

# Air care for healthy growth

# Q3

Interim report 2023

# Summary

## 1 July – 30 September 2023

- Net sales amounted to SEK 354.7 (326.4) million, which corresponds to a growth of 8.7 (28.3) %.
- Operating result before amortizations and depreciations (EBITDA) increased by 9.7 % and amounted to SEK 73.7 (67.2) million, corresponding to a margin of 20.8 (20.6) %.
- Operating result (EBIT) increased by 7.4 % and amounted to SEK 61.6 (57.3) million, corresponding to a margin of 17.4 (17.6) %.
- Earnings per share amounted to SEK 3.48 (3.81).
- Cash flow from operating activities amounted to SEK 62.1 (78.1) million.

## 1 January – 30 September 2023

- Net sales amounted to SEK 1,066.5 (999.2) million, which corresponds to a growth of 6.7 (32.0) %.
- Operating result before amortizations and depreciations (EBITDA) increased by 5.2 % and amounted to SEK 213.3 (202.8) million, corresponding to a margin of 20.0 (20.3) %.
- Operating result (EBIT) increased by 4.3 % and amounted to SEK 180.1 (172.7) million, corresponding to a margin of 16.9 (17.3) %.
- Earnings per share amounted to SEK 10.94 (10.98).
- Cash flow from operating activities amounted to SEK 130.1 (141.0) million.

# Group key figures

Key figures	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Rolling 12 months Oct 2022- Sep 2023
Net sales, SEK thousands	354 694	326 427	1 066 523	999 220	1 339 321	1 406 624
Sales growth, %	8.7	28.3	6.7	32.0	30.1	10.6
Operating result before amortizations and depreciations (EBITDA), SEK thousands	73 748	67 248	213 254	202 764	260 567	271 057
Operating margin before amortizations and depreciations, %	20.8	20.6	20.0	20.3	19.5	19.3
Operating result (EBIT), SEK thousands	61 593	57 332	180 147	172 652	220 001	227 496
Operating margin, %	17.4	17.6	16.9	17.3	16.4	16.2
Cash flow from operating activities, SEK thousands	62 135	78 143	130 098	141 018	196 141	185 221
Total assets, SEK thousands	1 742 947	1 660 590	1 742 947	1 660 590	1 665 931	1 701 769
Equity ratio, %	46.7	39.9	46.7	39.9	41.7	43.4
Net cash (+) / net debt (-), SEK thousands	-362 366	-334 385	-362 366	-334 385	-293 128	-348 376
Earnings per share, SEK	3.48	3.81	10.94	10.98	13.40	13.36
Equity per share, SEK	71.94	58.47	71.94	58.47	61.33	65.21
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	473	456	473	456	457	494

For definitions of key figures, see the Group Annual Report for 2022, p. 107.



# CEO comments

## Solid and profitable quarter

Absolent Air Care Group reports net sales for the period July-September 2023 of SEK 354.7 (326.4) million, which corresponds to a growth of 8.7 %. Operating result before amortizations and depreciations (EBITDA) amounted to SEK 73.7 (67.2) million, our highest EBITDA ever for a single quarter, and corresponding to a margin of 20.8 (20.6) %. I am glad to see that we report such a good profitability in a time when several markets experience uncertainty related to macro factors such as interest rates and inflation as well as the geopolitical situation.

## Industrial

For the third quarter, the Industrial business area reports net sales of SEK 286.6 (271.4) million, which is the highest sales ever for a single quarter. The EMEA region records a strong quarter, while the APAC and Americas regions report somewhat lower sales. In terms of profitability, Industrial reports an operating result before amortizations and depreciations (EBITDA) of SEK 65.5 (58.3) million, corresponding to a margin of 22.8 (21.5) %.

Within the business area, our consolidation projects to create larger, more modern and more efficient production facilities in the UK and Canada continue. During the quarter, a relocation of parts of

the Canadian operations (including production) has been finalized, which has had some negative impact on sales and profitability for the Americas region. However, the new facilities give us possibilities to gather all our Canadian operations under the same roof over time – an improvement with obvious synergies and a solid platform for continued profitable growth.

After the end of the quarter, we have, after a substantial prep work, received a large order as part of a deeper cooperation with a large German machine manufacturer, for whom our filter units have been adapted to match the customer's needs. The current order value under the cooperation is over SEK 20 million with good prospects of continued volumes during the coming years. The order refers to products from the Absolent brand and is an acknowledgement of the competitiveness of our products and further strengthens our position on the global market.

