

Air care for healthy growth

Q2

Interim report 2023

Summary

1 April - 30 June 2023

- Net sales amounted to SEK 353.0 (350.7) million, which corresponds to a growth of 0.7 (30.1) %.
- Operating result before amortizations and depreciations (EBITDA) decreased by 2.8 % and amounted to SEK 71.3 (73.4) million, corresponding to a margin of 20.2 (20.9) %. The previous year includes items affecting comparability of SEK 8.7 million.
- Operating result (EBIT) decreased by 4.2 % and amounted to SEK 60.7 (63.4) million, corresponding to a margin of 17.2 (18.1) %. The previous year includes items affecting comparability of SEK 8.7 million.
- Earnings per share amounted to SEK 4.03 (3.75).
- Cash flow from operating activities amounted to SEK 35.2 (20.6) million.

1 January - 30 June 2023

- Net sales amounted to SEK 711.8 (672.8) million, which corresponds to a growth of 5.8 (33.8) %.
- Operating result before amortizations and depreciations (EBITDA) increased by 2.9 % and amounted to SEK 139.5 (135.5) million, corresponding to a margin of 19.6 (20.1) %. The previous year includes items affecting comparability of SEK 11.2 million.
- Operating result (EBIT) increased by 2.8 % and amounted to SEK 118.6 (115.3) million, corresponding to a margin of 16.7 (17.1) %. The previous year includes items affecting comparability of SEK 11.2 million.
- Earnings per share amounted to SEK 7.46 (7.17).
- Cash flow from operating activities amounted to SEK 68.0 (62.9) million.

Group key figures

Key figures	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Rolling 12 months Jul 2022- Jun 2023
Net sales, SEK thousands	353 003	350 688	711 829	672 793	1 339 321	1 378 357
Sales growth, %	0.7	30.1	5.8	33.8	30.1	14.9
Operating result before amortizations and depreciations (EBITDA), SEK thousands	71 336	73 374	139 506	135 516	260 567	264 557
Operating margin before amortizations and depreciations, %	20.2	20.9	19.6	20.1	19.5	19.2
Operating result (EBIT), SEK thousands	60 725	63 381	118 554	115 320	220 001	223 235
Operating margin, %	17.2	18.1	16.7	17.1	16.4	16.2
Cash flow from operating activities, SEK thousands	35 211	20 620	67 962	62 873	196 141	201 230
Total assets, SEK thousands	1 687 584	1 577 598	1 687 584	1 577 598	1 665 931	1 632 591
Equity ratio, %	47.1	39.1	47.1	39.1	41.7	43.2
Net cash (+) / net debt (-), SEK thousands	-346 059	-395 506	-346 059	-395 506	-293 128	-370 783
Earnings per share, SEK	4.03	3.75	7.46	7.17	13.40	13.69
Equity per share, SEK	70.20	54.52	70.20	54.52	61.33	62.36
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	477	456	477	456	457	486

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



CEO comments

Continued solid underlying profitability

For the second quarter of the year, Absolent Air Care Group reports net sales of SEK 353.0 (350.7) million. The profitability for the quarter is an operating margin before amortizations and depreciations of 20.2 (20.9) %, where the previous year includes items affecting comparability of approximately SEK 8.7 million related to a real estate sale and currency effects. Without these items, the profitability is higher than the previous year.

Industrial

For the period April-June, the Industrial business area reports slightly lower sales of SEK 279.8 (285.7) million, a decrease of about 2.1 % compared to the previous year. However, order intake has increased by 10.9 % compared to the previous year. Sales and profitability in the Americas region are affected by an ongoing relocation and consolidation of two of our production facilities. The other regions EMEA and APAC show growth for the quarter. The operating result before amortizations and depreciations (EBITDA) for the business area amounts to SEK 53.3 (66.3) million, where the comparison figures were positively affected by a real estate sale of SEK 3.5 million and currency effects of SEK 7.6 million. Adjusted for these effects, the Industrial business area delivers a profitability in line with the previous year.

