



# INTERIM REPORT

JANUARY-MARCH 2022  
PERMASCAND TOP HOLDING AB

*"Sales increased 86 per cent, making the quarter  
the strongest in Permascand's history."*



# Record-high sales and a strong order intake form a solid foundation for the rest of the year

Comparative figures in parentheses relating to earnings and cash flow items pertain to the year-earlier period. Comparative figures for balance sheet items pertain to closing balances at the end of the preceding year.

## First quarter 2022 (Q1 2021)

- Order intake increased 238 per cent year-on-year to SEK 191 million (57)
- Sales increased 86 per cent to SEK 139 million (75)
- Operating profit totalled SEK 31 million (-3), corresponding to 22 per cent (-4) of revenue
- Adjusted operating profit totalled SEK 31 million (2)
- Earnings after tax totalled SEK 24 million (-6)
- Earnings per share amounted to SEK 0.40 (-0.11)
- Cash flow from operating activities totalled MSEK 22 (-14)

## Events during the first quarter of 2022

- On 11 February 2022, Permascand announced that the company had received two orders from a world-leading supplier of chlorate regarding delivery of electrochemical cells and correlated equipment for a Greenfield project in South America. The total order value of SEK 100 million was included in order intake in the first quarter of 2022, with start of delivery planned during the second half of 2022 and early 2023.

## KEY PERFORMANCE INDICATORS

SEK m	JAN-MAR 2022	JAN-MAR 2021	Δ %	JAN-DEC 2021
Order intake	191	57	238	377
Order backlog	509	488	5	451
Sales	139	75	86	405
Operating profit	31	-3	1 097	38
Adjusted operating profit	31	2	1 187	60
Profit/loss after tax	24	-6	531	20
Earnings per share before dilution (SEK)	0.40	-0.11	464	0.37
Earnings per share after dilution (SEK)	0.40	-0.11	464	0.37
Cash flow from operating activities	22	-14	260	11
Equity/assets ratio (%)	59%	Neg	-	62%
Net debt/EBITDA	-0.11	5.23	95	0.11

## About Permascand Top Holding AB

Permascand is an independent technology-driven manufacturer of electrochemical solutions based on proprietary catalytic coatings for clean tech applications. With a customer-centric focus, Permascand has supplied electrodes, electrochemical cells and aftermarket services for a variety of industries for 50 years. Permascand's registered office is in Ljungaverk, Sweden, where the company conducts research and development, technology development and production. In addition, Permascand has offices in Stockholm and Gothenburg, Sweden and Vancouver, Canada. For further information, visit [www.permascand.com](http://www.permascand.com). The Certified Adviser is FNCA Sweden AB, [info@fnca.se](mailto:info@fnca.se), +46 (0) 8528 00 399.

## Record-high sales and a strong order intake form a solid foundation for the rest of the year



*“Sales increased 86 per cent compared with the year-earlier period to SEK 139 million, making the quarter the strongest in Permascand’s history.”*

**The start of the year was marked by high activity, with numerous customer inquiries and sustained interest in all business segments. The quarter’s strong sales and solid gross margin were enabled by the strategic initiatives and investments Permascand carried out – and continues to carry out – for efficient and scalable production.**

Order intake for the first quarter of the year totalled SEK 191 million, corresponding to an increase of 236 per cent compared with the year-earlier period. Sales increased 86 per cent year-on-year to SEK 139 million, making the quarter the strongest in Permascand’s history when it comes to sales. The increase was driven primarily by the Water Treatment segment, where we successfully delivered from the robust order backlog we brought with us into the quarter. At the same time, Electrification & Renewables and Industrial Solutions developed steadily during the quarter. Gross profit totalled SEK 52 million, an increase from SEK 18 million in the year-earlier period. This means a stronger gross margin, which was a direct result of the scalability we have established in our production processes. I am particularly satisfied that we are starting the year strong, as the first quarter in previous years has been weaker than the other quarters of the year.

We are following our growth plan and successfully delivered good levels of profitability owing to our strategy, in which we proactively ensure robust production capacity and a buffer inventory of input goods and raw materials, and lock price levels in relation both to customers and to suppliers. In this way, we tie up capital over the short term but ensure control over the cost structure. This makes our operation flexible and relatively protected from volatile prices for input goods and raw materials as well as unpredictable supply chains as a result of turbulence in the world.

### **Electrification & Renewables**

The testing and research efforts in Electrification & Renewables have generated increased interest from existing and potential future partners, including a Norwegian initiative named HYDROGENi. Our innovation initiative to enable large-scale and cost-effective production of green hydrogen for energy storage has progressed in accordance with plans. This investment includes the construction of a technology and innovation center, investments in the company’s research teams, and advanced research and development in products and production methods.

After the end of the quarter, we signed a letter of intent with RES, an independent developer of renewable energy and energy storage, for joint

development of a commercial research center at a new production facility for green hydrogen, for which RES is pursuing development and establishment in Ånge Municipality. Permascand sees its greatest commercial potential in the market for green hydrogen produced through electrolysis. Our long-term objective is to become the leading independent supplier of catalytic coatings, electrodes, and electrochemical cells.

### **Industrial Solutions**

The level of activity and interest in Industrial Solutions has increased, which is reflected in events such as a major order for a Greenfield project in South America that was received during the quarter. We have reinforced the company’s organisation in North America by, for example, recruiting a new Director of Sales for the region. We consider North America to be the market with the greatest potential for growth and aftermarket business. The market conditions are favourable and there is a substantial underlying need for maintenance of industrial facilities, where Permascand’s solutions support maximum performance and durability in production.

### **Water Treatment**

Shipping has for a long time been heavily affected by the market environment, where uncertainty as a result of the pandemic previously led to deferred investment decisions. We have now seen increased demand already in the first quarter, which is slightly earlier than we expected. This is reflected in our robust revenues in the segment as it accounted for the majority of the company’s sales in the quarter. Permascand is well positioned to meet demand for systems that can efficiently purify ballast water. Demand is expected to increase further in pace with normalisation of the market after the dampening effect that resulted from the pandemic.

