

Interim report

January – June 2021



CONTINUED STRONG MARKET DEMAND - THE QUARTER AFFECTED BY PRODUCTION DISTURBANCIES

April – June 2021 in summary

- Revenue 7.2 (7.5) MSEK.
- Production 3.3 MWh.
- Delivered energy storages 220 (136), average size per energy storage 7 (12) kWh.
- Gross profit -84.8 (-39.7) MSEK.
- EBITDA -100.6 (-48.5) MSEK.
- Operating income (EBIT) -118.7 (-63.1) MSEK.
- Net loss -134.7 (-86.0) MSEK.
- Earnings per share before/after dilution -4.03 SEK.

January – June 2021 in summary

- Revenue 12.6 (12.1) MSEK.
- Production 6.5 MWh.
- Delivered energy storages 293 (189), average size per energy storage 10 (13) kWh.
- Gross profit -154.4 (-81.2) MSEK.
- EBITDA -178.6 (-96.9) MSEK.
- Operating income (EBIT) -214.8 (-124.0) MSEK.
- Net loss -249.1 (-154.1) MSEK.
- Earnings per share before/after dilution -12.93 SEK.

Significant events during the second quarter

- The company's shares were listed on Nasdaq First North Premier Growth Market on April 30.
- During the quarter, Nilar had production disturbances that significantly affected the quarter's production. After the end of the quarter, the production disturbances have in material respects been solved.
- Nilar's offering has continued to expand and new integration projects have been initiated to meet a broadened customer base.
- Production capacity at the Gävle plant is increasing and four more production lines will be installed during the second half of 2021.
- The establishment of production in Estonia is ongoing, and production is planned to commence during the summer of 2022.

Significant events after the end of the period

- Erik Oldmark appointed acting CEO, following the resignation of CEO Marcus Wigren.

	Q2		Period	12 months	Full year	
MSEK	2021	2020	2021	2020	12 months	Full year
	apr-jun	apr-jun	jan-jun	jan-jun	jun 2020- jun 2021	2020 jan-dec
Revenue	7,2	7,5	12,6	12,1	25,7	25,2
Gross profit	-84,8	-39,7	-154,4	-81,2	-272,4	-199,2
EBITDA	-100,6	-48,5	-178,6	-96,9	-253,1	-223,3
Operating income / EBIT	-118,7	-63,1	-214,8	-124,0	-374,8	-284,0
Net profit/loss after tax	-134,7	-86,0	-249,1	-154,1	-437,9	-342,9
Cash flow from investing activities	-51,2	-14,7	-87,7	-33,4	-165,8	-111,5
intangible assets	-5,7	-5,4	-12,4	-10,7	-32,2	-30,4
tangible assets	-45,4	-9,4	-75,3	-22,7	-133,6	-81,1
Cash flow from financing activities	715,4	-1,0	822,3	-20,9	1 076,8	233,6
Equity/debt ratio, %	71%	28%	71%	28%	71%	18%
Shares in issue at end of period, '000	45 511,8	4 431,9	45 511,8	4 431,9	45 511,8	5 025,2
Share options in issue at end of period, '000	260,3	10,0	260,3	10,0	260,3	170,6
Weighted average number of ordinary shares in issue, '000	33 440,1	4 431,9	19 258,5	4 431,9	12 014,8	4 601,5
Delivered energy storages, number	220	136	293	189	462	442
Average employed and contracted personnel, number	224	155	211	165	172	166

¹⁾ Alternative performance measure. See page 16 for further explanations.

²⁾ Regarding the average number of shares and Earnings per share after dilution, option rights in the convertible loan and the EIB loan have not been taken into account as this would have meant a less negative earnings per share.

CEO REVIEW

The global market for energy storage solutions continues to develop rapidly. There is a very high demand for sustainable and environmentally user-friendly batteries. According to BloombergNEF, energy storage projects for transmission and distribution services are expected to grow to a value of 277 bn USD by 2050. To achieve the goals under the Paris Agreement, limiting the global temperature increase to 1.5°C, stationary energy storage equivalent to 16 TWh needs to be in place by 2050, according to the International Renewable Energy Agency (IRENA).

During the second quarter, we continued to expand our production capacity at the plant in Gävle. At present, we have four production lines in operation, and we expect to gradually expand during the autumn so that after the turn of the year we have eight production lines operational. Demand for our solutions continues to be significantly higher than our production capacity.

We continue to work with several development projects to broaden the product portfolio and to strengthen Nilar's market position. We continue our integration projects with new partners to offer the market complete solutions with new in-demand functions.

The second quarter has, as previously communicated, been affected from temporary quality problems in the raw material supply chain and certain components as well as limitations in the possibility of making full use of the production organization due to Covid-19, which has meant that production volumes for 2021 will be lower than previously planned. In addition to lower volumes, we have also had increased costs. The production disturbances that have affected the earnings trend during both the first (the ventilation system in the Gävle plant) and the second quarter are now almost resolved. In parallel with this, work has continued to increase the utilization rate of the existing machine equipment. We therefore estimate that the autumn volumes from our facility in Gävle will approach the previously planned production volumes.

The lower result for the quarter is mainly due to higher costs for materials and increased personnel costs. At the same time, **the number of delivered energy storage systems increased by as much as 62 percent** to 220. We have delivered all that has been produced and we see that the price level in the market is stable.

During the summer, we also established a subsidiary in Estonia according to plan. The work of completing the facility is in progress with adaptation of production facilities and recruitment of key personnel. Production is expected to start in the summer of 2022.

Despite the production disturbances we had during the quarter, our financial targets remain unchanged with the goal of profitable growth. In 2023, the goal is to achieve sales of more than SEK 1 bn. The long-term EBITDA target is a margin of over 20 percent that is achieved through higher volumes, economies of scale and a higher share of production in low-cost regions.

I would especially like to thank all my colleagues at Nilar. It has been and is an eventful time where we have broken new ground in the transition to renewable energy, an incredible journey that will continue for a long time to come. Demand for our solutions and offers is growing strongly and we are in an expansive phase towards commercialization and profitable growth. The interest from both customers and investors is great. I have now worked at Nilar for 14 years in various positions and in recent years as CEO. As previously communicated, Erik Oldmark has been appointed acting CEO. It feels reassuring to now hand over the baton to Erik Oldmark, who can take Nilar further operationally and commercially, and at the same time create shareholder value.