Absolent Air Care Group is in an intensive phase where we make large changes and investments for the future in the Industrial business area. We have three major projects ongoing to ensure

that we, over time, have the most competitive offer on the market and ability to deliver that offer to customers more efficiently than others. The most substantial project is the development of new product architectures. The project will remain in the development phase for at least two more years, with the purpose of creating a comprehensive offer. The project will not only give us a better offer we can deliver efficiently, but also considerably simplify integration and marginal improvement of acquisitions. During the second quarter, we launched the first products within this project and they were very well received by the market, which is an acknowledgement that we are on the right track.

The two other projects are of consolidatory nature, where we create larger, more modern and more efficient production facilities in the UK and Canada. Except the obvious consolidation synergies, these projects are an opportunity to streamline processes, modernize systems and attract competence, which, in turn, gives us conditions to grow at a more rapid pace. Simultaneously, we continue our project to develop a product for carbon capture. It is a challenging project, in which we are progressing. The current prototype has the ability to capture carbon and transform to liquid form, and our focus is to make the process efficient enough to commercialize.

Commercial Kitchen

I am pleased to see that our other business area Commercial Kitchen continues to show strong sales of SEK 73.2 (65.0) million, corresponding to a growth of 12.6 % compared to the same quarter last year. The effect of good volumes together with marginal improvement is also an improved operating result before amortizations and depreciations (EBITDA) from SEK 10.0 million to SEK 15.0 million, corresponding to a margin of 20.5 (15.3) %. Within the business area, work continues with realizing synergies from the acquisition of the Dutch company Nu-Air that was completed at the end of the previous year.

The future

Long-term, we have a very positive view of the market as well as our ability to develop and deliver profitable growth. We are closely monitoring the development of our major customer segments and their propensity to invest, also in the current, more challenging, interest and economic situation. Our assessment is that the market is still favorable, albeit somewhat more cautious than before, and we see opportunities to make good business also in the short term. Altogether, I am very happy with the work we do to build a Group to lead our attractive industry for a long time, and we have confidence in the future.

Axel Berntsson, CEO and President
Gothenburg, in August 2023

The Group

April – June 2023

Net sales

Net sales for the Group amounted to SEK 353.0 (350.7) million, which corresponds to a growth of 0.7 (30.1) %. The Commercial Kitchen business area showed a growth of 12.6 %, with a net sales increase from SEK 65.0 million to SEK 73.2 million. For Industrial, the Group's largest business area, net sales amounted to SEK 279.8 (285.7) million, where the EMEA and APAC regions showed growth while the Americas region recorded lower net sales.

Result

Operating result before amortizations and depreciations (EBITDA) amounted to SEK 71.3 (73.4) million, which corresponds to a margin of 20.2 (20.9) %. Operating result (EBIT) amounted to SEK 60.7 (63.4) million with an operating margin of 17.2 (18.1) %. Translation effects of foreign Group companies' results have impacted the operating result (EBIT) for the period with SEK 2.5 (1.9) million. The lower result comes from the Industrial business area, for which the operating result amounted to SEK 46.2 (58.8) million. For comparability, it is important to note that the previous year includes a positive effect from a real estate sale of SEK 3.5 million and positive currency effects of SEK 7.6 million. Without these non-recurring items, the operating result for the business area is basically on par with the previous year. Commercial Kitchen, the Group's other business area, recorded yet another strong quarter with a result of SEK 11.9 (7.9) million, where the increase is attributable to both volume and improved margin. Other operating income and expenses are SEK 9.2 million lower than the previous year, where SEK 3.5 million are related to a real estate sale during the second quarter of 2022 and the majority of the remaining part comes from currency effects. Without these effects, the Group records a higher operating result and operating margin than the previous year.

Net financial items amounted to SEK -1.3 (-7.4) million, where the previous year was burdened by a SEK 5.4 million write-down of a financial receivable. The current period is positively impacted by currency effects on financial items and negatively impacted by increased interest expenses due to higher interest levels. Result after tax amounted to SEK 45.7 (42.5) million.