### **Outlook**

We will continue to benefit from our investments for more efficient and more scalable production. Moreover, the company’s investments in hydrogen development will positively impact product development in all segments, and further boost our capability to meet customer demand. With sustained interest from our customers and a robust order intake behind us, conditions are good for creating profitable growth not only over the rest of the year but over the longer term as well.

Peter Lundström, CEO Permascand

## Permascand in brief

Permascand is an independent technology-driven manufacturer of electrochemical solutions. With its proprietary catalyst-coated electrodes for electrolysis, Permascand provides products that facilitate energy savings and promote the transition to green energy.

With a customer-oriented focus, Permascand has supplied electrodes, electrochemical cells and aftermarket services for a variety of industries for more than 50 years. The Permascand share is listed on Nasdaq First North Premier Growth Market under the symbol PSCAND.

The Group's operations are divided into three business segments: Electrification & Renewables, Industrial Solutions and Water Treatment. Sustainability is at the heart of Permascand's operations and permeates everything Permascand does. Permascand's solutions are directly linked to clean tech applications that lower environmental impact. Hence, the global focus on sustainability and reducing environmental impact is a factor that is expected to increasingly contribute to demand for Permascand's products.

### FINANCIAL TARGETS AND DIVIDEND POLICY

Growth	Permascand's goal over the medium term is to achieve average organic growth of at least 25 per cent per year.
Profitability	Permascand's goal over the medium term is to deliver an operating margin of more than 25 per cent.
Capital structure	Permascand's net debt in relation to EBITDA shall not exceed 2.0x. This level may be temporarily exceeded in connection with acquisitions.
Dividend policy	Permascand's Board of Directors intends to use generated cash flow for continued growth and does not expect to propose a dividend in the short term. The Board of Directors will, however, evaluate the possibility of a dividend on an annual basis, taking into account the company's business conditions, growth opportunities and financial position.

### Vision

Permascand's vision is to become the number one global independent supplier of electrochemical solutions that are mission-critical for clean tech applications.

### Mission

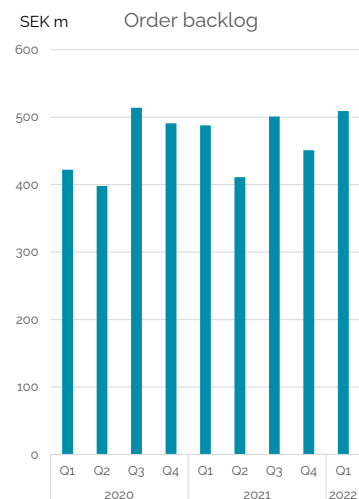
To deliver innovative, competitive, engineering and manufacturing to the markets for Electrification & Renewables, Industrial Solutions and Water Treatment.

### Permascand's contribution to UN Sustainable Development Goals:





## Financial performance during the first quarter of 2022



### Order status

Order intake during the first quarter totalled SEK 191 million (57), divided among Electrification & Renewables, SEK 17 million (17); Industrial Solutions, SEK 138 million (37); and Water Treatment, SEK 36 million (2). At the end of the period, the value of the order backlog was SEK 509 million (488). The largest order intake in Industrial Solutions was specifically mentioned in a press release in February, and more information can be found under Significant events.

### Sales

Sales totalled SEK 139 million (75), up 86 per cent compared to the year-earlier period; this is the highest sales quarter in the company's history. Compared with Q4 2021, the increase was 7 per cent from SEK 130 million.

In Electrification & Renewables, sales decreased 52 per cent compared with the year-earlier period to SEK 5 million (10). In Industrial Solutions, sales increased 44 per cent and totalled SEK 35 million (24). In Water Treatment, the increase was 145 per cent, totalling SEK 99 million (41). The major increase in Water Treatment year-on-year should be viewed in the context of the drastic impact of the COVID-19 pandemic in the first quarter of 2021, when deliveries were stopped and sales levels were very low.

### Gross profit

Gross profit totalled SEK 52 million (18), corresponding to a gross margin of 37 per cent (24). The increased margin is on par with the fourth quarter of 2021 (36 per cent) and is the result of the company's success in staving off the effects of increased market prices for raw materials and transportation as well as of a more efficient production process, and the result of strategic investments for reduced costs. The high level of sales also enabled a high gross margin, since the company can benefit from economies of scale and high capacity utilisation.

### Operating profit/loss—Adjusted operating profit/loss

Operating profit for the period totalled SEK 31 million (-3), corresponding to an operating margin of 22 per cent (-4) of revenue. The higher gross profit in the quarter was a major factor in the increase, but lower overhead overall compared with the year-earlier period also helped the rise in operating profit. Administrative expenses and costs for research and development increased quarter-on-quarter, primarily as a result of new employees and personnel costs.

Exchange rate fluctuations in conjunction with the restatement of balance sheet items at the closing rate are recognized as other operating income or expenses, which are included in operating profit. These amounted to SEK 0 million (-4).



### Profit/loss for the period and earnings per share

Profit before tax totalled SEK 30 million (-7). The net of financial income and expenses amounted to SEK -1 million (-4) and consisted of interest expense. As a result of the lower loan-to-value ratio, interest expense was lower than in the comparison period. Tax expenses totalled SEK -6 million (1). The profit for the period increased to SEK 24 million (-6), and earnings per share were SEK 0.40 (-0.11).

### Cash flow

Cash flow from operating activities totalled MSEK 22 (-14). The positive cash flow was primarily a result of the positive operating profit. The impact from the change in working capital totalled SEK -4 million (-3); even though trade receivables decreased and trade payables increased – which yielded a positive effect – the increase in inventory had a negative impact on cash flow. Investments in non-current assets during the period totalled SEK -6 million (-2). Decreased use of overdraft facilities meant that cash flow from financing activities totalled SEK -3 million (-10). Cash flow amounted to a sum total of SEK 13 million (-6) for the quarter.

### Investments

For several years, Permascand has had an investment plan for an automated production process, which was primarily put into full operation in late 2021. In April 2021, a major innovation drive for developing the hydrogen gas technology of the future and constructing a full-scale technology and innovation centre was presented. In total, the company plans to invest around SEK 300 million over the next three years.

