



**Q3  
2021**

## Swedish Stirling in brief

Swedish Stirling Group (the Company) is a Swedish cleantech company founded in 2008 with a mission to further refine the incomparable ability of the Stirling technology to convert thermal energy to electricity. The Company's latest product, the PWR BLOK 400-F, is a unique proprietary solution for recovering energy from industrial residual and flare gases and converting them to 100 percent carbon-neutral electricity at a high rate of efficiency.

According to Lloyd's Register, an independent certification company, the PWR BLOK is the cheapest way to generate electricity that exists today, yielding greater CO<sub>2</sub> savings per EURO invested than any other type of energy. Swedish Stirling has been a publicly listed company in Sweden since 28 November 2016 and is as of 6 November 2020 listed on Nasdaq First North Premier Growth Market.



## Material events

### Third quarter

- Net sales for the quarter amounted to TSEK 50 (TSEK -). Total operating income and own work capitalised for the quarter was TSEK 10,666 (TSEK 7,135).
- Earnings per share, before dilution, for the quarter was SEK -0.13 (SEK -0.24).
- Mia Engnes, Director of Northvolt Ett, was elected to serve on the Board as a new member of Swedish Stirling's supervisory board at an Extraordinary General Assembly. She replaces board member Andreas Ahlström.
- CEO Gunnar Larsson exercised 250 warrants to subscribe to 2,500,000 new shares in Swedish Stirling AB, which raised approximately SEK 5,740,000 for the Company. Following the transaction, Gunnar Larsson's holding in Swedish Stirling stands at 3,760,000 shares, which corresponds to 2.9 percent of the shares.
- The Company appointed Dan Hillén as new CFO and member of the Company's management group. He has a solid background in the CFO role for several other companies, and most recently worked as CFO for Alelion. He assumed his duties on 1 October 2021.

### January - September

- Net sales for the period amounted to TSEK 50 (TSEK -). Total operating income and own work capitalised for the period was TSEK 45,879 (TSEK 37,758).
- Earnings per share, before dilution, for the quarter was SEK -0.40 (SEK -0.56).
- Swedish Stirling AB and Glencore Operations South Africa signed an agreement for an energy conversion service with the installation of 25 PWR BLOK. In order to mitigate the risk with the deal the Company has entered into a currency hedge.
- Swedish Stirling conducted a targeted new share issue of 13,240,000 shares, which raised a total of SEK 225,080,000, of which SEK 15,755,600 was transaction costs.
- During the period, a total of 429 subscription warrants were exercised and converted to shares, which provided the Company with TSEK 9,849.
- In the conversion of Swedish Stirling's convertible bonds KV2 and KV3, TSEK 79,505 and TSEK 53,000 were reported for conversion, which corresponds to approximately 99 percent and 100 percent respectively.
- Swedish Stirling and SMS group signed an agreement regarding the use of the PWR BLOK technology for energy recovery projects.
- The Company hired Christian Nilsson as its new Chief Technology Officer (CTO) and appointed Dennis Andersson as deputy CEO.

### Material events after the period

- The board of Swedish Stirling appoints Dennis Andersson as new CEO of the company. Dennis will assume the position on 15 November 2021.

### Financial summary

| Amount in SEK thousands                          | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales  | 50              | -               | 50              | -               | -               |
| Own work capitalised                             | 10,545          | 7,091           | 45,624          | 37,418          | 53,025          |
| Operating profit                                 | -9,568          | -7,542          | -22,542         | -15,299         | -22,951         |
| Profit/loss after tax                            | -16,778         | -21,732         | -46,213         | -50,607         | -72,877         |
| Earnings per share before and after dilution SEK | -0.13           | -0.24           | -0.40           | -0.56           | -0.80           |
| Equity/asset ratio, %*                           | 86%             | 55%             | 86%             | 55%             | 57%             |
| Cash flows from operating activities             | -14,359         | -16,456         | -41,436         | -37,248         | -45,096         |
| Cash flow for the period                         | -24,620         | -24,415         | 121,963         | 65,604          | 104,801         |
| Cash and cash equivalents                        | 263,555         | 102,428         | 263,555         | 102,428         | 141,631         |

(\*) See note 7 for definitions



Gunnar Larsson  
CEO

## CEO's statement

I was recently asked if I was able to, in brief, summarize the strengths of the PWR BLOK technology. This can be a rather tricky question to answer, particularly since the PWR BLOK is a technically advanced solution in itself. How the technology works is however not the answer to the question, but rather what the technology offers to the customer. The question then in fact becomes quite easy to answer. The PWR BLOK is a solution that helps the metal industry to recycle more energy, to produce more electricity and to emit less carbon dioxide.