## Commercial Kitchen

Our second business area reports a 23.7 % growth for the quarter, with a net sales increase from SEK 55.1 million to SEK 68.1 million. For the period July-September, the Commercial Kitchen business area shows an operating result of before amortizations and depreciations (EBITDA) of SEK 12.4 (10.8) million, corresponding to a margin of 18.2 (19.6) %. The sales increase is primarily attributable to the Dutch company Nu-Air, which was acquired during the fourth quarter 2022. Their operations have to a large extent been integrated with our other Dutch company, Tessu Systems, and the companies together form a dominating player on the Dutch market for commercial kitchen ventilation. To secure a successful integration, we are temporarily adding extra resources, for which the costs have had a negative impact on the result for the quarter. We continue to work actively to realize more synergies from the acquisition of Nu-Air and the integration with Tessu Systems, to improve profitability in coming periods.

## The future

Altogether, I am very pleased that we are reporting yet a solid a quarter with good profitability, despite uncertainties around us. With our ongoing projects in mind, I look with confidence and excitement on the future of the Group. We invest and develop to keep delivering a profitable growth, and with strong brands, committed employees and innovation, we are building a Group to lead our industry for a long time forward.

**Axel Berntsson, CEO and President**  
Gothenburg, in October 2023

# The Group

## July – September 2023

### Net sales

Net sales for the Group amounted to SEK 354.7 (326.4) million, which corresponds to a growth of 8.7 (28.3) %. The Industrial business area reported net sales of SEK 286.6 (271.4) million - a growth of 5.6 %. The Commercial Kitchen business area showed a growth of 23.7 %, with a net sales increase from SEK 55.1 million to SEK 68.1 million. The increase is mainly attributable to the Dutch company Nu-Air, which was acquired during the fourth quarter 2022. The growth in both business areas is driven by the EMEA region, which recorded a 21.8 % growth. The Americas and APAC regions recorded lower net sales in the quarter.

### Result

Operating result before amortizations and depreciations (EBITDA) amounted to SEK 73.7 (67.2) million, which corresponds to a margin of 20.8 (20.6) %. Operating result (EBIT) amounted to SEK 61.6 (57.3) million with an operating margin of 17.4 (17.6) %. The improved result mainly comes from the Industrial business area, for which the operating result amounted to SEK 57.5 (50.8) million. The increase is attributable to both higher sales and stronger margins. Commercial Kitchen, the Group's other business area, recorded an operating result of SEK 9.5 (8.8) million. Other operating income and expenses amounted to a total of SEK -0.5 (12.4) million - SEK 12.9 million lower than the previous year, substantially due to currency effects.

Net financial items amounted to SEK -9.7 (-4.8) million, where the change is mainly attributable to increased interest expenses due to higher interest levels. Result after tax amounted to SEK 39.4 (43.2) million.

### Investments

During the third quarter, the Group has invested a total of SEK 4.0 (4.9) million in intangible and tangible fixed assets, where this period's investments mainly refer to capitalized product development costs and machinery and equipment. Cash flow from investing activities for the period also includes a smaller adjustment of the purchase price for the acquisition of the Dutch company Nu-Air, which was completed during the fourth quarter 2022.

### Cash flow

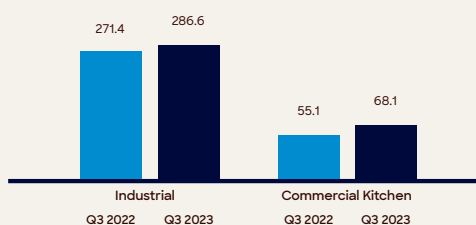
Cash flow from operating activities before changes in working capital amounted to SEK 52.5 (61.0) million and the cash flow after changes in working capital amounted to SEK 62.1 (78.1) million. The lower cash flow is mainly an effect of increased tax payments and interest expenses.