The majority of investment and development projects are still in the early planning and start-up phase, which means that invested capital for the quarter was low. A total of SEK 6 million has been invested in tangible and intangible assets.

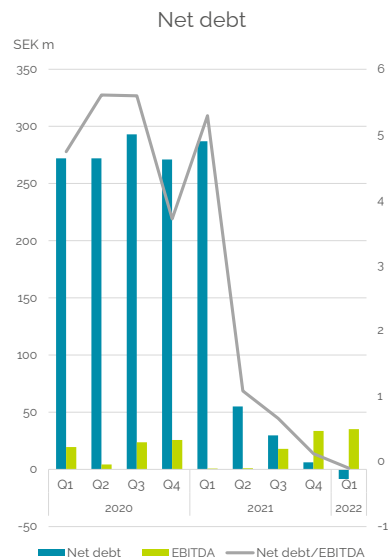
### The impact of COVID-19 on earnings

Since the second quarter of 2020, COVID-19 has meant that planned deliveries and installations have been postponed and reduced the planned growth rate for Permascand. Longer-term effects from the pandemic in the global market are difficult to predict, but disruptions in logistics and transportation remain a challenge for Permascand as regards the supply of materials. Management is following developments closely and assessing any adaptations to the new conditions.

### Uncertainty linked to Russia's invasion of Ukraine

Russia's invasion of Ukraine has resulted in market uncertainty and global supply chain disruption. Permascand does not have any direct business exposure to Russia or Ukraine, but is affected through limitations on global access to raw materials. Management is monitoring the course of events closely in order to act quickly if conditions change.

## Financial review



**Total assets at the end of March amounted to SEK 519 million (455 at the beginning of the year). The assets largely comprise non-current assets in the form of robot cells for automation, coating facilities, and inventory and current receivables (primarily trade receivables). Cash and cash equivalents totalled SEK 48 million (36).**

Equity continued to strengthen as the result of positive earnings, totalling SEK 307 million (283). The company's equity/assets ratio remained strong at 59 per cent (62). A more detailed explanation of the change in equity is available in the Condensed consolidated statement of changes in equity on page 12.

Apart from interest-bearing liabilities, the company has operating liabilities, the majority of which comprise trade payables and advance payments from customers.

### Net debt

As a result of strong cash and bank balances and decreased utilisation of bank

overdraft facilities, the Group's net debt was under 0 at the end of March. Since June 2021, when the company conducted a share issue and paid off major bank loans, indebtedness has been low. The remaining interest-bearing liabilities consist primarily of borrowing in banks.

On the balance sheet date, loans outstanding totalled SEK 39 million (42 at the beginning of the year) and cash and cash equivalents in banks totalled SEK 48 million (36 at the beginning of the year). The carrying amount of borrowing corresponds to the fair value of the Group's borrowing as the loans have a variable interest rate and the credit spread is not such that the carrying amount deviates materially from the fair value. The credit facilities have the customary covenants.

### Derivatives

Permascand has currency derivatives in the form of swap contracts in EUR and USD. The total market value of the contracts on the balance sheet date was SEK 0.1 million (-0.3 at the beginning of the year).

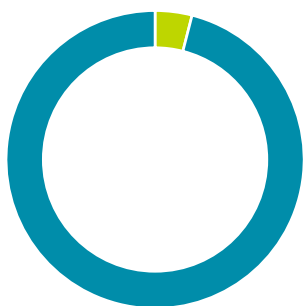
## Segment reporting – Electrification & Renewables

Permascand has three operating segments: Electrification & Renewables, Industrial Solutions and Water Treatment, which also correspond to the Group's business areas. The respective segments are described on the following pages. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### Share of Group sales

Q1 2022 (Q1 2021)

4% (13%)



Permascand's Electrification & Renewables segment offers products in rapidly growing markets for green technology. This pertains to products in which electrochemical cells are used in processes for the extraction of metals – primarily copper, nickel, and cobalt – and for substances such as lithium and hydrogen gas, which create conditions for renewable energy, energy storage and fossil-free fuels.

### Sales and earnings

First quarter order intake in Electrification & Renewables was stable, totalling SEK 17 million (17). Order intake was also on a par with the order intake for the fourth quarter of 2021, which totalled SEK 14 million.

At the end of the quarter, the value of the order backlog for the segment was SEK 112 million. Activity in the segment is high, with several development projects in progress. One example is the letter of intent recently signed with RES, an

independent developer of renewable energy and energy storage for joint development of a commercial research centre at a new production facility for green hydrogen for which RES is pursuing development and establishment in Ånge Municipality. At the same time, the turbulence in the business environment, with difficulties in materials supply and transportation, leads to the company's customers adopting a cautious attitude ahead of future commercialisation phases.

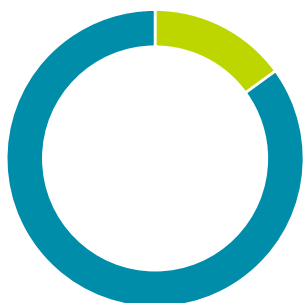
Revenue for the first quarter decreased to SEK 5 million (10). Sales were also significantly lower than the robust sales of SEK 22 million achieved in the fourth quarter of 2021. Of total sales in the first quarter, Electrification & Renewables comprised 3 per cent (13).

The gross margin for the first quarter totalled 38 per cent. Order intake and sales in the segment were dominated by business related to development projects that will lead to future commercial orders.

### Share of Group sales

Full-year 2021

15%



### KEY PERFORMANCE INDICATORS

SEK m	JAN–MAR 2022	JAN–MAR 2021	JAN–DEC 2021
Order backlog	112	128	100
Order intake	17	17	38
Revenue	5	10	59
Gross profit	2	1	10
Gross margin	38%	9%	16%

## Segment reporting – Industrial Solutions

Permascand has three operating segments: Electrification & Renewables, Industrial Solutions and Water Treatment, which also correspond to the Group's business areas. The respective segments are described on the following pages. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### Share of Group sales

Q1 2022 (Q1 2021)

25% (33%)



Permascand's Industrial Solutions segment specializes in production for customers primarily in the chemicals industry. The products within the segment allow customers to reduce their energy consumption and their investment costs – for better sustainability results. The segment includes electrode fabrication, manufacturing of electrodes and complete chlorate and chloralkali process systems for new and existing plants and recoating of installed products.