OPERATION

ABOUT NILAR

Nilar is a Swedish-based developer and manufacturer of stationary energy storage systems, so-called Electrical Energy Storage (ESS) systems. Energy storage systems can be used to bridge imbalances between energy production and demand in order to, for example, improve the utilization of intermittent electricity production from renewable energy sources, such as solar energy and wind power, as well as to strengthen the increasingly strained power grids. Nilar's battery technology is based on nickel-metal-hydride (NiMH) electrochemistry with a water-based electrolyte, which results in a strong environmental and safety profile together with a competitive price over a life cycle.

The Company is headquartered in Täby and the energy-efficient production facility is, since 2012, located in Gävle, where the Company's research and development also takes place.

The NILAR share is listed at Nasdaq First North Premier Growth Market. For more information go to www.nilar.com.

FINANCIAL TARGETS

Nilar's long-term financial goals should not be regarded as a forecast, but rather as an ambition which the Board and senior executives consider to be reasonable long-term expectations for the company.

NET SALES:

Net sales should reach at least SEK 1 billion by the year of 2023 through increased production capacity as a result of installing additional production lines at the Gävle factory and the establishment of a second factory abroad, in Estonia.

PROFITABILITY:

Long-term EBITDA margin of at least 20 percent. Margin improvement is expected to be realized by economies of scale, having a larger share of the production in low cost regions and through the introduction of profitable service offerings related to Nilar Hydride® Re-O2 and data monitoring.

ENERGY STORAGE FOR STATIONARY APPLICATIONS

Battery pack



Home Box



Rack



Cabinet



TARGET SEGMENTS

Home and small-scale storage



Smart grid infrastructure



Commercial and industrial support



Production:

Gävle

Sales and R&D:

Täby, Gävle, Denver

Focus markets in the short term:

- the Nordic countries
- DACH (the German-speaking markets)
- Benelux
- the United Kingdom
- Italy
- Spain



FINANCIAL REVIEW

APRIL – JUNE 2021

REVENUE AND RESULTS

Net sales decreased by 5% to 7.2 (7.5) MSEK due to quality problems in the supply chain; as well as restrictions on the possibility of making full use of the production organization due to covid-19. The number of delivered energy storages increased by 62% to 220 (136). The average size of delivered energy storage was 7 (12) kWh, as volumes of smaller systems such as Home Box were delivered in larger numbers.

Gross profit decreased to -84.8 (-39.7) MSEK. The deterioration in earnings is mainly driven by increased material costs, increased personnel costs for the increased production capacity that will only benefit the company in the event of larger production volumes and certain quality problems in the raw material supply and certain components.

The company commercialized its sales in 2019 but today sells its products at a negative margin as scale effects only occur at larger volumes. Measures to achieve profitability are: lower purchasing costs of raw materials and components through volume purchases, as well as continued product development where e.g. cheaper electronics components are under development.

In order to meet planned increased production volumes linked to the increased production capacity, raw materials and components need to be purchased in larger quantities than are currently consumed. Due to problems in the supply chains related to Covid-19 have in some cases had to take into account larger safety margins than normal. The company's accounting principles state that inventories are reported at the lower of acquisition value and net sales value. Due to this, an accounting write-down of the inventory value took place of SEK 15.1 million during the quarter.

Of the guarantee provision of 14.3 MSEK was made as of 31 December 2020 linked to identified software errors, 5.2 MSEK was reversed during the period when guarantee exchanges took place. The remainder of these commitments will be implemented during 2021. During the period, warranty costs of 0.2 MSEK for newly sold battery packs were also reserved during the period: the replacement pack is expected to be produced and delivered to the customer during the five-year warranty period.

The production organization amounted to 132 full-time employees. The relative wage cost as a share of cost of goods sold will decrease with further tuning of the production processes and increasing sales volumes.

Operating expenses increased to -131.8 (-76.1) MSEK. Costs for employed and hired personnel amounted to -55.1 (-30.4) MSEK - the increase has primarily taken place in Production and R&D.

Capitalization of development expenses consisting of personnel and consulting costs for work with the development of a new product with oxygen replenishment, development of BMS (Battery Management System) and production process development amounted to 5.5 (5.4) MSEK.

Depreciation of tangible and intangible fixed assets amounted to -18.2 (-14.5) MSEK. Depreciation for machinery increased to -9.2 (-5.4) MSEK as a result of the expansion of the production facility. Depreciation for capitalized development expenses and patents amounted to -7.7 (-8.0) MSEK and depreciation costs for right-of-use assets amounted to -1.3 (-1.2) MSEK.

Operating profit decreased to -118.7 (-63.1) MSEK.

Financial items amounted to -16.0 (-23.0) MSEK, of which -3.5 MSEK consists of interest on loans from the EIB, -3.2 MSEK on interest on convertible loans, -5.5 MSEK for changes in the value of the derivative component attributable to the convertible loan (see note 2) and -0.4 MSEK regarding the interest component for the leasing liabilities related to the company's premises costs.

Profit before and after tax decreased to -134.7 (-86.0) MSEK.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities was -120.7 (-41.3) MSEK. Changes in working capital amounted to -9.4 (9.0) MSEK, of which 4.3 MSEK consisted of increased operating liabilities, -18.2 MSEK of increased inventories and 4.6 MSEK of reduced operating receivables.

Investments amounted to -51.2 (-14.7) MSEK, of which -45.4 (-9.4) MSEK consisted of investments in machinery and equipment for the factory in Gävle and -5.7 (-5.4) MSEK consisted of capitalized development expenses.

Cash flow from financing activities was 715.4 (-1.0) MSEK, of which 714.7 MSEK relate to a new share issue and 1.8 MSEK to issuance of share options. The amortization component for the leasing liabilities related to the company's premises costs was -1.1 (-1.0) MSEK.

Cash flow for the quarter was 543.5 (-57.0) MSEK.

JANUARY – JUNE 2021

REVENUE AND RESULTS

Net sales increased by 4% to SEK 12.6 (12.1) million. Due to covid-19, the volume development of the period was negatively affected by the delivery and installation of the updated ventilation system in the Gävle plant, which was severely delayed in the first quarter. Furthermore, the period was further affected by quality problems in the supply chain; as well as limitations on the possibility of making full use of the production organization. The number of delivered energy storages increased by 55% to 293 (189). The average size of delivered energy storage was 10 (13) kWh, as volumes of smaller systems were delivered in larger numbers.

Gross profit decreased to -154.4 (-81.2) MSEK. The deterioration in earnings is mainly driven by increased material costs, increased personnel costs for the increased production capacity that will benefit the company only in the event of larger production volumes and certain quality problems in the raw material supply and certain components during the second quarter.