Investments

During the period April-June, the Group has invested a total of SEK 4.5 (11.1) million in intangible and tangible fixed assets, where this period's investments mainly refer to capitalized product development costs and machinery. Cash flow from investing activities for the period also includes acquisition of the Swiss company AIRfina of SEK 12.8 million and earnout payments related to the acquisition of Quatro Air Technologies and Aerofil of SEK 34.8 million.

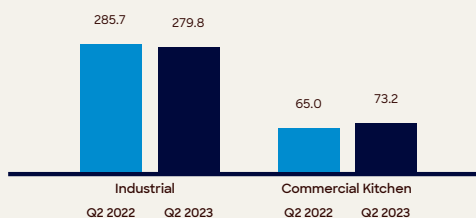
Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 56.4 (60.0) million and the cash flow after changes in working capital amounted to SEK 35.2 (20.6) million. The higher cash flow is mainly an effect of more efficient working capital management.

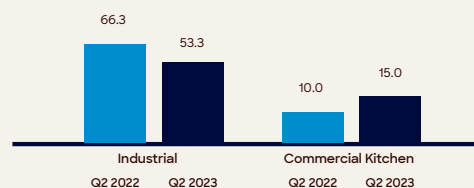
Financial position

Interest-bearing liabilities at the end of the period amounted to SEK 575.7 (650.5) million, of which SEK 66.4 (73.6) million refers to lease liabilities. The net debt for the Group amounted to SEK 346.1 (395.5) million, where the decrease is attributable to repayments. The equity ratio improved by 8.0 percentage points and amounted to 47.1 (39.1) % 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 – June 2023

Net sales

Net sales for the Group amounted to SEK 711.8 (672.8) million, which corresponds to a growth of 5.8 (33.8) %. Both business areas showed growth, with a net sales increase from SEK 543.3 million to SEK 562.7 million for Industrial and from SEK 129.5 million to SEK 149.1 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 139.5 (135.5) million, which corresponds to a margin of 19.6 (20.1) %. Operating result (EBIT) amounted to SEK 118.6 (115.3) million with an operating margin of 16.7 (17.1) %. Translation effects of foreign Group companies' results have impacted the operating result (EBIT) for the period with SEK 3.9 (5.1) million. The result improvement is driven by the Commercial Kitchen business area, for which operating result (EBIT) increased from SEK 18.3 million to SEK 25.2 million. The increase is an effect of both increased volume and improved margin. The Industrial business area reports an operating result of SEK 98.3 (103.4) million, where it is important to note that the comparison figures include a positive effect of SEK 3.5 million from a real estate sale as well as positive currency effects of SEK 10.5 million. Without these effects, the business area records an improved operating result compared to the previous year.

Other operating income and expenses have decreased by SEK 11.4 million compared to the previous year, of which SEK 3.5 million 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 than the first six months of 2022.

Net financial items amounted to SEK -8.5 (-10.8) million, where the previous year was burdened by a SEK 5.4 million write-down of a

financial receivable. Adjusted for this non-recurring item, net financial items have deteriorated, mainly attributable to higher interest expenses due to higher interest levels. Result after tax amounted to SEK 84.5 (81.1) million.

Investments

During the first half year, the Group has invested a total of SEK 8.2 (15.8) million in intangible and tangible fixed assets, where this year's investments mainly refer to capitalized product development costs and machinery. 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.

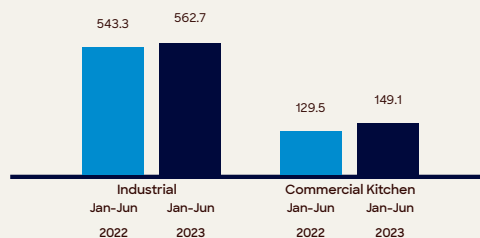
Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 96.4 (119.1) million and the cash flow after changes in working capital amounted to SEK 68.0 (62.9) million. The improvement is to a large extent attributable to more efficient working capital management, while increased tax and interest payments had negative impact.