### Sales and earnings

Order intake in Industrial Solutions for the first quarter remained stable and totalled SEK 138 million (37). Order intake also increased significantly compared with the fourth quarter of 2021, which totalled SEK 55 million, a quarter that was less impacted by the pandemic than Q1 2021.

The large order intake in the segment was attributable to orders from a

world-leading supplier of chlorate regarding delivery of electrochemical cells and correlated equipment for a Greenfield project in South America. Apart from this, the level of activity and general demand increased in the quarter. In Industrial Solutions, North America is the market with the greatest potential for growth, which is the reason we reinforced the company's organisation there through such measures as recruiting a new Director of Sales for the region. At the end of the quarter, the value of the order backlog for the segment was SEK 204 million.

Revenue in the first quarter increased slightly, totalling SEK 35 million (24). In the last quarter (fourth quarter of 2021), sales totalled SEK 43 million.

Of total sales in the first quarter, Industrial Solutions comprised 25 per cent (33). The gross margin in the segment increased in the first quarter to 40 per cent, driven by improvements in efficiency resulting from the automation and robotification of production.

### Share of Group sales

Full-year 2021

37%



### KEY PERFORMANCE INDICATORS

SEK m	JAN–MAR 2022	JAN–MAR 2021	JAN–DEC 2021
Order backlog	204	123	99
Order intake	138	37	147
Revenue	35	24	150
Gross profit	14	6	54
Gross margin	40%	25%	36%



## Segment reporting – Water Treatment

Permascand has three operating segments: Electrification & Renewables, Industrial Solutions and Water Treatment, which also correspond to the Group's business areas. The respective segments are described on the following pages. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### Share of Group sales

Q1 2022 (Q1 2021)

71% (54%)



Permascand's Water Treatment segment offers products for electrochemical disinfection of water, primarily for the marine sector, and purification of ballast water for ships as well as standard systems with other areas of application. Demand is driven primarily by tightened international requirements for purification of ballast water from the International Maritime Organization (IMO) and the US Coast Guard (USCG). The technology behind the company's ballast water purification product has been approved by the IMO and USCG, and is built on Permascand's electrochemical cells, which purify ballast water of marine organisms upon contact and thereby prevent invasive species from spreading into alien environments.

### Sales and earnings

Water Treatment posted an improved order intake in the first quarter, though it remains low compared to pre-pandemic levels. At the end of the first quarter,

the value of the order backlog for the segment was SEK 193 million.

Revenue for the first quarter totalled SEK 99 million (41). This increase should be viewed in light of weaker comparison figures in the segment, where the first quarter of 2021 was drastically impacted by the pandemic as deliveries were stopped and investment decisions were postponed. The robust sales were attributable to a more normalised market in which Permascand successfully delivered against its order book. Both order intake and revenue increased significantly compared with the fourth quarter of 2021, which was less burdened by the pandemic than the first quarter of 2021.

The gross margin improved during the first quarter to 36 per cent, driven by improvements in efficiency resulting from the automation and robotification of production.

Of total sales in the first quarter, Water Treatment comprised 71 per cent (54).

### Share of Group sales

Full-year 2021

48%



### KEY PERFORMANCE INDICATORS

SEK m	JAN–MAR 2022	JAN–MAR 2021	JAN–DEC 2021
Order backlog	193	237	252
Order intake	36	2	191
Revenue	99	41	195
Gross profit	36	11	60
Gross margin	36%	27%	31%

## Other

### FINANCIAL CALENDAR

- **2022 Annual General Meeting**  
10 May 2022
- **Q2 2022**  
18 August 2022
- **Q3 2022**  
11 November 2022

### Employees

On the balance sheet date, the Group had 113 employees, of whom 50 per cent were under collective bargaining agreements and 50 were salaried employees.

### Significant events after the end of the reporting period

On 25 April 2022, Permascand announced that the company had signed a letter of intent (LOI) with RES, an independent developer of renewable energy and energy storage for joint development of a commercial research centre at a new production facility for green hydrogen for which RES is pursuing development and establishment in the town of Alby, in Ånge Municipality.

### Material risks and uncertainties

Permascand is a company that is active in a global market. With operations in different parts of the world, Permascand is exposed to various risks and uncertainties such as raw material price risk, market risks, operational and legal risks, and financial risks pertaining to factors such as exchange rate fluctuations, interest rates, liquidity and financing opportunities.

For further information on risks and risk management, refer to the Group's Annual Report, which is available on Permascand's website: [www.permascand.com](http://www.permascand.com).

### The share

Permascand Top Holding's ordinary share has been listed on Nasdaq First North Premier Growth Market since June 4, 2021. The ticker symbol is PSCAND. The ISIN is SE0015962048.

As of 31 March, the share capital totalled SEK 2.2 million with a quota value of SEK 0.037. The total number of shares registered is 59,313,529. The share price on 31 March 2022 was SEK 32.64 per share, corresponding to a total market value of SEK 1,936 million. Permascand's shareholder register with its ten largest shareholders is presented on the company's website.

### Review

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

### Dividend

In line with the company's dividend policy, the Board of Directors proposes that no dividend be distributed for the full-year 2021.

## Presentation of interim report

A teleconference and webcast will be held on **10 May 2022 at 10:00 a.m. CEST**.