### Financial position

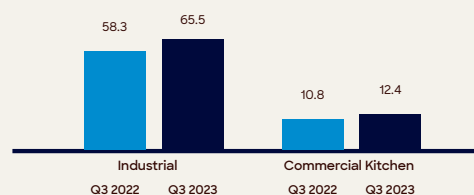
Interest-bearing liabilities at the end of the period amounted to SEK 608.7 (661.3) million, of which SEK 133.3 (70.5) million referred to lease liabilities. The increase of lease liabilities is to a large extent related to a new facility lease agreement in Canada, a part of the Group's project to create larger, more modern and more efficient production facilities. The net debt for the Group amounted to SEK 362.4 (334.4) million.

The equity ratio improved by 6.8 percentage points and amounted to 46.7 (39.9) % at the end of the period. The Parent company's credit facility totals SEK 800 million and expires in 2026.

### Net sales, SEK million



### EBITDA, SEK million



# The Group

## January – September 2023

### Net sales

Net sales for the Group amounted to SEK 1,066.5 (999.2) million, which corresponds to a growth of 6.7 (32.0) %. Both business areas showed growth, with a net sales increase from SEK 814.7 million to SEK 849.3 million for Industrial and from SEK 184.6 million to SEK 217.2 million for Commercial Kitchen. Net sales increased in the EMEA and APAC regions, while Americas showed a decrease.

### Result

Operating result before amortizations and depreciations (EBITDA) amounted to SEK 213.3 (202.8) million, which corresponds to a margin of 20.0 (20.3) %. Operating result (EBIT) amounted to SEK 180.1 (172.7) million with an operating margin of 16.9 (17.3) %. The result improvement is mainly driven by the Commercial Kitchen business area, for which operating result (EBIT) increased from SEK 27.1 million to SEK 34.7 million. The increase is an effect of both higher sales and improved margin. The Industrial business area reports an operating result of SEK 155.8 (154.2) million.

Other operating income and expenses amounted to a total of SEK 1.7 (26.0) million and have decreased by SEK 24.3 million compared to the previous year. SEK 3.5 million of this decrease is related to a real estate sale during the second quarter of 2022 and the majority of the remaining part is attributable to currency effects. Without these effects, the Group reports a higher operating margin for the period January-September compared to the previous year.

Net financial items amounted to SEK -18.2 (-15.7) million, where the previous year includes a SEK 5.4 million write-down of a financial receivable. Adjusted for this non-recurring item, net financial items have deteriorated by SEK 8.0 million, mainly attributable to higher interest expenses due to higher interest levels. Result after tax amounted to SEK 123.9 (124.3) million.

### Investments

During the year, the Group has invested a total of SEK 12.2 (20.7) million in intangible and tangible fixed assets, where this year's investments mainly refer to capitalized product development costs and machinery and equipment. Cash flow from investing activities also includes acquisition of the Swiss company AIRfina of SEK 12.8 million and earnout payments related to the acquisitions of Quatro Air Technologies and Aerofil as well as Tessu Systems of SEK 60.2 million in total.

### Cash flow

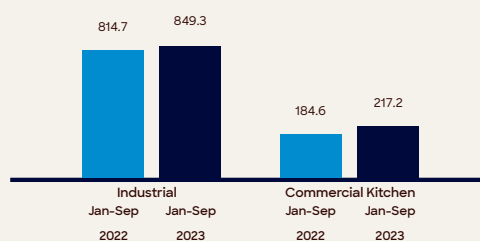
Cash flow from operating activities before changes in working capital amounted to SEK 148.9 (180.1) million and the cash flow after changes in working capital amounted to SEK 130.1 (141.0) million. The lower cash flow is to a large extent an effect of increased tax payments and interest expenses, which have been partly offset by a more efficient working capital management compared to the previous year.

### Financial position

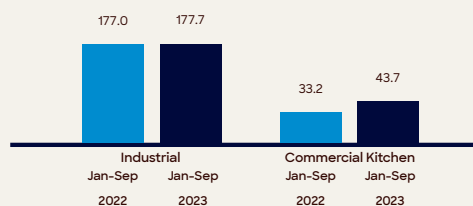
Interest-bearing liabilities at the end of the period amounted to SEK 608.7 (661.3) million, of which SEK 133.3 (70.5) million referred to lease liabilities. The increase of lease liabilities is to a large extent related to a new facility lease agreement in Canada, a part of the Group's project to create larger, more modern and more efficient production facilities. The net debt for the Group amounted to SEK 362.4 (334.4) million.

The equity ratio improved by 6.8 percentage points and amounted to 46.7 (39.9) % at the end of period. During the year, the Parent company has renewed and increased the credit facility with the bank Nordea. The credit facility has been increased to SEK 800 million and expires in 2026.