The company commercialized its sales in 2019 but today sells its products at a negative margin as scale effects only occur at larger volumes. Measures to achieve profitability are: lower purchasing costs of raw materials and components through volume purchases, as well as continued product development where e.g. cheaper electronics components are under development.

In order to meet planned increased production volumes linked to the increased production capacity, raw materials and components need to be purchased in larger quantities than are currently consumed. Due to problems in the supply chains related to Covid-19 have in some cases had to take into account larger safety margins than normal. The company's accounting principles state that inventories are reported at the lower of acquisition value and net sales value. Due to this, an accounting write-down of the inventory value took place of 22.1 MSEK during the period.

Of the guarantee provision of 14.3 MSEK that was made as of December 31, 2020 linked to identified software errors, 14.1 MSEK was reversed during the period when guarantee exchanges took place. The remainder of these commitments will be implemented during 2021. During the period, warranty costs of 0.4 MSEK for newly sold battery packs were also reserved during the period: the

replacement pack is expected to be produced and delivered to the customer during the five-year warranty period.

During the period, the production organization amounted to 125 full-time employees. The commissioning of the fourth production line was completed and a fourth shift was introduced in production during the first quarter. The relative wage cost as a share of cost of goods sold will decrease with further tuning of the production processes and increasing sales volumes.

Operating expenses increased to -239.9 [-147.1] MSEK. Costs for employed and hired personnel amounted to -103.8 [-62.4] MSEK - the increase has primarily taken place in Production and R&D.

Capitalization of development expenses consisting of personnel and consulting costs for work with the development of a new product with oxygen replenishment, development of BMS (Battery Management System) and production process development amounted to 12.1 [10.7] MSEK

Depreciation of tangible and intangible fixed assets amounted to -36.2 [-27.1] MSEK. Depreciation for machinery increased to -18.2 [-9.7] MSEK as a result of the expansion of the production facility. Depreciation for capitalized development expenses and patents amounted to -15.4 [-15.0] MSEK and depreciation costs for right-of-use assets amounted to -2.5 [-2.4] MSEK.

Operating profit decreased to -214.8 [-124.0] MSEK.

Financial items amounted to -34.3 [-30.1] MSEK, of which -6.4 MSEK consists of interest on loans from the EIB, -13.5 MSEK on interest on convertible loans, -13.4 MSEK for changes in the value of the derivative component attributable to the convertible loan (see note 2) and -0.8 MSEK regarding the interest component for the leasing liabilities related to the company's premises costs.

Profit before and after tax decreased to -249.1 [-154.1] MSEK.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities was -204.2 [-101.2] MSEK. Changes in working capital amounted to -2.7 [1.0] MSEK, of which 5.8 MSEK consisted of increased operating liabilities, -18.2 MSEK of increased inventories and 9.7 MSEK of reduced operating receivables.

Investments amounted to -87.7 [-33.4] MSEK, of which -75.3 [-22.7] MSEK consisted of investments in machinery and equipment for the factory in Gävle and -12.4 [-10.7] MSEK consisted of capitalized development expenses.

Cash flow from financing activities was 822.3 [-20.9] MSEK, of which 733.3 MSEK relate to a new share issue, 1.8 MSEK to an option program and 8.7 MEUR (87.8 MSEK) relate to a second and final disbursement of the loan from the EIB (tranche A). The amortization component for the lease liabilities related to the company's premises costs was -2.2 [-2.2] MSEK.

Cash flow for the period was 530.4 [-155.6] MSEK.

EMPLOYEES

The average number of employees and contracted staff within the group increased during the period to 224 [155], of which employees were 178 [118] and contracted staff was 46 [37]. The number of employed and contracted staff has primarily increased within the production organization to 132 [95].

The total number of employed and contracted personnel at the end of the period was 251 [184], of which the number of personnel within the production organization was 149 [114].

FINANCIAL POSITION

BALANCE SHEET

The **balance sheet total** is 1,170.4 [576.4] MSEK. The comparison period for the balance sheet analysis refers to 31 December 2020.

The Group's **intangible fixed assets** at the end of the period amounted to 181.8 [184.8] MSEK. The assets consist of capitalized expenses for development work for 181.1 [184.3] MSEK and patents 0.7 [0.5] MSEK. During the period, 12.1 MSEK of development expenses were capitalized for: development of a new product with oxygen replenishment, development of BMS (Battery Management System) and production process development. **Tangible fixed assets** amounted to 254.3 [197.0] MSEK, of which 116.2 [50.6] MSEK consisted of fixed assets for the ongoing expansion of the Gävle factory such as new formation and electrode production equipment for production lines 5-8. **Current assets** at the end of the period amounted to 694.2 [155.3] MSEK. Inventories amounted to 60.2 [42.0] MSEK.

Equity in the Group at the end of the period amounted to 829.2 [103.1] MSEK. New issue and conversion of convertible loans in connection with IPO in April increased equity by 956.5 MSEK during the quarter.

Liabilities at the end of the period amounted to 341.2 [473.3] MSEK, of which **long-term liabilities** 218.9 [119.1] MSEK and **current liabilities** 122.4 [354.1] MSEK. The equity / assets ratio was 71 [18] %.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	Q2		2021 jan-jun	Period 2020 jan-jun	12 months jul 2020- jun 2021	Full year 2020 jan-dec
	2021 apr-jun	2020 apr-jun				
Revenue	7 167	7 532	12 562	12 116	25 684	25 238
Cost of sales	-92 016	-47 204	-166 973	-93 357	-298 092	-224 476
Gross profit	-84 849	-39 672	-154 411	-81 241	-272 408	-199 238
Research and development expenses	-8 178	-6 041	-16 577	-12 486	-29 114	-25 023
Distribution and selling costs	-13 097	-6 613	-23 282	-12 536	-40 907	-30 161
Administrative expenses	-13 053	-10 853	-20 937	-18 048	-33 407	-30 518
Other operating income	436	120	438	350	1 019	931
Operating profit / EBIT	-118 741	-63 060	-214 770	-123 961	-374 817	-284 008
Finance income	-1 410	-89	4	-53	2 681	2 624
Finance costs	-14 516	-22 900	-34 288	-30 058	-65 749	-61 518
Finance costs - net	-15 926	-22 989	-34 285	-30 111	-63 068	-58 894
Profit before income tax	-134 668	-86 049	-249 054	-154 072	-437 885	-342 903
Income tax	-	-	-	-	-	-
Net profit/loss after tax	-134 668	-86 049	-249 054	-154 072	-437 885	-342 903
Attributable to:	-	-	-	-	-	-
Parent Company shareholders	-134 668	-86 049	-249 054	-154 072	-437 885	-342 903
Non-controlling interests	-	-	-	-	-	-
Earnings per share						
Profit after tax	-134 668	-86 049	-249 054	-154 072	-437 885	-342 903
Number of shares at end of period	45 511 751	4 431 857	45 511 751	4 431 857	45 511 751	5 025 191
Number of share options at end of period	260 315	10 000	260 315	10 000	260 315	170 633
Weighted number of ordinary shares before dilution	33 440 137	4 431 857	19 258 497	4 431 857	12 014 842	4 601 521
Earnings per share before dilution, SEK	-4,03	-19,42	-12,93	-34,76	-36,45	-74,52
Other comprehensive income						
Items that may later be reversed in the income statement:						
Currency translation differences	10	46	-9	63	-	282
Other comprehensive income for the year, net after tax	10	46	-9	63	-	282
Total comprehensive income	-134 658	-86 003	-249 063	-154 009	-437 885	-342 621