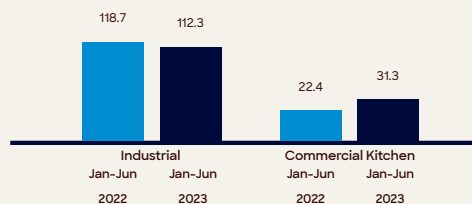
Financial position

Interest-bearing liabilities at the end of the period amounted to SEK 575.7 (650.5) million, of which SEK 66.4 (73.6) million refers to lease liabilities. The net debt for the Group amounted to SEK 346.1 (395.5) million, where the decrease is attributable to repayments made during the year. The equity ratio improved by 8.0 percentage points and amounted to 47.1 (39.1) % at the end of period. During the first half of 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). 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, as well as volatile macro factors such as inflation, interest rates and energy prices, 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

Interim report Jan-Sep 2023, Oct 30, 2023
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, 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).

Gothenburg, August 17, 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. CEST August 17, 2023.

Group income statements

SEK thousands	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	1, 2, 3	353 003	350 688	711 829	672 793	1 339 321
Costs for products and services sold		-198 929	-210 395	-394 341	-395 958	-791 107
Gross profit		154 074	140 293	317 488	276 835	548 214
Sales expenses		-49 478	-42 667	-100 582	-82 604	-165 532
Administrative expenses		-39 250	-37 071	-83 584	-74 857	-151 414
Research and development expenses		-7 435	-9 187	-16 965	-17 616	-33 900
Other operating income		2 813	12 012	3 365	14 097	24 193
Other operating expenses		-	-	-1 168	-535	-1 560
Operating result	3	60 725	63 381	118 554	115 320	220 001
Financial income		5 256	97	5 374	200	753
Financial expenses		-6 560	-7 464	-13 830	-11 030	-23 871
Result after financial items	3	59 421	56 014	110 099	104 490	196 883
Tax expense		-13 764	-13 526	-25 644	-23 367	-45 129
Result for the period		45 657	42 486	84 455	81 122	151 755
Result for the period attributable to:						
Shareholders of the Parent company		45 657	42 486	84 455	81 122	151 755
Non-controlling interests		-	-	-	-	-
Earnings per share*, SEK		4.03	3.75	7.46	7.17	13.40

* Before and after dilution.

Statement of other comprehensive income

SEK thousands	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Result for the period	45 657	42 486	84 455	81 122	151 755
Other comprehensive income					
<i>Items that may be reclassified to the income statement</i>					
Translation differences	37 681	19 690	47 157	28 652	35 130
Other comprehensive income	37 681	19 690	47 157	28 652	35 130
Total comprehensive income	83 338	62 176	131 612	109 774	186 885
Total comprehensive income attributable to:					
Shareholders of the Parent company	83 338	62 176	131 612	109 774	186 885
Non-controlling interests	-	-	-	-	-

