979</b>	<b>289 380</b>
<b>Cash flow for the period</b>	<b>-30 752</b>	<b>330 439</b>	<b>-62 702</b>	<b>279 300</b>	<b>308 277</b>
Cash and cash equivalents at the beginning of the period	424 568	104 207	451 846	150 379	150 379
Translation differences	-1 251	-4 871	3 421	96	-6 810
<b>Cash and cash equivalents at the end of the period</b>	<b>392 565</b>	<b>429 775</b>	<b>392 565</b>	<b>429 775</b>	<b>451 846</b>



## PARENT COMPANY – INCOME STATEMENT

(TSEK)	apr-jun 2021	apr-jun 2020	jan-jun 2021	jan-jun 2020	jan-dec 2020
Net sales	7 297	4 187	14 358	5 392	22 765
<b>Gross profit</b>	<b>7 297</b>	<b>4 187</b>	<b>14 358</b>	<b>5 392</b>	<b>22 765</b>
Sales expenses	-367	-251	-682	-629	-948
Administrative expenses	-9 577	-5 422	-18 122	-13 443	-28 772
Research and development expenses	-696	-495	-1 426	-1 035	-2 356
Other operating income and expenses	-94	372	346	962	726
<b>Operating result (EBIT)</b>	<b>-3 437</b>	<b>-1 609</b>	<b>-5 526</b>	<b>-8 753</b>	<b>-8 585</b>
Financial items	-1 781	-766	-2 865	-1 092	-3 559
Appropriations	-	2 484	-	9 900	13 214
<b>Result before tax</b>	<b>-5 218</b>	<b>109</b>	<b>-8 391</b>	<b>55</b>	<b>1 070</b>
Taxes	1 065	-28	1 719	-28	-246
<b>Result for the period</b>	<b>-4 153</b>	<b>81</b>	<b>-6 672</b>	<b>27</b>	<b>824</b>

## PARENT COMPANY - BALANCE SHEET

(TSEK)	30-jun 2021	30-jun 2020	31-dec 2020
<b>Assets</b>			
<i>Fixed assets</i>			
Intangible assets	11 162	9 553	10 023
Tangible assets	602	158	503
Participations in group companies	489 593	362 447	377 805
Long-term receivables group companies	88 103	109 721	92 836
<b>Total fixed assets</b>	<b>589 460</b>	<b>481 879</b>	<b>481 167</b>
<i>Current assets</i>			
Receivables group companies	48 244	59 761	55 914
Other receivables	4 180	1 809	1 331
Cash and cash equivalents	260 109	319 849	311 883
<b>Total current assets</b>	<b>312 533</b>	<b>381 419</b>	<b>369 128</b>
<b>Total assets</b>	<b>901 993</b>	<b>863 298</b>	<b>850 295</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital (11,320,968 shares)	3 363	3 363	3 363
Reserve fund	918	918	918
<i>Non-restricted equity</i>			
Share premium fund	32 510	32 510	32 510
Retained earnings	81 996	101 550	101 550
Result for the period	- 6 672	27	824
<b>Total equity</b>	<b>112 115</b>	<b>138 368</b>	<b>139 165</b>
<i>Provisions</i>			
Other provisions	50 479	20 000	35 358
<b>Total provisions</b>	<b>50 479</b>	<b>20 000</b>	<b>35 358</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	583 187	591 583	579 967
Liabilities group companies	-	35 105	41 369
<b>Total long-term liabilities</b>	<b>583 187</b>	<b>626 688</b>	<b>621 336</b>
<i>Short-term liabilities</i>			
Liabilities group companies	145 515	69 661	43 714
Other liabilities	10 697	8 581	10 722
<b>Total short-term liabilities</b>	<b>156 212</b>	<b>78 242</b>	<b>54 436</b>
<b>Total equity and liabilities</b>	<b>901 993</b>	<b>863 298</b>	<b>850 295</b>