¹⁾ Regarding the average number of shares and Earnings per share after dilution, option rights in the convertible loan and the EIB loan have not been taken into account as this would have meant a less negative earnings per share.

CONSOLIDATED BALANCE SHEET

TSEK	Note	2021-06-30	2020-12-31	2020-06-30
ASSETS				
FIXED ASSETS				
Intangible fixed assets				
Patents		690	484	1 047
Capitalized expenditure for development work		181 058	184 272	186 591
Total intangible fixed assets		181 747	184 756	187 639
Tangible fixed assets				
Property, plant and equipment		138 139	146 446	88 889
Fixed assets under construction		116 171	50 563	65 025
Total tangible fixed assets		254 310	197 009	153 914
Other fixed assets				
Right-of-use assets		40 103	39 267	41 092
Total other fixed assets		40 103	39 267	41 092
Total fixed assets		476 160	421 031	382 645
CURRENT ASSETS				
Inventories		60 181	42 013	27 835
Accounts receivable - trade		12 634	15 030	10 015
Tax assets		1 458	1 433	1 330
Other receivables		14 174	22 344	5 289
Prepaid expenses and accrued income		1 444	579	709
Cash and cash equivalents		604 325	73 940	7 849
Total current assets		694 216	155 339	53 028
Total assets		1 170 377	576 370	435 672
EQUITY AND LIABILITIES				
EQUITY				
Share capital		7 585	5 025	4 432
Other contributed capital		2 037 837	1 065 282	895 901
Other reserves		130	139	-80
Retained earnings		-1 216 382	-967 329	-778 498
Total equity		829 170	103 118	121 755
LIABILITIES				
Non-current liabilities				
Long-term interest-bearing lease liabilities		34 618	34 555	35 810
Borrowings	3	184 238	84 570	-
Total non-current liabilities		218 856	119 125	35 810
Current liabilities				
Borrowings	3	-	204 372	186 620
Current lease liabilities, interest-bearing		5 875	4 787	5 037
Provisions of warranty		1 824	15 585	11 584
Accounts payable - trade		34 310	76 912	22 304
Other liabilities		48 945	12 233	11 478
Accrued expenses and deferred income		31 397	40 238	41 084
Total current liabilities		122 351	354 127	278 106
Total equity and liabilities		1 170 377	576 370	435 672

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK	2021-03-31	2020-12-31	2019-12-31
Equity at start of period	103 118	275 764	201 350
Comprehensive income			
Earnings after tax	-249 054	-342 903	-238 519
Other comprehensive income	-9	282	95
Total comprehensive income	-249 063	-342 621	-238 424
Transactions with shareholders			
New share issue	975 114	169 975	312 838
Total transactions with shareholders	975 114	169 975	312 838
Equity at end of period	829 170	103 118	275 764

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Q2		6 months	12 months	Full year	
	2021 apr-jun	2020 apr-jun	2021 jan-jun	2020 jan-jun	2020 jul 2020- jun 2021	2020 jan-dec
Cash flows from operating activities						
Profit/loss before tax	-134 667	-86 049	-249 054	-154 072	-437 884	-342 903
Profit/loss on disposal of fixed assets	-459	0	-239	0	-239	-
Interest paid and received	-2 958	-423	-4 898	-1 476	-5 819	-2 397
Adjustment for other non-cash items						
Depreciation on tangible and intangible fixed assets	18 188	14 524	36 196	27 106	69 742	60 652
Write-down of intangible fixed assets	-	-	-	-	6 694	6 694
Provisions for warranty	-4 991	-1 301	-13 761	-3 832	-9 760	169
Accrued interest	4 964	6 803	13 303	12 908	28 055	27 660
Changes in value of derivatives	7 415	15 674	11 900	15 674	27 055	30 829
Translation differences	-1 792	-	237	-	-2 740	-2 977
Other adjustments	10	79	-16	46	253	315
Cash flow from operating activities before changes in working capital	-111 332	-50 270	-201 433	-102 170	-318 822	-219 560
Cash flow from changes in working capital						
Increase (-)/decrease (+) in inventories	-18 225	-3 653	-18 168	-10 221	-32 347	-24 400
Increase (-)/decrease (+) in operating receivables	4 557	-3 622	9 677	-2 806	-12 372	-24 856
Increase (+)/decrease (-) in operating liabilities	4 301	16 278	5 751	14 014	48 998	57 262
Total changes in working capital	-9 368	9 004	-2 740	987	4 280	8 007
Cash flow from operating activities	-120 700	-41 266	-204 173	-101 183	-314 543	-211 553
Investing activities						
Investments in intangible assets	-5 748	-5 369	-12 433	-10 712	-32 160	-30 439
Investments in tangible fixed assets	-45 433	-9 362	-75 264	-22 727	-133 600	-81 063
Cash flow from investing activities	-51 181	-14 731	-87 697	-33 438	-165 760	-111 502
Financing activities						
New share issue	714 710	-	733 310	-	903 285	169 975
Option programme	1 794	-	1 794	-	1 794	-
Repayment of debt	-1 124	-1 024	-2 229	-22 239	-4 331	-24 341
Loans raised	-0	-	89 376	1 300	176 065	87 989
Cash flow from financing activities	715 380	-1 024	822 250	-20 939	1 076 811	233 622
Reconciliation of cash and cash equivalents						
Cash equivalents as of beginning of the period	60 828	64 883	73 940	163 395	7 849	163 395
Cash flow for the period	543 499	-57 021	530 380	-155 561	596 508	-89 433
Exchange rate difference in cash and cash equivalents	-2	-12	5	15	-32	-23
Cash and cash equivalents at the end of the period	604 325	7 849	604 325	7 849	604 325	73 940