Consolidated statements of financial position

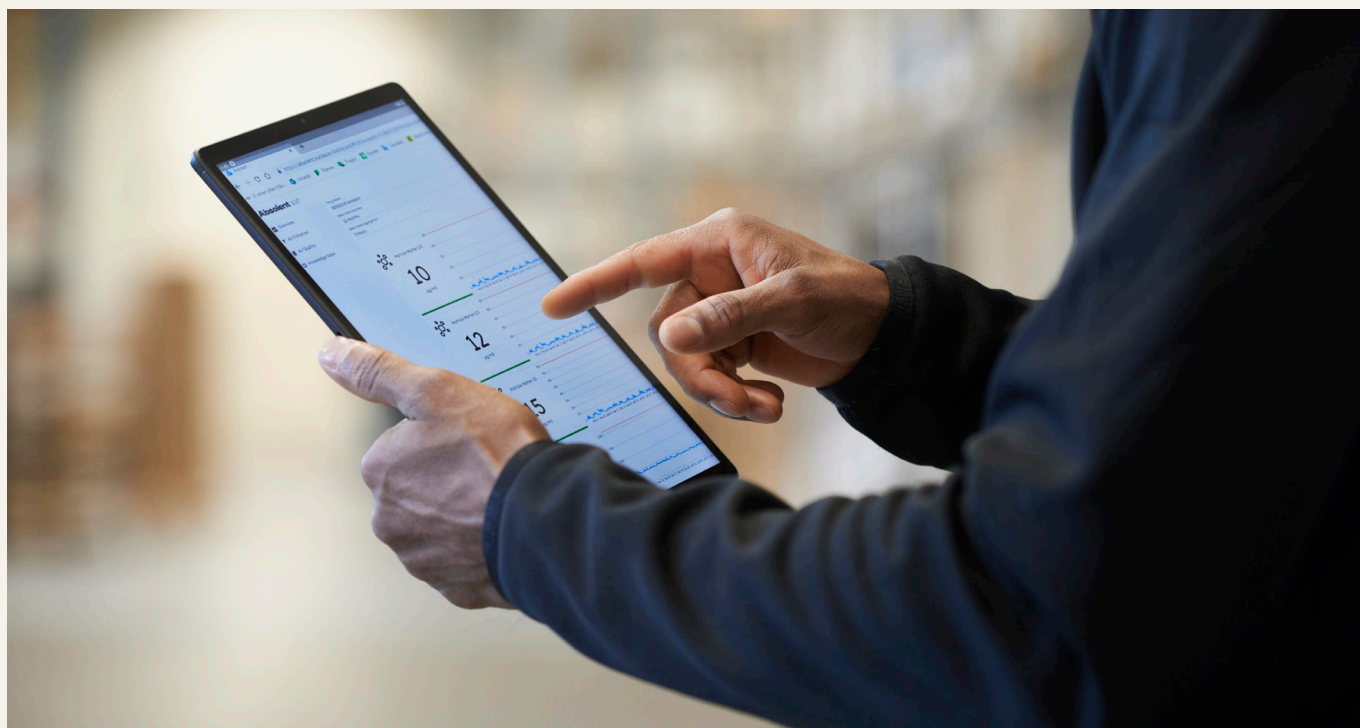
SEK thousands	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
<i>Fixed assets</i>				
Goodwill		677 522	600 115	626 000
Other intangible fixed assets		72 044	64 019	69 163
Tangible fixed assets		167 965	173 789	172 045
Financial fixed assets		729	548	621
Deferred tax assets		7 466	7 330	7 096
Total fixed assets	2	925 726	845 801	874 925
<i>Current assets</i>				
Inventories		223 048	182 764	203 847
Accounts receivable		240 015	221 022	205 838
Current tax receivables		6 477	11 964	4 790
Other receivables		18 806	22 033	17 025
Prepaid expenses and accrued income		43 821	39 061	23 981
Cash and cash equivalents		229 690	254 954	335 525
Total current assets		761 857	731 797	791 006
TOTAL ASSETS	4	1 687 584	1 577 598	1 665 931
EQUITY AND LIABILITIES				
<i>Equity</i>				
Share capital		3 363	3 363	3 363
Other capital contributions		32 510	32 510	32 510
Translation reserve		84 138	30 502	36 980
Retained earnings incl. result for the period		674 755	550 801	621 434
Equity attributable to Parent company shareholders		794 766	617 176	694 287
Non-controlling interests		1	1	1
Total equity		794 767	617 177	694 288
<i>Long-term liabilities</i>				
Long-term interest-bearing lease liabilities		44 408	53 545	50 221
Other long-term interest-bearing liabilities	5	509 286	576 469	556 160
Provisions		2 282	1 808	2 136
Deferred tax liabilities		27 452	23 393	27 506
Other long-term liabilities		3 538	14 844	9 118
Total long-term liabilities		586 964	670 060	645 141
<i>Short-term liabilities</i>				
Short-term interest-bearing lease liabilities		22 023	20 040	22 033
Other short-term interest-bearing liabilities		32	406	239
Prepayments from customers		25 075	20 241	17 812
Accounts payable		76 888	83 527	56 885
Current tax liabilities		30 718	19 039	31 885
Other liabilities		34 377	55 567	85 779
Accrued expenses and prepaid income		116 741	91 540	111 871
Total short-term liabilities		305 854	290 361	326 504
TOTAL EQUITY AND LIABILITIES	4	1 687 584	1 577 598	1 665 931

