

## **ABSOLENT AIR CARE GROUP CONVERTS TO IFRS**

The Board of Directors in Absolent Air Care Group has decided that the Group will change accounting policy from K3 to International Financial Reporting Standards (IFRS). The transition to IFRS aims to increase comparability with other listed companies and create increased transparency and understanding for international investors regarding the financial statements. The annual report and consolidated financial statements that Absolent Air Care Group will publish on 26 April will be the first financial report prepared according to IFRS and the interpretations from the IFRS Interpretations Committee (IFRIC), as adopted by the EU. The date of transition to IFRS has been set to 1 January 2020. Comparative figures are restated from 1 January 2020. As the financial reports for the financial year 2021 that Absolent Air Care Group presented in the Year-end report on 24 February 2022 were prepared in accordance with K3, these financial reports have also been restated in accordance with IFRS.

The main effects from the transition to IFRS are the following:

- As of the transition date 1 January 2020, the goodwill item in the consolidated statement of financial position is no longer subject to annual amortizations, but the item will instead be tested for impairment. Reversal of goodwill amortizations amounts to SEK 79.9 million for 2020 and SEK 101.2 million for 2021.
- Due to recalculation of business combinations made after the transition date to IFRS, intangible fixed assets in the form of customer relations have been broken out of goodwill. Amortizations of these customer relations have affected operating result for 2021 negatively by SEK 2.7 million.
- Acquisition-related expenses are recorded as costs according to IFRS, which has affected operating result for 2021 negatively by SEK 4.8 million.
- Leasing agreements have been recorded as right-of-use assets and lease liabilities in the consolidated statement of financial position, except leasing agreements shorter than 12 months or for which the underlying asset is of low value. Transition to IFRS also means that costs for the leasing agreements will be removed from operating expenses and replaced by depreciations of the right-of-use asset and interest expenses on the lease liability. The Group's EBITDA has been positively impacted by SEK 21.6 million for 2020 and SEK 23.6 million for 2021 according to this accounting treatment. The impact on operating result (EBIT) will only be marginal. The majority of the leasing agreements in Absolent Air Care Group refers to premises and cars.

In summary, the Group financial key figures are affected as follows:

- Operating result before amortizations and depreciations (EBITDA) for 2020 increases from SEK 73.4 million to SEK 95.1 million and for 2021 from SEK 149.7 million to SEK 168.5 million.
- Operating result (EBIT) for 2020 increases from SEK -31.2 million to SEK 48.9 million and for 2021 from SEK 36.3 million to SEK 131.5 million.
- Result after tax for 2020 increases from SEK -55.1 million to SEK 23.3 million and for 2021 from SEK 4.1 million to SEK 98.2 million.

- Total assets for 2020 increase from SEK 1,126.9 million to SEK 1,283.3 million and for 2021 from SEK 1,195.0 million to SEK 1,457.2 million.
- Cash flow from operating activities for 2020 increases from SEK 54.4 million to SEK 69.2 million and for 2021 from SEK 97.7 million to SEK 114.5 million.

A more detailed description of the transition to IFRS and its effects will be presented in the Absolent Air Care Group Annual report that will be published on 26 April.

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