PARENT COMPANY'S INCOME STATEMENT OF COMPREHENSIVE INCOME

TSEK	Q2		2021 jan-jun	6 months 2020 jan-jun	12 months jul 2020- jun 2021	Full year 2020 jan-dec
	2021 apr-jun	2020 apr-jun				
Revenue	-	-	-	-	-	-
Cost of sales	-45	-151	-153	-151	-177	-174
Gross profit	-45	-151	-153	-151	-177	-174
Research and development expenses	-7 954	-4 764	-15 933	-9 338	-32 945	-23 179
Distribution and selling costs	-89	-259	-357	-385	-603	-631
Administrative expenses	-8 629	-7 344	-12 659	-10 520	-19 407	-17 268
Other operating income	-0	0	-0	-	-0	-0
Operating profit / EBIT	-16 718	-12 517	-29 102	-20 395	-53 132	-41 253
Finance income	2 433	2 305	6 506	4 680	13 092	11 266
Finance costs	-13 917	-22 458	-33 173	-29 196	-63 725	-59 748
Write-down of shares in subsidiaries	-350 000	-51 500	-350 000	-121 500	-436 624	-208 124
Finance costs - net	-361 483	-71 653	-376 667	-146 016	-487 257	-256 606
Profit after finance costs	-378 201	-84 170	-405 770	-166 411	-540 388	-297 859
Profit before tax	-378 201	-84 170	-405 770	-166 411	-540 388	-297 859
Income tax expense	-	-	-	-	-	-
Profit after tax	-378 201	-84 170	-405 770	-166 411	-540 388	-297 859
Parent company statement of other comprehensive income						
Other comprehensive income, net after tax	-	-	-	-	-	-
Total comprehensive income for the period	-378 201	-84 170	-405 770	-166 411	-540 388	-297 859

PARENT COMPANY'S BALANCE SHEET

TSEK	2021-06-30	2020-12-31	2020-06-30
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Patents	690	484	1 047
Capitalized expenditure for development work	181 058	184 272	90 435
Total intangible fixed assets	181 747	184 756	91 483
Tangible fixed assets			
Property, plant and equipment	463	-	-
Fixed assets under construction	244	-	-
Total tangible fixed assets	707	-	-
Financial non-current assets			
Participations in Group companies	354	101	101
Receivables from Group companies	65 927	152 642	145 231
Total financial non-current assets	66 282	152 743	145 332
Total fixed assets	248 736	337 499	236 815
CURRENT ASSETS			
Tax assets	554	359	554
Other receivables	-1 612	3 889	497
Prepaid expenses and accrued income	666	159	257
Cash and cash equivalents	585 739	67 574	4 198
Total current assets	585 347	71 981	5 505
Total assets	834 083	409 480	242 320
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	7 585	5 025	4 432
Statutory reserve	34 401	34 401	34 401
Fund for development expenditure	27 411	16 093	8 426
Total restricted equity	69 398	55 520	47 259
Non-restricted equity			
Share premium reserve	2 005 205	1 032 650	863 269
Profit/loss brought forward	-1 034 407	-725 230	-717 563
Profit/loss for the year	-405 770	-297 859	-166 411
Total non-restricted equity	565 028	9 561	-20 704
Total equity	634 426	65 081	26 555
LIABILITIES			
Non-current liabilities			
Borrowings	184 238	84 570	-
Total non-current liabilities	184 238	84 570	-
Current liabilities			
Borrowings	-	204 372	186 620
Accounts payable - trade	2 716	28 752	442
Other liabilities	1 639	692	679
Accrued expenses and deferred income	11 063	26 012	28 026
Total current liabilities	15 419	259 828	215 766
Total equity and liabilities	834 083	409 480	242 320

NOTES TO THE FINANCIAL REPORT

GENERAL INFORMATION

Nilar International AB (publ), 556600-2977, the parent company and its subsidiaries, together the Group is a company that conducts operations in the development, manufacture and sale of electrical energy storage. The parent company is a limited liability company with its registered office and head office in Täby, Sweden. The address of the head office is Stockholmsvägen 116B, 187 30 Täby, Sweden.

The company's shares have been listed on the Nasdaq First North Premier Growth Market under the short name NILAR since 30 April, 2021.

ACCOUNTING POLICIES

The interim report has, for the Group, been prepared in accordance with IAS 34, Interim Financial Reporting and the Annual Accounts Act. The financial reporting for the Parent Company has been prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities. Applied accounting principles are unchanged in relation to the principles reported in the annual report for 2020, except for the covid-19 outbreak, which has involved the reporting of government grants in accordance with IAS20. State aid in the form of compensation for laid-off staff is reported as a reduction in personnel costs.

The new standards and interpretations as well as amended standards that apply from 1 January 2021 have not had any significant impact on the Group's financial reports. The same applies to the parent company, i.e. amendments to RFR 2 that apply from 1 January 2021 have not had any significant impact on the parent company's financial reports.

Segment

The Group consists of only one reportable segment, Nilar, as it is at this level that the Group's management team has responsibility for the allocation of resources and assesses the business' results.

IMPORTANT ESTIMATES AND ASSESSMENTS

Estimates and assessments are continually evaluated and are based on historical experience and other factors, including the anticipation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The estimates for accounting purposes that result from these assumptions, by definition, seldom equal the related actual results. The estimates and assumptions that entail a significant risk of significant adjustments in the reported values of assets and liabilities during the next financial year are stated in outline below.

Impairment of intangible assets

Nilar capitalizes expenses attributable to: product development, production process development, BMS (Battery Management System) development and implementation of business systems to the extent that they are deemed to meet the criteria in accordance with IAS 38, item 57 and stated on page 56 in the annual report for 2020. The company continuously evaluates whether there is reason to write down the value of the assets. At the end of Q2 2021, Nilar does not see any need for a write-down of capitalized expenses for development work. In the autumn of 2018, the Board of Directors assessed that the developed product had reached such maturity and that repetitive sales of the products had begun, which is why depreciation of capitalized development costs for generations V1 and V2 with associated BMS began in the fourth quarter of 2018.

After depreciation of capitalized development costs has begun, development costs amounting to 82.7 MSEK have continued for:

development of a new product with oxygen replenishment, development of BMS (Battery Management System), production process development and further product development of generation V2 to further optimize product robustness, quality and performance. Based on the historical demand for the company's products and the assessed future interest and need for the company's products, the Board assesses that there is no need for impairment.