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	-	-	-	81 122	81 122	-	81 122
Other comprehensive income							
Translation differences	-	-	28 652	-	28 652	-	28 652
Transactions with shareholders							
Dividend	-	-	-	-22 642	-22 642	-	-22 642
Closing equity 30 Jun 2022	3 363	32 510	30 502	550 801	617 176	1	617 177
Opening equity 1 Jan 2023	3 363	32 510	36 980	621 434	694 287	1	694 288
Result for the period	-	-	-	84 455	84 455	-	84 455
Other comprehensive income							
Translation differences	-	-	47 157	-	47 157	-	47 157
Transactions with shareholders							
Dividend	-	-	-	-31 133	-31 133	-	-31 133
Closing equity 30 Jun 2023	3 363	32 510	84 138	674 755	794 766	1	794 767

Group cash flow statements

SEK thousands	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Operating activities						
Operating result		60 725	63 381	118 554	115 320	220 001
Adjustments for items not included in the cash flow		10 971	7 440	21 503	17 107	36 950
Received interest		62	57	127	105	647
Paid interest		-7 632	-2 537	-13 652	-4 925	-14 123
Paid income tax		-7 720	-8 356	-30 092	-8 458	-5 663
Cash flow from operating activities before changes in working capital		56 405	59 983	96 439	119 148	237 812
Changes in working capital						
Changes in inventories		-6 910	-15 819	-9 271	-27 241	-42 455
Changes in operating receivables		-384	-996	-42 561	-16 835	25 728
Changes in operating liabilities		-13 900	-22 548	23 355	-12 199	-24 944
Cash flow from operating activities		35 211	20 620	67 962	62 873	196 141
Investing activities						
Business combinations		-12 819	-	-12 819	-	-12 243
Earnout payments		-34 767	-15 560	-60 221	-15 560	-15 560
Investments in intangible fixed assets		-3 285	-6 528	-5 549	-10 817	-19 570
Investments in tangible fixed assets		-1 263	-4 582	-2 604	-4 978	-7 661
Sale of tangible fixed assets		111	8 645	266	9 200	9 551
Increase/decrease of long-term receivable		-	-28	-9	133	51
Cash flow from investing activities	3	-52 023	-18 053	-80 936	-22 022	-45 432
Financing activities						
New loans		15 000	-	15 000	-	-
Amortizations of loans		-15 940	-	-71 208	-	-17 212
Amortizations of lease liabilities		-6 147	-5 338	-11 765	-10 816	-22 576
Paid dividend		-31 133	-22 642	-31 133	-22 642	-22 642
Other items		-255	-	-2 255	-	-
Cash flow from financing activities		-38 475	-27 980	-101 361	-33 458	-62 430
Cash flow for the period		-55 287	-25 413	-114 335	7 393	88 279
Cash and cash equivalents at the beginning of the period		277 700	269 902	335 525	233 230	233 230
Translation difference in cash and cash equivalents		7 277	10 464	8 499	14 330	14 015
Cash and cash equivalents at the end of the period		229 690	254 954	229 690	254 954	335 525