To follow the conference via telephone and to participate in the Q&A session, please call one of the following numbers:

**SE:** +46 85055 83 66

**UK:** +44 3333 00 90 31

**US:** +1 646 722 4903

**Link:** <https://tv.streamfabriken.com/permascand-top-holding-q1-2022>

## Consolidated statement of comprehensive income

SEK m	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Net sales	2	139	75	405
Cost of goods sold		-88	-57	-282
<b>Gross profit</b>		<b>52</b>	<b>18</b>	<b>123</b>
Sales expenses		-3	-3	-17
Administrative expenses	3	-11	-15	-56
Research and development expenses		-6	-5	-17
Other operating income/expenses		0	2	5
<b>Operating profit/loss</b>		<b>31</b>	<b>-3</b>	<b>38</b>
Net financial items		-1	-4	-11
<b>Profit/loss before tax</b>		<b>30</b>	<b>-7</b>	<b>27</b>
Tax		-6	1	-7
<b>Profit/loss for the period</b>		<b>24</b>	<b>-6</b>	<b>20</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Change in fair value of cash flow hedging		0	-1	-1
Tax attributable to changed value of cash flow hedging		0	0	0
Translation differences on foreign subsidiaries		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Total comprehensive income for the period</b>		<b>24</b>	<b>-6</b>	<b>20</b>
<b>Comprehensive income for the period attributable to Parent Company shareholders</b>		<b>24</b>	<b>-6</b>	<b>20</b>
<b>Earnings per share, calculated on profit for the period attributable to Parent Company shareholders</b>				
Earnings per share before and after dilution, SEK		<b>0.40</b>	<b>-0.11</b>	<b>0.37</b>
Average no. of shares before dilution		59,313,529	50,490,000	55,616,036
Average number of shares after dilution		59,313,529	50,490,000	55,616,036

*Rounding may apply in tables and calculations, which means the total amounts stated will not always reflect the exact sum of the original amounts.*

## Condensed consolidated balance sheet

SEK m	Note	31 Mar 2022	31 Mar 2021	31 Dec
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible assets</i>				
Goodwill		56	56	56
Other intellectual property rights		17	12	17
<i>Tangible assets</i>				
Right-of-use assets		2	3	3
Financial assets		0	0	0
<b>Total non-current assets</b>		<b>223</b>	<b>212</b>	<b>221</b>
<b>Current assets</b>				
Inventories		147	108	109
Current receivables		100	75	88
Cash and cash equivalents		48	13	36
<b>Total current assets</b>		<b>296</b>	<b>196</b>	<b>233</b>
<b>TOTAL ASSETS</b>		<b>519</b>	<b>408</b>	<b>455</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>307</b>	<b>-22</b>	<b>283</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions		33	291	34
Deferred tax liabilities		11	11	11
Lease liabilities		1	2	2
<b>Total non-current liabilities</b>		<b>45</b>	<b>304</b>	<b>47</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		4	6	5
Lease liabilities		1	1	1
Other current liabilities		161	119	119
<b>Total current liabilities</b>		<b>167</b>	<b>127</b>	<b>125</b>
<b>TOTAL LIABILITIES</b>		<b>211</b>	<b>430</b>	<b>172</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>519</b>	<b>408</b>	<b>455</b>

## Condensed consolidated statement of changes in equity

SEK m	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
Opening balance		283	-16	-16
Profit/loss for the period		24	-6	20
Other comprehensive income		0	-1	-1
<b>Total comprehensive income</b>		<b>24</b>	<b>-6</b>	<b>20</b>
New share issue		-	-	300
Cost of new share issue		-	-	-26
Warrant premiums received		-	-	5
<b>Total transactions with shareholders</b>		<b>0</b>	<b>0</b>	<b>280</b>
<b>Equity attributable to Parent Company shareholders</b>		<b>307</b>	<b>-22</b>	<b>283</b>
Closing balance		307	-22	283



## Condensed consolidated cash flow statement

SEK m	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Operating profit/loss		31	-3	38
Depreciation and amortisation of tangible and intangible assets		4	4	15
Other items not affecting cash flow		1	0	1
Interest paid		-1	-3	-8
Income tax paid		-9	-8	-16
<b>Cash flow from operating activities before changes in working capital</b>		<b>26</b>	<b>-10</b>	<b>30</b>
Cash flow from change in working capital		-4	-3	-19
<b>Cash flow from operating activities</b>		<b>22</b>	<b>-14</b>	<b>11</b>
Investments in tangible and intangible assets		-6	-2	-23
<b>Cash flow from investing activities</b>		<b>-6</b>	<b>-2</b>	<b>-23</b>
New share issue		-	-	305
Issue costs		-	-	-26
Repayment of borrowings		-	-	-250
Increase/decrease in current borrowings		-2	12	7
Repayment of non-current liabilities		-1	-2	-7
Lease payments		0	0	-2
<b>Cash flow from financing activities</b>		<b>-3</b>	<b>10</b>	<b>28</b>
<b>Cash flow for the period</b>	<b>13</b>	<b>13</b>	<b>-6</b>	<b>17</b>
Cash and cash equivalents at beginning of period		36	19	19
Exchange-rate differences in cash and cash equivalents		0	0	0
Cash and cash equivalents at end of period		48	13	36

## Condensed Parent Company income statement

SEK m	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Sales	2	1	-	5
Administrative expenses		-3	-2	-24
<b>Operating loss (EBIT)</b>		<b>-2</b>	<b>-2</b>	<b>-19</b>
Intra-Group interest income		6	6	24
Interest expenses		0	-	0
<b>Profit after financial items</b>		<b>4</b>	<b>4</b>	<b>5</b>
Received Group contributions		0	0	20
<b>Profit before tax (EBT)</b>		<b>4</b>	<b>4</b>	<b>24</b>
Income tax		-	-	-
<b>Profit for the period</b>		<b>4</b>	<b>4</b>	<b>24</b>

*The Parent Company has no items that are recognized as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year.*

## Condensed Parent Company balance sheet

SEK m	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Shares in subsidiaries		0	0	0
Non-current receivables from Group companies		732	480	732
<b>Total non-current assets</b>		<b>732</b>	<b>480</b>	<b>732</b>
<b>Current assets</b>				
Current receivables from Group companies		77	32	71
Current receivables		0	4	0
Cash and bank balances		10	0	13
<b>Total current assets</b>		<b>88</b>	<b>36</b>	<b>84</b>
<b>TOTAL ASSETS</b>		<b>819</b>	<b>516</b>	<b>816</b>
<b>EQUITY AND LIABILITIES</b>				
Restricted equity		2	2	2
Non-restricted equity		811	507	807
<b>Total equity</b>		<b>813</b>	<b>509</b>	<b>809</b>
<b>Current liabilities</b>		<b>6</b>	<b>7</b>	<b>6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>819</b>	<b>516</b>	<b>816</b>