### Net sales, SEK million



### 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 2022 (accessible at [www.absolentgroup.com](http://www.absolentgroup.com)). The financial risks are also further described in Note 22 in the Annual report for 2022. The reported risks, as they are described in the Annual report, are deemed to be essentially unchanged.

The current geopolitical situation is still a factor of uncertainty, volatile macro factors such as inflation, interest rates and energy prices are also creating 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 the above-mentioned uncertainties.

## 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 2022.

No standards, amendments or interpretations effective from 2023 have had any material impact on Absolent Air Care Group's financial statements.

## Contact information

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## Certified adviser

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

## Financial calendar

Year-end report 2023, Feb 20, 2024  
Interim report Jan-Mar 2024, May 3, 2024  
Annual General Meeting, May 16, 2024  
Interim report Jan-Jun 2024, Jul 19, 2024  
Interim report Jan-Sep 2024, Oct 30, 2024

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, October 30, 2023  
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 October 30, 2023.

## Group income statements

SEK thousands	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	1, 2, 3	354 694	326 427	1 066 523	999 220	1 339 321
Costs for products and services sold		-190 133	-193 355	-584 474	-589 313	-791 107
<b>Gross profit</b>		<b>164 561</b>	<b>133 072</b>	<b>482 049</b>	<b>409 907</b>	<b>548 214</b>
Sales expenses		-49 769	-38 569	-150 351	-121 173	-165 532
Administrative expenses		-44 001	-41 580	-127 585	-116 437	-151 414
Research and development expenses		-8 728	-7 981	-25 692	-25 597	-33 900
Other operating income		-	12 438	3 365	26 535	24 193
Other operating expenses		-471	-48	-1 639	-583	-1 560
<b>Operating result</b>	<b>3</b>	<b>61 593</b>	<b>57 332</b>	<b>180 147</b>	<b>172 652</b>	<b>220 001</b>
Financial income		86	63	5 460	263	753
Financial expenses		-9 802	-4 898	-23 632	-15 928	-23 871
<b>Result after financial items</b>	<b>3</b>	<b>51 877</b>	<b>52 497</b>	<b>161 976</b>	<b>156 987</b>	<b>196 883</b>
Tax expense		-12 465	-9 346	-38 109	-32 713	-45 129
<b>Result for the period</b>		<b>39 412</b>	<b>43 153</b>	<b>123 867</b>	<b>124 275</b>	<b>151 755</b>
<b>Result for the period attributable to:</b>						
Shareholders of the Parent company		39 412	43 153	123 867	124 275	151 755
Non-controlling interests		-	-	-	-	-
<b>Earnings per share*, SEK</b>		<b>3.48</b>	<b>3.81</b>	<b>10.94</b>	<b>10.98</b>	<b>13.40</b>

\* Before and after dilution.

## Statement of other comprehensive income

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Result for the period</b>	<b>39 412</b>	<b>43 153</b>	<b>123 867</b>	<b>124 275</b>	<b>151 755</b>
Other comprehensive income					
<i>Items that may be reclassified to the income statement</i>					
Translation differences	-19 697	1 570	27 460	30 222	35 130
<b>Other comprehensive income</b>	<b>-19 697</b>	<b>1 570</b>	<b>27 460</b>	<b>30 222</b>	<b>35 130</b>
<b>Total comprehensive income</b>	<b>19 715</b>	<b>44 723</b>	<b>151 327</b>	<b>154 497</b>	<b>186 885</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Parent company	19 715	44 723	151 327	154 497	186 885
Non-controlling interests	-	-	-	-	-