Parent company income statement

SEK thousands	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	11 868	11 431	22 490	21 618	46 018
Sales expenses	-318	-631	-410	-1 028	-1 589
Administrative expenses	-9 104	-11 754	-22 766	-22 078	-48 830
Research and development expenses	-2 151	-1 586	-3 892	-2 992	-6 085
Other operating income	1 424	-	1 555	-	2 718
Other operating expenses	-	-275	-	-50	-
Operating result	1 717	-2 815	-3 023	-4 530	-7 767
Financial items					
Result from participations in Group companies	12 000	48 124	85 672	48 124	48 124
Financial income	10 208	2 794	14 901	4 833	12 561
Financial expenses	-6 511	-3 399	-12 872	-5 356	-16 330
Result after financial items	17 414	44 704	84 678	43 071	36 586
Appropriations	-	-	-	-	82 017
Result before tax	17 414	44 704	84 678	43 071	118 602
Tax expense	-1 129	696	136	1 037	-14 929
Result for the period	16 285	45 401	84 814	44 108	103 674

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

Parent company balance sheet

SEK thousands	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
<i>Fixed assets</i>			
Intangible fixed assets	32 177	22 068	27 920
Tangible fixed assets	362	483	423
Participations in Group companies	476 692	479 287	476 938
Receivables on Group companies	295 825	269 673	257 249
Deferred tax asset	-	6	-
Total fixed assets	805 056	771 517	762 530
<i>Current assets</i>			
Receivables on Group companies	48 013	76 984	74 460
Other receivables	431	340	373
Prepaid expenses and accrued income	3 323	2 364	3 027
Cash and cash equivalents	93 132	65 211	195 143
Total current assets	144 899	144 899	273 003
TOTAL ASSETS	949 955	916 416	1 035 533
EQUITY AND LIABILITIES			
<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
Total restricted equity	31 831	7 767	31 831
Share premium reserve	32 510	32 510	32 510
Retained earnings	134 406	85 928	61 864
Result for the period	84 814	44 108	103 674
Total unrestricted equity	251 730	162 546	198 049
Total equity	283 561	170 313	229 880
<i>Untaxed reserves</i>			
Tax allocation reserve	38 708	14 542	38 708
Total untaxed reserves	38 708	14 542	38 708
<i>Long-term liabilities</i>			
Liabilities to credit institutions	509 284	576 469	556 160
Liabilities to Group companies	-	4 280	7 961
Other long-term receivables	-	-	-
Total long-term liabilities	509 284	580 750	564 121
<i>Short-term liabilities</i>			
Accounts payable	3 691	3 637	2 505
Current tax liabilities	9 149	6 215	22 601
Liabilities to Group companies	93 364	100 259	129 487
Other liabilities	515	27 805	26 224
Accrued expenses and deferred income	11 683	12 897	22 006
Total short-term liabilities	118 401	150 811	202 824
TOTAL EQUITY AND LIABILITIES	949 955	916 416	1 035 533

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	
	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022
Products, recorded at a certain point in time	238 904	238 413	48 858	51 219	287 761	289 632
Services, recorded over time	28 156	29 352	2 415	2 349	30 571	31 701
Products and services, recorded over time	12 774	17 941	21 896	11 414	34 670	29 355
Total	279 834	285 706	73 169	64 982	353 003	350 688

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Products, recorded at a certain point in time	481 075	456 327	102 810	99 917	583 885	556 243
Services, recorded over time	51 857	56 064	5 214	3 761	57 071	59 825
Products and services, recorded over time	29 767	30 896	41 105	25 828	70 873	56 725
Total	562 699	543 287	149 130	129 506	711 829	672 793

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
Total	1 091 028	248 293	1 339 321

Net sales per geographic region

SEK thousands	Industrial		Commercial Kitchen		Total	
	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022
EMEA	144 043	140 156	69 414	62 818	213 457	202 974
Americas	97 385	114 476	876	316	98 261	114 791
APAC	38 406	31 074	2 879	1 848	41 285	32 922
Total	279 834	285 706	73 169	64 982	353 003	350 688

SEK thousands	Industrial		Commercial Kitchen		Total	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
EMEA	297 845	259 295	142 328	123 703	440 173	382 998
Americas	186 836	211 797	1 108	1 357	187 944	213 155
APAC	78 019	72 194	5 694	4 445	83 713	76 639
Total	562 699	543 287	149 130	129 506	711 829	672 793