Valuation of loss carryforwards

Deferred tax assets are valued at a maximum of the amount likely to be recovered based on current and future taxable income. The part of the tax receivable attributable to loss carryforwards that exceeds the tax liability attributable to the temporary difference is not reported due to uncertainty about when in the future sufficient taxable surpluses will be generated. The Group has unutilized loss carryforwards amounting to 1,134 (880.4) MSEK, of which 1,134 (880.4) MSEK refers to unrecognized loss carryforwards. These relate to unutilized loss carryforwards for the parent company and the Swedish subsidiary. The tax rate for calculating deferred tax is 20.6% (20.6), as Nilar makes the assessment that the loss carryforwards are not expected to be used until 2023 at the earliest, whereby the deficits and deferred tax are calculated according to a tax rate of 20.6% decided by the Riksdag. When the temporary difference will result in current tax, the corresponding loss deduction will be used, so that there will be no current tax payment. Therefore, deferred tax assets and deferred tax liabilities are reported net, with 0.

INCOME (NOTE 1)

MSEK	Q2		2021 jan-jun	Period 2020 jan-jun	12 months apr 2020- mar 2021	Full year 2020 jan-dec
	2021 apr-jun	2020 apr-jun				
Revenue						
Sweden	5,8	3,3	9,5	5,0	17,8	13,3
EU	-	4,0	-	4,1	-0,3	3,8
Outside EU	1,3	0,3	3,1	3,0	8,2	8,1
Total	7,2	7,5	12,6	12,1	25,7	25,2

Nilar's geographical focus is within the European markets, with a special focus on the Nordic countries, the Benelux, the DACH (German-speaking markets) and the UK. The customers are mainly system integrators in electrical energy storage.

Nilar's revenue consists of 100% of product sales of systems. Revenue recognition is done at present on delivery and when the control has been transferred to the customer. The company has no contractual assets or contractual liabilities.

FINANCIAL EXPENSES (NOTE 2)

MSEK	Q2		2021 jan-jun	Period 2020 jan-jun	12 months jul 2020- jun 2021	Full year 2020 jan-dec
	2021 apr-jun	2020 apr-jun				
Financial expenses						
Interest expenses to shareholders	-3,2	-6,8	-10,1	-13,5	-24,1	-27,5
Interest expenses EIB	-3,5	-	-6,4	-	-7,2	-0,7
Interest expenses leasing	-0,4	-0,4	-0,8	-0,8	-1,6	-1,6
Other interest expenses	-0,2	-0,0	-0,3	-0,0	-0,4	-0,2
Changes in value of derivatives	-5,5	-15,7	-13,4	-	-28,4	-30,7
Other financial expenses	-1,7	-	-3,3	-15,7	-4,1	-0,8
Total	-14,5	-22,9	-34,3	-30,1	-65,7	-61,5

Financial expenses for the quarter consist of interest expenses of -3.2 MSEK related to the convertible loan received during Q4 2019, -3.5 MSEK of interest expenses on loans from EIB and interest expenses for leasing of -0.4 MSEK. Change in value of liabilities -5.5 MSEK is related to the revaluation of the company's convertible loan to fair value, see note 3.

FINANCIAL LIABILITIES (NOTE 3)

MSEK	21-06-30	20-12-31	20-06-30
Convertible loan	-	204,4	168,6
EIB	184,2	84,6	-
Total	184,2	288,9	168,6

Convertible loan

The company has issued a convertible debt of a nominal amount of 175 MSEK. The loan runs from 20 December 2019 through 30 June 2020 at an annual interest rate of 10% and from 1 July 2020 through 31 December 2020 at an annual interest rate of 12.5% and from 1 January 2021 through 31 December 2021 (the final due date) with an annual interest rate of 15%. Repayment of the loan, including accrued interest, will be repaid by 31 December 2021 unless conversion occurs prior to that.

The convertible can be converted into shares at a floating price during the term and if not converted it can be repaid to 130% of the debt on the due date. The liability is recognized in its entirety at fair value through the income statement.

Following the listing of the company's shares on Nasdaq First North Premier Growth Market on 30 April 2021, the convertible loan has been converted to equity and shares have been issued. The convertible loan was valued at fair value amounting to 240.0 MSEK at the time of conversion.

EIB

In October 2020, the EIB (European Investment Bank) granted the company a 5-year loan facility of 47 MEUR, of which 35 MEUR with planned disbursement in 2020-2022 for further expansion of the Gävle factory, and 12 MEUR with planned disbursement in 2023 to partially finance the next plant.

Payment of 8.75 MEUR (91.0 MSEK) of the first tranche of 17.5 MEUR (tranche A) was received during Q4 2020. The second and final payment of 8.75 MEUR (87.8 MSEK) of the first tranche of 17.7 MEUR (tranche A) was received during Q1 2021. Payment of installments under the facility presupposes i.a. that additional equity is acquired as well as that sales and / or profitability targets are achieved. For disbursement of initial 17.5 MEUR (tranche A), such targets have been achieved with the capital raising carried out during H2 2020 of 178 MSEK before fees; for payment of additional installments, it remains to fulfill the agreed conditions, or alternatively to seek to renegotiate these.

Tranche A runs from 24 November 2020 to 31 December 2025 with an annual interest rate of 7.5%. Furthermore, the EIB has received 160,633 warrants from Nilar International AB, which gives the lender the right to purchase shares at a fixed price during the term of the option. The liability is reported at accrued acquisition value while the options are reported at fair value.

Following the listing of the company's shares on Nasdaq First North Premier Growth Market on 30 April 2021, the company has met the requirements of additional equity acquisition under tranches B and C. Tranche B can be used until 30 June 2022. Payment under tranche B is conditional on the company's sales during the period 1 July 2021 to 31 December 2021 reaching or exceeding 77 MSEK (excluding intra-group sales and sales of refilling services).

Real value

The company's convertible debt is valued at a discount on future cash flows. The discount rate reflects credit risk and maturity. The market value of the convertible is valued at 240.0 MSEK at the time of conversion on 30 April 2021. For the option part of the convertible and in the option agreement with the EIB, important parameters for valuation are the redemption date, redemption price and probability that it occurs before the agreement expires. The valuation is at level 3.

The options are reported at fair value via the income statement. The option is valued with Black-Scholes with assumptions about volatility and the option's market value is 54.8 MSEK. A significant impact on

the valuation is given by the share price. A 10 percent increase in the share price gives a 10 percent increase in market value.

CHANGE OF ACCOUNTING PRINCIPLE IN THE PARENT COMPANY

The Parent Company has previously applied the cost recognition model for proprietary intangible assets. As of the financial year 2020, the parent company has changed principle and instead applies the capitalization model, which means that expenses for the development of self-generated intangible assets follow the Group's accounting principles.