## Consolidated statements of financial position

SEK thousands	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>ASSETS</b>				
<i>Fixed assets</i>				
Goodwill		664 542	612 123	626 000
Other intangible fixed assets		70 557	66 992	69 163
Tangible fixed assets		231 546	168 988	172 045
Financial fixed assets		2 251	562	621
Deferred tax assets		6 011	8 298	7 096
<b>Total fixed assets</b>	<b>2</b>	<b>974 907</b>	<b>856 963</b>	<b>874 925</b>
<i>Current assets</i>				
Inventories		204 959	195 755	203 847
Accounts receivable		241 238	224 653	205 838
Current tax receivables		6 724	5 912	4 790
Other receivables		23 031	14 642	17 025
Prepaid expenses and accrued income		45 721	35 777	23 981
Cash and cash equivalents		246 367	326 887	335 525
<b>Total current assets</b>		<b>768 040</b>	<b>803 626</b>	<b>791 006</b>
<b>TOTAL ASSETS</b>	<b>4</b>	<b>1 742 947</b>	<b>1 660 590</b>	<b>1 665 931</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		64 441	32 072	36 980
Retained earnings incl. result for the period		714 167	593 954	621 434
<b>Equity attributable to Parent company shareholders</b>		<b>814 481</b>	<b>661 899</b>	<b>694 287</b>
Non-controlling interests		1	1	1
<b>Total equity</b>		<b>814 482</b>	<b>661 900</b>	<b>694 288</b>
<i>Long-term liabilities</i>				
Long-term interest-bearing lease liabilities		103 141	50 850	50 221
Other long-term interest-bearing liabilities	5	475 419	590 149	556 160
Provisions		2 259	1 713	2 136
Deferred tax liabilities		27 047	23 402	27 506
Other long-term liabilities		3 448	18 288	9 118
<b>Total long-term liabilities</b>		<b>611 313</b>	<b>684 402</b>	<b>645 141</b>
<i>Short-term liabilities</i>				
Short-term interest-bearing lease liabilities		30 173	19 691	22 033
Other short-term interest-bearing liabilities		-	582	239
Prepayments from customers		15 539	22 121	17 812
Accounts payable		69 208	75 246	56 885
Current tax liabilities		30 065	24 907	31 885
Other liabilities		36 943	57 821	85 779
Accrued expenses and prepaid income		135 225	113 922	111 871
<b>Total short-term liabilities</b>		<b>317 153</b>	<b>314 290</b>	<b>326 504</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4</b>	<b>1 742 947</b>	<b>1 660 590</b>	<b>1 665 931</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 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>
Opening equity 1 Jan 2023	3 363	32 510	36 980	621 434	694 287	1	694 288
Result for the period	-	-	-	123 867	123 867	-	123 867
<b>Other comprehensive income</b>							
Translation differences	-	-	27 460	-	27 460	-	27 460
<b>Transactions with shareholders</b>							
Dividend	-	-	-	-31 133	-31 133	-	-31 133
<b>Closing equity 30 Sep 2023</b>	<b>3 363</b>	<b>32 510</b>	<b>64 441</b>	<b>714 167</b>	<b>814 481</b>	<b>1</b>	<b>814 482</b>

## Group cash flow statements

SEK thousands	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Operating activities</b>						
Operating result		61 593	57 332	180 147	172 652	220 001
Adjustments for items not included in the cash flow		11 726	7 253	33 229	24 360	36 950
Received interest		86	139	213	244	647
Paid interest		-9 070	-3 879	-22 722	-8 805	-14 123
Paid income tax		-11 877	122	-41 969	-8 336	-5 663
<b>Cash flow from operating activities before changes in working capital</b>		<b>52 458</b>	<b>60 967</b>	<b>148 898</b>	<b>180 115</b>	<b>237 812</b>
<b>Changes in working capital</b>						
Changes in inventories		14 562	-10 508	5 291	-37 748	-42 455
Changes in operating receivables		-12 201	14 667	-54 762	-2 167	25 728
Changes in operating liabilities		7 316	13 015	30 671	817	-24 944
<b>Cash flow from operating activities</b>		<b>62 135</b>	<b>78 143</b>	<b>130 098</b>	<b>141 018</b>	<b>196 141</b>
<b>Investing activities</b>						
Business combinations		-683	-	-13 502	-	-12 243
Earnout payments		-	-	-60 221	-15 560	-15 560
Investments in intangible fixed assets		-1 791	-3 951	-7 340	-14 768	-19 570
Investments in tangible fixed assets		-2 242	-932	-4 846	-5 910	-7 661
Sale of tangible fixed assets		409	41	676	9 241	9 551
Increase/decrease of long-term receivable		-1 514	-83	-1 523	50	51
<b>Cash flow from investing activities</b>	<b>3</b>	<b>-5 821</b>	<b>-4 925</b>	<b>-86 756</b>	<b>-26 947</b>	<b>-45 432</b>
<b>Financing activities</b>						
Amortizations of loans		-31 678	-	-87 886	-	-17 212
Amortizations of lease liabilities		-6 080	-5 266	-17 845	-16 082	-22 576
Paid dividend		-	-	-31 133	-22 642	-22 642
Other items		-	-	-2 255	-	-
<b>Cash flow from financing activities</b>		<b>-37 758</b>	<b>-5 266</b>	<b>-139 119</b>	<b>-38 724</b>	<b>-62 430</b>
<b>Cash flow for the period</b>		<b>18 556</b>	<b>67 952</b>	<b>-95 777</b>	<b>75 347</b>	<b>88 279</b>
Cash and cash equivalents at the beginning of the period		229 690	254 954	335 525	233 230	233 230
Translation difference in cash and cash equivalents		-1 880	3 980	6 619	18 309	14 015
<b>Cash and cash equivalents at the end of the period</b>		<b>246 367</b>	<b>326 887</b>	<b>246 367</b>	<b>326 887</b>	<b>335 525</b>