The agreement with Glencore in the previous quarter is, as I said previously, the greatest milestone in Swedish Stirling's history. I'm convinced that one day, we will look back on this event as a very special moment in the company's history. For companies like Swedish Stirling, which have developed a unique technology that is able to solve many environmental problems, the greatest challenge we face is proving ourselves by securing our first commercial agreements with highly respected customers. In many cases, companies like ourselves don't get past the declarations of intent stage, and the dependence on public funding. Our agreement with Glencore, one of the world's largest commodity producers, means that Swedish Stirling no longer belongs to that category of companies. We have reached the next level – commercial roll-out. Things are looking very promising. Our partnership with Glencore is working out well. We have lots of exciting work ahead of us with assisting them in their ambition to achieve net zero emissions by 2050. Work that we initiated in the previous quarter with a joint project startup at the Lion Smelter site. In doing so, we took the initial preparation step towards a PWR BLOK installation at Lion next year.

One of the things we were most focused on in the third quarter was fine-tuning and further optimizing the production process before ramping-up volumes. Verification of the modifications made to the new version of the PWR BLOK generation 3 is an important part of this work. One unit was installed at TC Smelter's facility in South Africa during the summer. In the same period we ran a long series of different tests and verifications on the new functions in a real-life environment. I won't go into all the modifications and updates that we have made to generation 3 here. You can read most of this on our webpage at: [swedishstirling.com/teknologi/tekniska-specifikationer/](https://swedishstirling.com/teknologi/tekniska-specifikationer/). The updates, as I previously mention, did however focus on cost reductions and customer benefit. A good example of such a modification that increases the customer benefit level, and which we verified in the tests that were carried out, is that it is now possible to change a single engine in the PWR BLOK unit in just 15 minutes. As all the engines are standardized, a single spare engine in stock is sufficient to ensure ongoing servicing and operational maintenance of all the PWR BLOK units at an installation with minimum downtime.

The lifting of certain travel restrictions has also meant that we have been able to return more or less to our normal way of working. Experts from the technical development department in Gothenburg have been able to participate in on-site verification work, and we have finally once again been able to have physical meetings with customers, partners, and subcontractors. I feel that things have gone far better during the pandemic than I feared eighteen months ago, but not all interactions are as effective digitally. The very positive discussions with Samancor and Richards Bay Alloys on potential agreements have continued throughout the period, and as I previously stated, we plan to announce the outcome to the market when we are ready.

A lot is also happening in the global metal industry and in South Africa, much of which is really going in our favor. The International Council of Mining and Metals (ICMM)<sup>1</sup>, which represents approximately one third of the global mining and metal industry, recently committed to the sector achieving net zero emissions<sup>2</sup> by 2050. This is obviously a positive message for Swedish Stirling. The South African public authorities also recently came to a regulatory decision concerning power generation that is of great importance to us.

The decision means that a generation license for installations that self-generate energy up to a massive 100MW is no longer required, provided that this production is not transmitted to the main grid.

This is going to save us both time and money in the future. The need to navigate between authorities, applications and the ensuing bureaucracy, is extremely time-consuming and costly for most companies in energy generation.

We continued to strengthen our organization in both Sweden and South Africa in the third quarter. We know that a strong and competent organization is a catalyst for both growth and our future expansion. To exercise good cost control in the future, and to strengthen and develop our relations with banks in South Africa and the Nordic countries, Dan Hillén has been appointed as the new CFO of Swedish Stirling. He has solid experience of efficient process management, extensive work experience with the credit market and of working in listed companies. Dan is going to play a key role in ensuring that we are in good financial shape for our expansion in South Africa. In addition, Mia Engnes, Director of Northvolt Ett, has been appointed as a new board member. Mia has sound knowledge and experience of building up large-scale industrial production, which will benefit us enormously as we become more focused on increasing production volumes in the future.