In previous years, 29.6 MSEK relating to expenses for development work has been expensed in the Parent Company. Below are the effects on the income statement and balance sheet that the change of principle has had as a result of these expenses being adjusted retroactively and capitalized as an intangible asset. The effect as of 1 January 2019 on equity amounted to 28.5 MSEK. The income statement for 30 June 2020 has been affected by a total of -2.1 MSEK (profit for the period) as a result of a retroactive change of principle. For detailed effects, see tables below.

TSEK	Previous principle	Adjustment	New principle
Income statement 2020-06-30			
Research and development costs	-7 224	-2 114	-9 338
Results for the period	-164 297	-2 114	-166 411
Balance sheet 2019-01-01			
Balanced expenses for development work	87 739	28 535	116 274
Equity - fund for development expenses	-	10 834	10 834
Equity - balanced result	-404 340	18 757	-385 583
Equity - profit for the year	-91 475	-1 057	-92 532
Balance sheet 2020-06-30			
Balanced expenses for development work	68 241	22 194	90 435
Equity - fund for development expenses	-	8 426	8 426
Equity - balanced result	-733 444	15 881	-717 563
Equity - profit for the year	-164 297	-2 114	-166 411
Cash flow analysis 2020-06-30			
Operating profit before tax	-164 297	-2 114	-166 411
Depreciation of tangible and intangible fixed assets	6 640	2 114	8 754

TRANSACTIONS WITH RELATED PARTIES

There have been no significant transactions between related parties during the reporting period. For further information, please see note 25 of the 2020 Annual Report.

PARENT COMPANY

Revenue for the parent company was 0 [0] MSEK. Intercompany purchases amounted to 6.9 [0] MSEK and consisted of acquisitions of intangible assets from the subsidiary Nilar AB. Research and development costs amounted to -8.0 [-4.8] MSEK and consisted mainly of depreciation for capitalized development expenses. Net financial items amounted to -361.5 [-71,7] MSEK, which is explained by financial expenses amounting to -13.9 [-22.5] MSEK, of which -3.5 MSEK consists of interest on loans to the EIB, -3.2 MSEK of interest for convertible loans, -5.5 MSEK for revaluation of convertibles and shareholder contributions provided by the parent company, which were subsequently written down by -350.0 [-51,5] MSEK. Profit after tax amounted to -378.2 [-84,2] MSEK.

Cash flow for the period was 497.4 [-145,1] MSEK. Cash and cash equivalents at the end of the period amounted to 585.7 [67,6] MSEK.

The equity / assets ratio was 76 [16] %. Equity amounted to 634.4 [65,1] MSEK.

SIGNIFICANT RISKS AND UNCERTAINTIES

Nilar is affected by several external and internal factors, which may result in an outcome different from forecasts, previous development and expectations. The following list includes a selection of the risks which the Company considers significant, however, it is not an exhaustive description of all risks that may arise.

- Financial risks
- Business cycle and external risks
- Operational risks
- Sustainability risks

Risk mitigation is more exhaustively described in the Annual Report 2020, note 4 Risks and risk management. All forward-looking statements in this report are based on the Company's best judgments at the time of the report. Such statements include, as all predictions of the future, risks and uncertainties that can result in other outcomes than predicted.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

None of the company's mortgage letters amounting to 30 MSEK have been pledged.

EXTRAORDINARY GENERAL MEETING

An EGM was held on 19 April. Notice of the Annual General Meeting was given in accordance with the Articles of Association. All resolutions proposed to the meeting were adopted. Notable decisions were: decision to change the Articles of Association's limits for share capital and number of shares, decision to split shares (1:6), decision to authorize the Board to hold one or more meetings until the next Annual General Meeting, with or without pre-emptive rights. for the shareholders, decide on a new issue of shares, corresponding to a maximum of 24,000,000 shares (after the proposed share split) and a decision on board fees.

ANNUAL GENERAL MEETING

The 2021 Annual General Meeting was held on June 30. Notice of the meeting was given in accordance with the Articles of Association. All resolutions proposed to the AGM were adopted. In addition to the AGM's decision to approve the results and balance sheet for the company and the group and that no dividend was paid for 2020, it was also decided on discharge from liability for board members and the CEO, election of board members, re-election of Deloitte AB as auditor, board and auditor fees, incentive programs for senior executives, employees and other key personnel within the Group and to authorize the Board to decide on one or more occasions until the next Annual General Meeting on the issue of shares, convertibles and / or warrants, with the right to subscribe for and convert to shares in the Company, corresponding to a maximum of 10 percent of the Company share capital after dilution based on the number of shares at the time when the authorization is used for the first time, with or without preferential rights for the shareholders and within the limits permitted by the Articles of Association, to be paid in cash or by set-off. Gunilla Fransson declined re-election and Marko Allikson and Peter Feledy were elected to the Board.

SHARE-BASED INCENTIVE PROGRAM

The Extraordinary General Meeting on 12 March 12, 2021 decided to adopt a long-term incentive program for senior executives and other key personnel in the Company (LTIP) (2021:1) and an incentive program for the Board of Directors of the Company (2021:2). In total, a maximum of 95,000 option rights can be issued under the incentive programs.

At the end of the subscription period on 26 March, 53,682 of a total of 55,000 granted option rights by 2021:1 and 36,000 of a total of 40,000 granted option rights by 2021:2 had been subscribed. Payment of 1,794 TSEK for all option rights has been received.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Erik Oldmark appointed acting CEO, following the resignation of CEO Marcus Wigren.