## Parent company income statement

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	10 928	10 804	33 419	32 423	46 018
Sales expenses	-70	-288	-481	-1 317	-1 589
Administrative expenses	-10 855	-11 537	-33 622	-33 615	-48 830
Research and development expenses	-1 888	-1 280	-5 780	-4 271	-6 085
Other operating income	-	1 753	1 555	1 703	2 718
Other operating expenses	-463	-	-463	-	-
<b>Operating result</b>	<b>-2 348</b>	<b>-547</b>	<b>-5 371</b>	<b>-5 077</b>	<b>-7 767</b>
<b>Financial items</b>					
Result from participations in Group companies	-	-	85 672	48 124	48 124
Financial income	5 255	3 603	20 156	8 437	12 561
Financial expenses	-8 353	-5 372	-21 225	-10 729	-16 330
<b>Result after financial items</b>	<b>-5 446</b>	<b>-2 316</b>	<b>79 231</b>	<b>40 754</b>	<b>36 586</b>
Appropriations	-	-	-	-	82 017
<b>Result before tax</b>	<b>-5 446</b>	<b>-2 316</b>	<b>79 231</b>	<b>40 754</b>	<b>118 602</b>
Tax expense	1 161	468	1 296	1 505	-14 929
<b>Result for the period</b>	<b>-4 286</b>	<b>-1 848</b>	<b>80 529</b>	<b>42 259</b>	<b>103 674</b>

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

## Parent company balance sheet

SEK thousands	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	33 124	24 519	27 920
Tangible fixed assets	332	453	423
Participations in Group companies	476 692	479 287	476 938
Receivables on Group companies	292 589	276 184	257 249
Deferred tax asset	-	6	-
<b>Total fixed assets</b>	<b>802 737</b>	<b>780 448</b>	<b>762 530</b>
<i>Current assets</i>			
Receivables on Group companies	52 005	54 013	74 460
Other receivables	323	517	373
Prepaid expenses and accrued income	2 680	2 343	3 027
Cash and cash equivalents	86 323	152 444	195 143
<b>Total current assets</b>	<b>141 331</b>	<b>209 318</b>	<b>273 003</b>
<b>TOTAL ASSETS</b>	<b>944 068</b>	<b>989 765</b>	<b>1 035 533</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	27 550	3 486	27 550
<b>Total restricted equity</b>	<b>31 831</b>	<b>7 767</b>	<b>31 831</b>
Share premium reserve	32 510	32 510	32 510
Retained earnings	134 406	85 928	61 864
Result for the period	80 529	42 259	103 674
<b>Total unrestricted equity</b>	<b>247 445</b>	<b>160 697</b>	<b>198 049</b>
<b>Total equity</b>	<b>279 276</b>	<b>168 465</b>	<b>229 880</b>
<i>Untaxed reserves</i>			
Tax allocation reserve	38 708	14 542	38 708
<b>Total untaxed reserves</b>	<b>38 708</b>	<b>14 542</b>	<b>38 708</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	475 419	590 149	556 160
Liabilities to Group companies	-	7 961	7 961
Other long-term receivables	-	-	-
<b>Total long-term liabilities</b>	<b>475 419</b>	<b>598 110</b>	<b>564 121</b>
<i>Short-term liabilities</i>			
Accounts payable	2 517	2 991	2 505
Current tax liabilities	5 572	5 970	22 601
Liabilities to Group companies	134 104	155 739	129 487
Other liabilities	308	28 224	26 224
Accrued expenses and deferred income	8 165	15 725	22 006
<b>Total short-term liabilities</b>	<b>150 665</b>	<b>208 649</b>	<b>202 824</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>944 068</b>	<b>989 765</b>	<b>1 035 533</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 business areas 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 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
Products, recorded at a certain point in time	234 609	226 501	46 934	44 930	281 543	271 431
Services, recorded over time	34 941	29 596	4 024	2 130	38 963	31 725
Products and services, recorded over time	17 033	15 268	17 153	8 002	34 186	23 270
<b>Total</b>	<b>286 583</b>	<b>271 366</b>	<b>68 111</b>	<b>55 062</b>	<b>354 694</b>	<b>326 427</b>