Almost 14 years has passed since I founded Swedish Stirling (then Ripasso Energy) with the dream of creating Swedish industrial history, and the ambition to establish Stirling technology as the best alternative for local and sustainable production of electricity. We are not there yet but we are well on our way. The PWR BLOK technology will play a significant role in the global transition to a more sustainable society. The PWR BLOK concept was launched in the autumn of 2017. In just four years we have taken it from idea to prototype, and finally to the version, generation 3, of which we now start volume production with. A fantastic engineering achievement in such a short time. We have also landed our first commercial contracts with the PWR BLOK technology. Today the company is financially strong and ready for the next step. This is the right moment for me to hand over the baton. During the past year, a lot of focus has been placed on building a strong organization with an experienced and competent management team that can take the work to the next level. Dennis Andersson is the natural successor as CEO. He managed and was responsible for the negotiations with both SMS Group and Glencore, has been responsible for preparing the company's new long-term strategy, recently adopted by the board, and has the qualifications and experience required to successfully bring Swedish Stirling forward. In this, my last CEO statement, I would like to take this opportunity to thank all investors, staff, customers, and partners I have met over the years. It has been 14 fantastic years. I will, after some time as an advisor to Dennis, merely be one of Swedish Stirling's many shareholders and in that role, I look forward to seeing the company write Swedish industrial history.

**Gunnar Larsson**  
CEO  
Swedish Stirling AB

1 International Council on Mining and Metal

2 On scope1 and scope2 emissions

## Market development

Swedish Stirling's assessment is that the continued increase in global demand for energy and the effort to increase the share of renewable and climate-neutral power generation methods combine to create an attractive market situation for the Company. The price per MWh generated using the PWR BLOK is already very competitive without subsidies or state support. Global potential for extracting electricity from the metal and petroleum industries' residual gas is significant. Initially, Swedish Stirling has focused on the South African ferrochrome industry, which accounts for nearly one-third of the global ferrochrome production. Since production of other ferroalloys produce similar residual gases, Swedish Stirling's assessment is that the PWR BLOK will work for them as well, without requiring major adjustments. The agreements currently in place with the South African ferrochrome producers Glencore and Samancor has led to increased market interest for Swedish Stirling's technology from the global metal industry, but also from other types of industries with residual gases. The memorandum of understanding and letters of intent for orders of up to 241 PWR BLOK signed with Samancor, Richards Bay Alloys and Glencore during the third quarter of 2020, as well as the agreement in April 2021 for an installation of 25 PWR BLOK at Glencore's Lion smelter in South Africa, have improved the outlook.

## Comments on the income statement and balance sheet

### Third quarter

The Company's operating income and own work capitalised during the quarter amounted to TSEK 10,666 (TSEK 7,135), and primarily comprised capitalised development cost in the amount of TSEK 10,545 (TSEK 7,091) related to development of PWR BLOK generation 3. Net sales amounted to TSEK 50 (TSEK -) which is generated from the pilot plant at TC Smelter. Profit/loss after financial items were TSEK -16,387 (TSEK -21,395). The positive change in profit and loss for the quarter compared to the same quarter prior year was primarily due to lower financial expense as a result of the conversion of convertible loans KV2 and KV3 in the beginning of the year. Own work capitalised was higher primarily due to an increase in administrative- and personnel cost compared to the same quarter prior year. The improved result is partially offset by the start of depreciation of capitalised development cost related to development of the stirring engine and PWR BLOK generation 1.

During the quarter capitalised development cost increased by TSEK 8,205 (TSEK 7,109). Cash and cash equivalents decreased by TSEK -24,653 (TSEK -24,413) as a result of ongoing operating cost. Financial fixed assets increased by TSEK 3,853 (TSEK 26) due to a new derivative asset, which represents a currency hedge that the Company has entered into in alignment with the finance policy.

### January – September

The Company's operating income and own work capitalised during the period amounted to TSEK 45,879 (TSEK 37,758), and primarily comprised capitalised development cost in the amount of TSEK 45,624 (TSEK 37,418) related to development of PWR BLOK generation 3. Net sales amounted to TSEK 50 (TSEK -) which is generated from the pilot plant at TC Smelter. Profit/loss after financial items were TSEK -45,092 (TSEK -49,771). The improvement in the results for the period compared to prior year was primarily due to lower financial expense as a result of the conversion of the convertible loans KV2 and KV3 in the beginning of the year. Own work capitalised was higher primarily due to an increase in administrative- and personnel cost compared to prior year. The improved results are partially offset by the start of depreciation of capitalised development cost related to development of the stirring engine and PWR BLOK generation 1. Higher personal costs are attributable to a steady increase in the Company's employees. Other external expense is higher compared to prior year, mainly due to consulting and legal services related to the new share issue and preparations for the Nasdaq relisting.