*The Parent Company has no items that are recognized as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year.*

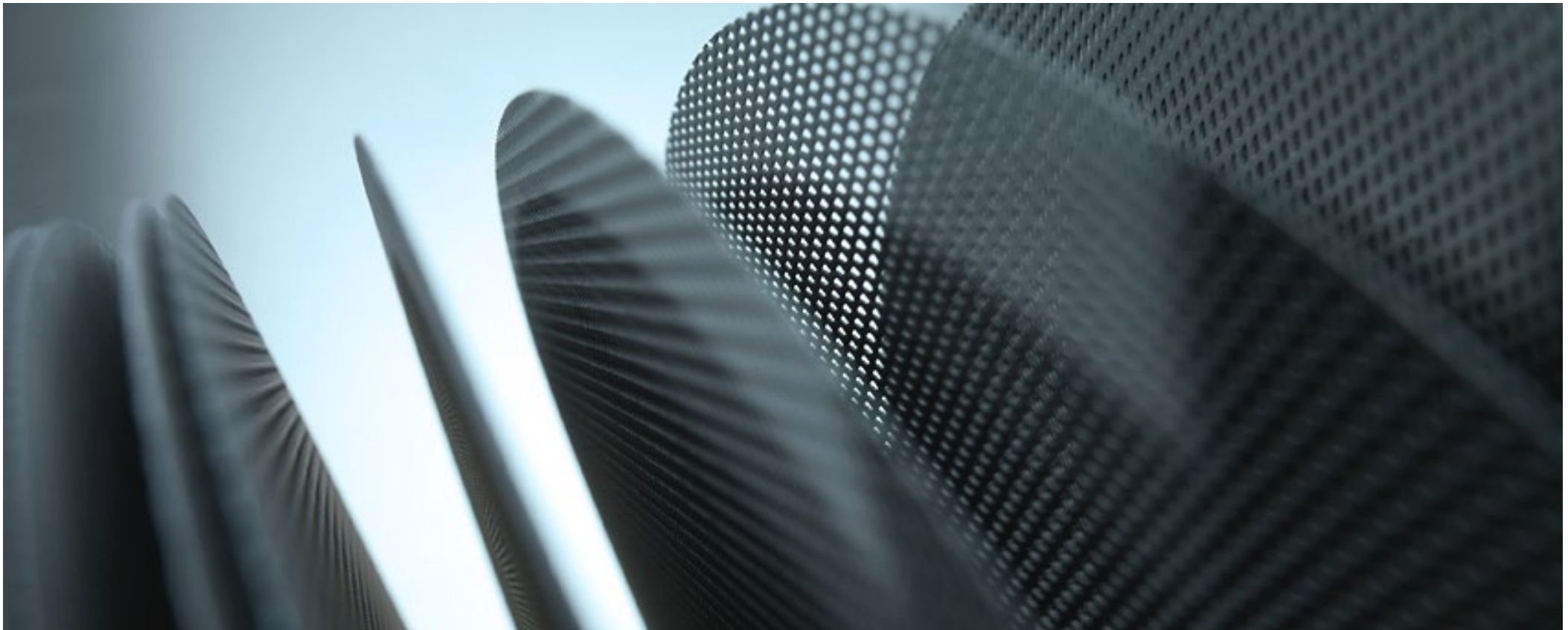
## Notes to the financial statements

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**Note 1. Accounting policies**

This consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Permascand applies International Financial Reporting Standards (IFRS) as adopted by the European Union. The Parent Company financial statements have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's

recommendation RFR2 Accounting for Legal Entities. The accounting policies applied are consistent with the reporting and measurement principles presented in the 2021 Annual Report. The assessments and assumptions that form the basis of the management's application of accounting policies and the degree of uncertainty remain unchanged compared with the data presented in the 2021 Annual Report. The 2021 Annual Report is available on the company's website.



## Notes to the financial statements

### Note 2. Segments and revenue

The following table explains the distribution of revenue, expenses and gross profit between segment reporting and the Group's total accounting for the period:

#### Jan–Mar 2022

SEK m	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group costs	Total Permascand
Net sales	35	5	99		139
Cost of goods sold	-21	-3	-63		-88
Gross profit	14	2	36		52
Gross margin, %	40%	38%	36%		37%
<b>Operating profit/loss (EBIT)</b>				-20	31
Net financial items				-1	-1
<b>Profit before tax</b>					30

#### Jan–Mar 2021

SEK m	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group costs	Total Permascand
Net sales	24	10	41		75
Cost of goods sold	-18	-9	-30		-57
Gross profit	6	1	11		18
Gross margin, %	25%	9%	27%		24%
<b>Operating loss (EBIT)</b>				-21	-3
Net financial items				-4	-4
<b>Loss before tax</b>					-7

#### Jan–Dec 2021

SEK m	Industrial Solutions	Electrification & Renewables	Water Treatment	Unallocated Group costs	Total Permascand
Net sales	150	59	195		405
Cost of goods sold	-97	-49	-136		-282
Gross profit	54	10	60		123
Gross margin, %	36%	16%	31%		30%
<b>Operating profit/loss (EBIT)</b>				-85	38
Net financial items				-11	-11
<b>Profit before tax</b>					27

The points in time for revenue recognition are allocated according to the following table:

#### Jan–Mar 2022

SEK m	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	35	5	99	139
At a point in time	0	0	0	0
<b>Total</b>	<b>35</b>	<b>5</b>	<b>99</b>	<b>139</b>

#### Jan–Mar 2021

SEK m	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	24	2	41	66
At a point in time	0	8	0	8
<b>Total</b>	<b>24</b>	<b>10</b>	<b>41</b>	<b>75</b>

#### Jan–Dec 2021

SEK m	Industrial Solutions	Electrification & Renewables	Water Treatment	Total
Over time	150	25	195	371
At a point in time	0	34	0	34
<b>Total</b>	<b>150</b>	<b>59</b>	<b>195</b>	<b>405</b>



## Notes to the financial statements

### Note 3. Administrative expenses

In the comparison figures for administrative expenses for Q1 2021, SEK 5,5 million pertains to costs attributable to the company's listing, which has been treated as an item affecting comparability.