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

Täby, 23 August 2021
The Board of Directors

QUARTERLY DATA

GROUP	2021		2020				2019		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
MSEK									
Delivered energy storages, number	220	73	94	159	136	53	128	33	25
Average size per energy storage, kWh	7	19	16	9	12	15	8	12	22
Production lines, commissioned, at end of quarter	4	4	3	3	2	2	2	2	1
Shifts, at end of quarter	4	4	3	2	2	2	2	2	1
Income statement									
Revenue	7,2	5,4	5,7	7,5	7,5	4,6	4,6	1,8	2,5
Gross profit	-84,8	-69,6	-78,1	-39,9	-39,7	-41,6	-61,7	-35,9	-30,3
EBITDA	-100,6	-78,0	-83,9	-42,6	-48,5	-48,3	-70,8	-46,7	-38,5
Operating profit / EBIT	-118,7	-96,0	-101,8	-58,3	-63,1	-60,9	-81,4	-56,3	-47,8
Profit/loss before tax	-134,7	-114,4	-113,2	-75,6	-86,0	-68,0	-83,0	-56,6	-58,1
Profit/loss after tax	-134,7	-114,4	-113,2	-75,6	-86,0	-68,0	-83,0	-56,6	-58,1
Depreciation	-18,2	-18,0	-17,8	-15,7	-14,5	-12,6	-10,6	-9,6	-9,3
intangible assets	-7,7	-7,7	-8,0	-8,0	-8,0	-7,1	-7,0	-7,1	-7,0
tangible assets	-9,2	-9,0	-8,7	-6,5	-5,4	-4,4	-2,6	-1,6	-1,4
Capitalized expenses for development work	5,5	6,6	5,2	6,7	5,4	5,3	11,0	5,8	5,4
Average employed and contracted personnel	224	198	190	143	155	174	158	144	120
Employed and contracted personnel, end of period	251	234	223	175	184	173	178	149	132
Cash flow									
operating activities	-120,7	-83,5	-67,8	-42,6	-41,3	-59,9	-36,5	-55,3	-30,1
investing activities	-51,2	-36,5	-60,6	-17,5	-14,7	-18,7	-28,2	-48,3	-38,9
financing activities	715,4	106,9	131,5	123,1	-1,0	-19,9	183,3	-0,7	209,5
Cash flow for the period	543,5	-13,1	3,2	63,0	-57,0	-98,5	118,6	-104,3	140,5
Balance sheet									
Fixed assets	476,2	442,2	421,0	384,4	382,6	382,0	370,4	352,0	313,3
Current assets	694,2	137,1	155,3	118,4	53,0	104,1	195,5	85,5	182,2
Total assets	1 170,4	579,2	576,4	502,8	435,7	486,1	565,9	437,4	495,5
Equity	829,2	7,3	103,1	170,3	121,8	207,8	275,8	358,5	415,3
Non-current liabilities	218,9	212,9	119,1	35,0	35,8	36,4	33,0	33,8	34,5
Current liabilities	122,4	359,0	354,1	297,5	278,1	241,9	257,1	45,1	45,8
Total equity and liabilities	1 170,4	579,2	576,4	502,8	435,7	486,1	565,9	437,4	495,5
Capitalised expenses for patents	0,7	0,5	0,5	1,0	1,0	1,1	1,2	1,3	1,3
Capitalized expenditure for development work	181,1	183,2	184,3	185,3	186,6	189,1	190,8	186,7	188,0
Property, plant and equipment	138,1	137,3	146,4	142,6	88,9	86,8	60,5	34,1	18,4
Fixed assets under construction	116,2	80,3	50,6	15,6	65,0	63,2	80,4	92,3	67,1
Inventories	60,2	42,0	42,0	26,1	27,8	24,2	17,6	17,7	10,7
Cash and cash equivalents	604,3	60,8	73,9	70,8	7,8	64,9	163,4	44,8	149,1
Equity/debt ratio, % ¹⁾	71%	1%	18%	34%	28%	43%	49%	82%	84%
Debt ratio, times ¹⁾	0,4	78,2	4,6	2,0	2,6	1,3	1,1	0,2	0,2

SHARE DATA

MSEK	2021		2020				2019		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Shares at end of period, '000	45 512	5 087	5 025	4 714	4 432	4 432	4 432	4 432	4 432
Share options at end of period, '000	260	171	171	10	10	150	150	150	150
Average number of shares, '000	33 440	5 077	4 969	4 573	4 432	4 432	4 432	4 432	3 876
Average number of share options, '000	254	171	96	10	55	150	150	150	150

¹⁾ Alternative performance measure. See page 16 for further explanations.

ALTERNATIVE PERFORMANCE MEASURES

The interim report refers to a number of non-IFRS performance metrics that are used to help both investors and management to analyze the company's operations. The metrics presented in this report may differ from measurements of similar names in other companies.

Definitions of alternative key indicators not defined by IFRS

Alternative key figures	Definitions	Purpose
Gross profit/loss	Revenue minus cost of sales.	The gross profit/losses ratio demonstrates the Company's efficiency in production and for calculation of gross margin.
EBITDA	Operating income before depreciation and amortization of tangible and intangible assets and Right-of-Use assets.	The measurement is a good complement to operating profit as it shows, simplified, cash flow from the operations.
Operating profit (EBIT)	Earnings before interest and taxes.	The operating profit provides a comprehensive view of the total profit generating from the operating activities.
Cash flows from investing activities	Investments in tangible and intangible current assets.	The ratio demonstrates the Company's investments in new products and production measures (intangible assets) and in production facilities (tangible fixed assets) to grow the business.
Cash flows from financing activities	Cash flows from financing activities include for example share issues, loans raised and amortization of loans.	Cash flow from financing activities indicator measures the generated or used cash flow to fund the Company's investing activities.
Shareholder equity ratio, %	Equity divided by balance sheet total.	A traditional measurement of financial risk, expressed as the percentage of the restricted capital financed by the owners.
Debt ratio, times	Interest-bearing net liabilities divide by equity.	The debt/equity ratio shows the proportion of the Company's liabilities in relation to equity.

DEFINITIONS

The interim report refers to a number metrics that are used to help both investors and management to analyze the company's operations.

Name	Description	Reason for use of the measure
Capitalization of development expenses	Costs for product development, production technology development and establishment costs for an expanded production facility.	The measure shows how much of the company's operating expenses are invested in activities that are expected to generate increased revenue or reduced costs in the future.
Energy storage system	Ready-made systems of varying sizes consisting of Nilar batteries, BMS, inverter and cabinets.	The measure shows how the number of energy storage systems delivered has changed between periods.
Capitalized expenditure for development	Development expenses are capitalized when they meet the criteria set out in IAS 38 and are estimated to amount to significant amounts for the development effort as a whole. In other respects, development expenses are expensed as normal operating expenses. The most important criteria for capitalization are that the development work's end-product has a devisable future earnings or cost savings and cash flow and that there are technical and financial prerequisites to complete the development work when it is started. The capitalized costs are generated both externally and internally and include direct costs for completed work. Direct attributable expenses that are capitalized as part of product development, production processes and implementation of business systems include expenses for third parties and employees.	The measure shows how much of the company's investments in new products and production methods (intangible fixed assets) remain on the balance sheet after depreciation and amortization.
Average number of employees and temporary agency workers	The average number of employees and consultants for positions that are not temporary and do not replace absent employees. Refers to FTE (full employment).	Supplementing the number of employees with consultants gives a better picture of the cost base.

OTHER

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This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish interim report and the English translation, the former shall take precedence.