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Products, recorded at a certain point in time	715 684	682 827	149 744	144 847	865 429	827 674
Services, recorded over time	86 798	85 659	9 238	5 891	96 036	91 550
Products and services, recorded over time	46 800	46 165	58 259	33 830	105 059	79 995
<b>Total</b>	<b>849 282</b>	<b>814 651</b>	<b>217 241</b>	<b>184 568</b>	<b>1 066 523</b>	<b>999 220</b>

SEK thousands	Industrial	Commercial Kitchen	Total
	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022
Products, recorded at a certain point in time	909 088	189 269	1 098 357
Services, recorded over time	124 698	7 644	132 342
Products and services, recorded over time	57 242	51 380	108 622
<b>Total</b>	<b>1 091 028</b>	<b>248 293</b>	<b>1 339 321</b>

## Net sales per geographic region

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
EMEA	158 747	131 086	63 908	51 755	222 655	182 841
Americas	93 320	101 748	621	369	93 942	102 117
APAC	34 516	38 532	3 581	2 937	38 098	41 469
<b>Total</b>	<b>286 583</b>	<b>271 366</b>	<b>68 111</b>	<b>55 062</b>	<b>354 694</b>	<b>326 427</b>

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
EMEA	456 592	390 381	206 236	175 458	662 827	565 839
Americas	280 156	313 546	1 730	1 726	281 885	315 273
APAC	112 535	110 726	9 276	7 383	121 810	118 108
<b>Total</b>	<b>849 282</b>	<b>814 653</b>	<b>217 241</b>	<b>184 567</b>	<b>1 066 523</b>	<b>999 220</b>

SEK thousands	Industrial	Commercial Kitchen	Total
	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022
EMEA	525 874	238 481	764 355
Americas	423 935	2 140	426 075
APAC	141 219	7 672	148 890
<b>Total</b>	<b>1 091 028</b>	<b>248 293</b>	<b>1 339 321</b>

## 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 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
EMEA	222 655	182 841	662 827	565 839	764 355
<i>of which UK</i>	68 046	64 414	198 571	177 533	234 347
<i>of which Sweden</i>	31 957	28 709	114 685	108 259	143 108
Americas	93 942	102 117	281 885	315 273	426 075
<i>of which USA</i>	63 644	70 412	185 877	200 502	270 581
APAC	38 098	41 469	121 810	118 108	148 890
<b>Total</b>	<b>354 694</b>	<b>326 427</b>	<b>1 066 523</b>	<b>999 220</b>	<b>1 339 321</b>

SEK thousands	Fixed assets*		
	30 Sep 2023	30 Sep 2022	31 Dec 2022
EMEA	211 413	210 650	215 590
<i>of which UK</i>	58 781	82 431	60 336
<i>of which Sweden</i>	111 527	101 260	109 645
Americas	94 245	32 817	29 765
<i>of which USA</i>	3 549	5 896	5 061
APAC	2 457	812	2 949
<b>Total</b>	<b>308 114</b>	<b>244 278</b>	<b>248 303</b>

\* 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 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
Net sales	286 583	271 366	68 140	55 062	-	-	-29	-	354 694	326 427
Operating result	57 538	50 800	9 521	8 752	-5 466	-2 218	-	-	61 593	57 332
Net financial items									-9 716	-4 835
Result before tax									51 877	52 497
Amortizations and depreciations	-7 916	-7 466	-2 868	-2 051	-1 371	-396	-	-	-12 155	-9 913
Net investments	-1 859	-2 223	-40	-117	-1 725	-2 502	-	-	-3 624	-4 842