### Note 4. Financial instruments

The Group's financial assets consist of trade receivables, cash and cash equivalents, and derivatives. The Group's financial liabilities consist of borrowings and trade payables. All derivatives are measured at fair value and classified according to Level 2, which means that all significant input data required for valuation is observable. As of 31 March 2022, the value of the derivatives amounted to SEK 0.1 million (SEK -0.3 million at the beginning of the year). For forward contracts, fair value is determined on the basis of quoted prices. The market price is calculated on the basis of the current price adjusted for the interest-rate difference between the currencies and the number of days, compared with the contract price to obtain fair value.

The carrying amount of trade receivables, other receivables, cash and cash equivalents, trade payables and other liabilities constitutes a reasonable approximation of fair value. The carrying amount of borrowing corresponds to the fair value of the Group's borrowing as the loans have a variable interest rate and the credit spread is not such that the carrying amount deviates materially from the fair value.

### Note 5. Related-party transactions

No related-part transactions took place during the period.

### Note 6. Parent Company

Permascand Top Holding AB is the Parent Company of the Permascand Group. The Parent Company manages shares in the subsidiaries and conducts Group-wide services. As of June 2021, the CEO of the Group was an employee of the Parent Company. The only assets in the Parent Company are its shares in the subsidiaries and Group-wide receivables. The Parent Company was formed on 20 November 2019, and 2020 was the company's first extended fiscal year. The Parent Company's financial position and earnings, as well as its operational risks, are largely associated with the Group's risks and uncertainties.

### Note 7. Seasonal variations

Permascand's sales vary during the year; however, this is not a direct impact of seasonal variations, but rather of one of the prevailing conditions in the market and of customers' investment plans, primarily in the Industrial Solutions segment. In Water Treatment, the Group's largest segment, sales are normally evenly distributed throughout the year but were impacted by the pandemic in 2020 and 2021.

### Note 8. Alternative performance measures

Permascand presents certain financial measurements in its interim reports that are not defined under IFRS. The purpose of these measurements is to create better understanding of the performance of the operations.

Permascand uses the alternative performance measures "net debt" and "equity/assets ratio", which are deemed to be useful as a supplement to other key performance indicators in order to assess the possibility of a dividend and to assess the Group's possibilities of compliance with its financial commitments. Moreover, Permascand uses the key performance indicators "adjusted operating profit", "operating profit as a percentage of sales" and "EBITDA", which are measurements that are relevant to investors who wish to understand earnings generation excluding items affecting comparability. "Return on equity" and "Return on assets" are earnings set in relation to key balance sheet items. For definitions of key performance indicators, refer to page 20.

#### Adjusted operating profit

SEK m	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Operating profit/loss	31	-3	38
Items affecting comparability	0	6	22
<b>Adjusted operating profit</b>	<b>31</b>	<b>2</b>	<b>60</b>

#### Operating margin

SEK m	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Operating profit/loss	31	-3	38
Sales	139	75	405
%	<b>22%</b>	<b>-4%</b>	<b>9%</b>

## Notes to the financial statements

### Adjusted operating margin

SEK m	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Adjusted operating profit	31	2	60
Sales	139	75	405
%	22%	3%	15%

### EBITDA

SEK m	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Profit/loss for the period	24	-6	20
Tax	6	-1	7
Net financial items	1	4	11
Depreciation/amortisation	4	4	15
<b>EBITDA</b>	<b>35</b>	<b>1</b>	<b>53</b>

### Net debt

SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current liabilities to credit institutions	33	291	34
Non-current lease liability	1	2	2
Current liabilities to credit institutions	4	6	5
Current lease liability	1	1	1
Cash and cash equivalents	-48	-13	-36
<b>Net debt</b>	<b>-9</b>	<b>287</b>	<b>6</b>

### Equity/assets ratio

SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
Equity	307	-22	283
Total assets	519	408	455
<b>Equity/assets ratio, %</b>	<b>59%</b>	<b>-5%</b>	<b>62%</b>

### Net debt/EBITDA

SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
EBITDA, LTM	35	55	53
Net debt	-9	287	6
<b>Net debt/EBITDA</b>	<b>-0.27</b>	<b>5.23</b>	<b>0.11</b>

### Return on equity

SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
Earnings for the period, LTM	50	18	20
Opening equity	-22	-42	-16
Closing equity	307	-22	283
Average equity, LTM	142	-32	133
<b>Return on equity, %</b>	<b>34.9%</b>	<b>-55.6%</b>	<b>15.2%</b>

### Return on assets

SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
Operating profit, LTM	72	41	38
Financial income, LTM	0	0	0
Opening total assets	408	375	413
Closing total assets	519	408	455
Average total assets, LTM	463	391	434
<b>Return on assets, %</b>	<b>15.6%</b>	<b>10.4%</b>	<b>8.8%</b>

# Assurance

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**Permascand Top Holding AB**  
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SE-841 99 Ljungaverk  
Corp. Reg. No. 559227–6147  
Website: [www.permascand.com](http://www.permascand.com)

**Additional information**  
Linda Ekman, CFO  
[linda.ekman@permascand.com](mailto:linda.ekman@permascand.com)

*This information is such that Permascand Top Holding AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for disclosure on 10 May 2022 at 7:45 a.m. CEST.*

The Board of Directors and the President and CEO affirm that this interim report provides a true and fair view of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 10 May 2022

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**Per Lindberg**  
Chairman of the Board

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**Ingar Jensen**  
Board member

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**Johan Karlsson**  
Board member

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**Marie Grönborg**  
Board member

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**Mario Houde**  
Board member

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**Per-Ola Baalerud**  
Board member

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**Pernilla Lundin**  
Board member

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**Peter Lundström**  
CEO

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**Erik Zimmerman**  
Employee representative