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
Total	1 091 028	248 293	1 339 321

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				
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
EMEA	213 457	202 974	440 173	382 998	764 355
<i>of which UK</i>	63 144	60 465	130 525	113 119	234 347
<i>of which Sweden</i>	44 943	40 959	82 729	79 551	143 108
Americas	98 261	114 791	187 944	213 156	426 075
<i>of which USA</i>	60 685	68 203	122 233	130 090	270 581
APAC	41 285	32 922	83 713	76 639	148 890
Total	353 003	350 688	711 829	672 793	1 339 321

SEK thousands	Fixed assets*		
	30 Jun 2023	30 Jun 2022	31 Dec 2022
EMEA	217 869	211 013	215 590
<i>of which UK</i>	62 561	84 514	60 336
<i>of which Sweden</i>	110 783	99 229	109 645
Americas	27 363	32 995	29 765
<i>of which USA</i>	4 127	5 807	5 061
APAC	2 243	1 129	2 949
Total	247 475	245 137	248 303

* 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	
	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022
Net sales	279 834	285 713	73 169	65 012	-	-	-	-37	353 003	350 688
Operating result	46 208	58 827	11 915	7 861	2 602	-3 309	-	-	60 725	63 381
Net financial items									-1 304	-7 367
Result before tax									59 421	56 014
Amortizations and depreciations	-7 076	-7 491	-3 103	-2 112	-433	-393	-	-	-10 611	-9 995
Net investments	-1 502	3 281	-217	-764	-2 718	-4 981	-	-	-4 437	-2 465

SEK thousands	Industrial		Commercial Kitchen		Group functions		Eliminations		Total	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Net sales	562 699	543 294	149 189	129 577	-	-	-59	-78	711 829	672 793
Operating result	98 253	103 446	25 221	18 307	-4 920	-6 435	-	-	118 554	115 320
Net financial items									-8 456	-10 830
Result before tax									110 099	104 490
Amortizations and depreciations	-14 034	-15 294	-6 083	-4 119	-835	-784	-	-	-20 952	-20 197
Net investments	-3 195	2 135	-89	-776	-4 602	-7 955	-	-	-7 886	-6 595

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 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Measured at amortized cost	497 884	509 701	561 094	636 133	691 853	663 740
Measured at fair value through profit and loss	-	-	-	-	56 849	60 372
Total	497 884	509 701	561 094	636 133	748 702	724 112

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 Jun 2023	30 Jun 2022	31 Dec 2022
Pledged assets for liabilities to credit institutions			
Floating charges	-	500	-
Total	-	500	-
Pledged assets			
Bank funds	-	330	-
Total	-	330	-
Contingent liabilities			
Other guarantees	4 163	-	3 929
Total	4 163	-	3 929

Parent company

SEK thousands	30 Jun 2023	30 Jun 2022	31 Dec 2022
Contingent liabilities			
Guarantees for Group companies	23 916	25 916	21 931
Other guarantees	4 163	-	3 929
Total	28 079	25 916	25 860

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 may be subject to adjustments.

SEK thousands	Nu-Air B.V.
Tangible fixed assets	1 732
Right-of-use asset	16 529
Financial fixed assets	75
Inventories	9 064
Accounts receivable	7 829
Other receivables	37
Prepaid expenses and accrued income	-61
Cash and cash equivalents	8 417
Provisions	-211
Accounts payable	-3 726
Current tax liabilities	-97
Lease liability	-16 495
Other current liabilities	-5 751
Accrued expenses and deferred income	-6 983
Net identifiable assets and liabilities	10 358
Goodwill	19 046
Total purchase price	29 404
Purchase price liability, to be paid during 2023 and 2024	-8 745
Total transferred consideration	20 659
Cash and cash equivalents in the acquired company	-8 417
Effect on Group cash and cash equivalents	12 243