SEK thousands	Industrial		Commercial Kitchen		Group functions		Eliminations		Total	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	849 282	814 660	217 329	184 639	-	-	-88	-79	1 066 523	999 220
Operating result	155 791	154 246	34 742	27 060	-10 385	-8 653	-	-	180 147	172 652
Net financial items									-18 172	-15 665
Result before tax									161 976	156 987
Amortizations and depreciations	-21 950	-22 760	-8 950	-6 171	-2 206	-1 180	-	-	-33 106	-30 111
Net investments	-5 055	-88	-129	-892	-6 326	-10 456	-	-	-11 510	-11 437

SEK thousands	Industrial		Commercial Kitchen		Group functions		Eliminations		Total	
	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022	Jan-Dec 2022
Net sales	1 091 035	248 482	-	-	-195	-	-	-	1 339 321	
Operating result	189 428	36 155	-5 582	-	-	-	-	-	220 001	
Net financial items									-23 118	
Result before tax									196 883	
Amortizations and depreciations	-30 308	-8 653	-1 605	-	-	-	-	-	-40 566	
Net investments	-2 774	-996	-13 909	-	-	-	-	-	-17 680	

# Note 4

## Financial instruments

SEK thousands	Financial assets			Financial liabilities		
	30 Sep 2023	30 Sep 2022	31 Dec 2022	30 Sep 2023	30 Sep 2022	31 Dec 2022
Measured at amortized cost	527 447	577 541	561 094	601 205	701 335	663 740
Measured at fair value through profit and loss	-	-	-	-	58 244	60 372
<b>Total</b>	<b>527 447</b>	<b>577 541</b>	<b>561 094</b>	<b>601 205</b>	<b>759 579</b>	<b>724 112</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 2022.

# Note 5

## Pledged assets and contingent liabilities

### Group

SEK thousands	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Pledged assets</b>			
Bank funds	-	339	-
<b>Total</b>	<b>-</b>	<b>339</b>	<b>-</b>
<b>Contingent liabilities</b>			
Other guarantees	4 058	-	3 929
<b>Total</b>	<b>4 058</b>	<b>-</b>	<b>3 929</b>

### Parent company

SEK thousands	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Contingent liabilities</b>			
Guarantees for Group companies	23 140	25 904	21 931
Other guarantees	4 058	-	3 929
<b>Total</b>	<b>27 197</b>	<b>25 904</b>	<b>25 860</b>

# Note 6 Business combinations

## Nu-Air B.V.

As of December 1 2022, the Group acquired 100 percent of the Dutch company Nu-Air B.V. for a purchase price of EUR 2.3 million on a cash and debt-free basis. The acquisition is financed by available funds and the purchase price is paid over three years. The company has an annual turnover of approximately EUR 6 million, and forms together with Tessu Systems B.V., acquired by Absolent Air Care Group in 2021, a dominating player on the Dutch commercial kitchen ventilation market. Nu-Air is included in the Group's Commercial Kitchen business area.

The acquisition did not have any material impact on earnings per share for 2022. Transaction costs related to this acquisition amounted to SEK 1.0 million, and are recorded as administrative expenses in the Group income statement. The table summarizes purchase price as well as acquired assets and liabilities, recognized at fair value as of the acquisition date. The purchase price allocation is preliminary, and some smaller changes have been made during the third quarter. The purchase price allocation will be finalized during the fourth quarter.

SEK thousands	Nu-Air B.V.
Tangible fixed assets	1 817
Right-of-use asset	16 529
Financial fixed assets	75
Inventories	8 778
Accounts receivable	7 829
Other receivables	33
Prepaid expenses and accrued income	-21
Cash and cash equivalents	8 417
Provisions	-211
Accounts payable	-3 726
Current tax liabilities	-37
Lease liability	-16 495
Other current liabilities	-5 751
Accrued expenses and deferred income	-7 077
<b>Net identifiable assets and liabilities</b>	<b>10 158</b>
Goodwill	19 917
<b>Total purchase price</b>	<b>30 075</b>
Purchase price liability, to be paid during 2023 and 2024	-8 745
<b>Total transferred consideration</b>	<b>21 331</b>
Cash and cash equivalents in the acquired company	-8 417
<b>Effect on Group cash and cash equivalents</b>	<b>12 914</b>