## Consolidated quarterly data

SEK m	2022					2020				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Order intake	191	74	203	41	57	82	228	57	104	
<b>Income statement</b>										
Sales	139	130	76	123	75	118	111	78	108	
Gross profit	52	47	27	31	18	36	30	11	27	
Operating profit/loss	31	30	14	-3	-3	22	21	1	16	
Adjusted operating profit*	31	32	14	12	2	27	21	1	16	
EBITDA	35	34	18	1	1	26	24	4	19	
Profit/loss before tax	30	28	13	-7	-7	18	17	-3	13	
Gross profit/loss, % of sales	37%	36%	35%	25%	24%	30%	27%	14%	25%	
Operating profit/loss, % of sales	22%	23%	18%	-2%	-4%	19%	19%	1%	15%	
Adjusted operating profit*, % of sales	22%	25%	18%	9%	3%	23%	19%	1%	15%	
<b>Balance sheet</b>										
Tangible assets	148	146	145	146	143	146	144	143	136	
Total assets	519	455	438	440	408	413	404	359	375	
Cash and cash equivalents	48	36	24	16	13	19	4	13	28	
Non-current interest-bearing liabilities	34	36	47	64	293	282	288	276	290	
<b>Cash flow</b>										
Operating activities	22	33	32	-39	-14	32	-16	10	27	
Investing activities	-6	-9	-6	-7	-2	-10	-5	-10	-18	
Financing activities	-3	-12	-18	49	10	-6	12	-16	-7	
Cash flow for the period	13	12	8	3	-6	16	-9	-16	2	
<b>Capital structure</b>										
Net debt	-9	6	30	55	287	271	293	272	272	
<b>Per share data, SEK</b>										
Earnings per share before and after dilution	0.40	0.35	0.18	-0.10	-0.11	0.26	0.26	-0.06	0.19	
Number of shares before dilution	59,313,529	59,313,529	59,313,529	53,204,932	50,490,000	50,490,000	50,490,000	50,490,000	50,490,000	
Number of shares after dilution	59,313,529	59,313,529	59,318,361	53,206,569	50,490,000	50,490,000	50,490,000	50,490,000	50,490,000	

Adjusted for items affecting comparability in the form of non-recurring costs.

## Definitions of key performance indicators

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE
<b>Return on equity</b>	Profit for the period, last 12 months (LTM), divided by average equity	Return on equity is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
<b>Return on assets</b>	Operating profit plus financial income, last 12 months (LTM), divided by average total assets	Return on assets is used to analyse profitability, based on how much capital is used.
<b>Gross profit</b>	Net sales less cost of goods sold	Gross profit is used to measure the Group's profitability before sales expenses, administrative expenses and research and development expenses.
<b>Gross margin</b>	Gross profit divided by net sales	Gross margin is used to measure the Group's production profitability.
<b>EBITDA</b>	Operating profit before depreciation and amortisation of tangible and intangible assets	EBITDA gives an overview of the Group's operational profitability.
<b>Adjusted operating profit</b>	Operating profit excluding items affecting comparability. Items affecting comparability refer to income and expenses that affect comparability insofar as they do not recur with the same regularity as other items.	Adjusted operating profit is used to measure the Group's profitability and to increase comparability between different time periods.
<b>Adjusted operating margin</b>	Adjusted operating profit divided by net sales	Adjusted operating margin gives an overview of profitability relative to total revenue, adjusted for items affecting comparability.
<b>Items affecting comparability</b>	Income and expenses that affect comparability insofar as they do not recur with the same regularity as other items	Break off items that affect comparability with normal operations.
<b>Net debt</b>	Interest-bearing current and non-current liabilities less cash and cash equivalents	Net debt is used to assess the Group's financial position, opportunities for strategic investments, dividend and to fulfil its financial commitments.
<b>Net working capital</b>	Current assets less current liabilities	Net working capital is used to measure the company's ability to meet short-term capital requirements.
<b>Net working capital/net sales</b>	Net working capital divided by net sales during the last 12 months	Net working capital/net sales is used to measure the company's financial position in relation to revenue over a 12-month period.
<b>Earnings per share</b>	Earnings for the period divided by the average number of shares for the period	Earnings per share provides a measurement of each ordinary share's portion of the company's earnings.
<b>Operating margin</b>	Operating profit divided by net sales	Operating margin gives an overview of profitability relative to total revenue.
<b>Equity/assets ratio</b>	Equity divided by total assets	The equity/assets ratio is used to assess the Group's financial position, opportunities for strategic investments, dividends and to fulfil its financial commitments.



## Glossary

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WORD/TERM	DEFINITION
<b>Ballast water</b>	Water pumped into not fully loaded ships to provide stability for the ship. Various living organisms follow along with the ballast water and are spread globally, and may have a negative impact on the environment when released in new locations
<b>BWTS</b>	Abbreviation for Ballast Water Treatment System, a product for the treatment of ballast water
<b>Aftermarket services</b>	The collective term for Permascand's offering to customers, primarily in terms of recoating electrodes or replacing electrochemical cells
<b>Electrification &amp; Renewables</b>	Permascand's segment for products within electrification and renewable energy
<b>Electrode</b>	The collective term for anodes and cathodes
<b>Electrochemical cell</b>	Consists of several coated electrodes than are assembled into a single cell; used to induce chemical reactions through the application of electricity
<b>Electrochemical solutions</b>	The collective term for Permascand's products
<b>Greenfield</b>	New establishment of production plants
<b>Industrial Solutions</b>	Permascand's segment for products primarily in the chemical industry
<b>Catalytic coatings</b>	The main technological component for all of Permascand's products. Catalytic coatings consist of a mixture of precious metals and other compounds, giving a "surface layer" that is applied to metal substrates such as titanium or nickel
<b>Chlorate</b>	Chemical compound that can be produced industrially via electrochemistry and used in various industries such as pulp and paper, organic and inorganic chemical manufacturing and PVC manufacturing
<b>Recoating</b>	The process by which electrodes are given new catalytic coatings
<b>Water Treatment</b>	Permascand's segment for products within water treatment
<b>Equity/assets ratio</b>	Equity divided by total assets



 **PERMASCAND**

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