As at the balance sheet date, capitalised development costs amounted to TSEK 381,165 (TSEK 342,769). The increase in capitalised development cost compared to December 2020 primarily comprise development cost for PWR BLOK generation 3. As at the balance sheet date, cash and cash equivalents amounted to TSEK 263,555 (TSEK 141,631) Financial fixed assets increased by TSEK 4,922 as a result of a new derivative asset which represents a currency hedge that the Company has entered into during the period. Work in progress increased by TSEK 10,625 compared to prior year end due to material and production costs for the PWR BLOK generation 3 which was installed at the pilot plant TC Smelter in the third quarter. Current liabilities decreased by TSEK -135,854 during the period as a result of the conversion of convertible loans KV2 and KV3 in the beginning of the year.

## Changes in equity

### Third quarter

The Company's equity decreased by TSEK -10,242 (TSEK -21,768) due to the results for the quarter.

### January – September

As at the balance sheet date, the Company's equity amounted to TSEK 597,487 (TSEK 293,225). During the period January through September the Company's equity increased by a total of TSEK 304,262 (TSEK 35,599). The increase was mainly attributed to a directed new share issue and the conversion of convertible loans KV2 and KV3, however partially offset by the results of the period. As at the balance sheet date, there were 128,349,253 (97,118,961) shares outstanding with a quota value of SEK 0.01.

## Cash flow

### Third quarter

The cash flow for the quarter amounted to TSEK -24,620 (TSEK -24,415). The negative cash flow for the quarter was primarily due to investments related to capitalised development cost for PWR BLOK generation 3 in the amount of TSEK -10,545 (TSEK -7,109). The change is also related to a reduction of TSEK -5,117 for the premium payment of the currency hedge. The cash flow effect of the change in working capital amounted to TSEK -4,098 (TSEK -3,993). The decrease in the cash flow for the quarter is partially offset by the payment for the conversion of warrants to shares in the amount of TSEK 6,360.

### January – September

The cash flow for the period amounted to TSEK 121,963 (TSEK 65,604). The positive cash flow for the period was primarily due to a directed new share issue in the amount of TSEK 208,951 and payments related to the conversion of warrants to shares in the amount of TSEK 9,849. This was partially offset by investments related to capitalised development cost for PWR BLOK generation 3 in the amount of TSEK -44,564 (TSEK -37,436). The reduction was also due to the premium payment of the currency hedge in the amount of TSEK -7,954. The cash flow effect of the change in working capital amounted to TSEK -12,897 (TSEK -8,778). As at the balance sheet date, cash and cash equivalents amounted to TSEK 263,555 (TSEK 102,428).

## Parent company

### Third quarter

The parent company's operating income and own work capitalised during the quarter amounted to TSEK 9,325 (TSEK 7,446). Net sales for the quarter amounted to TSEK - (TSEK -) and profit/loss after financial items were TSEK -15,871 (TSEK -20,983).

During the quarter capitalised development cost increased by TSEK 6,996 (TSEK 7,420). Cash and cash equivalents decreased by TSEK -25,926 (TSEK -25,109). Long-term receivables from subsidiaries increase by TSEK 4,022 (TSEK 2,132) due to the third quarter instalment of the shareholder loan to Swedish Stirling South Africa.

For further comments on the parent company quarterly results refer to the same explanations as the Group results.

### January – September

The parent company's operating income and own work capitalised during the period amounted to TSEK 41,886 (TSEK 36,254). Net sales for the quarter amounted to TSEK - (TSEK -) and profit/loss after financial items were TSEK -45,344 (TSEK -49,081).

As at the balance sheet date, capitalised development costs amounted to TSEK 369,543 (TSEK 334,955). The parent company's cash balance as at the balance sheet date amounted to TSEK 261,531 (TSEK 141,578). Long-term receivables from subsidiaries were TSEK 13,133 (TSEK 6,085), which were higher compared to prior year end as a result of the shareholder loan payments to Swedish Stirling South Africa throughout the year.

For further comments on the parent company results for the period January through September refer to the same explanations as the Group results.

## Transactions with related parties

Board member Gunilla Spongh has resumed her work with assisting the Company with the preparations for the planned listing on Nasdaq Main Market. The assignment is scheduled to end on 31 March 2022. During the period January through September 2021, Spongh has received TSEK 20 (TSEK -).

Ian Curry, former board member of Swedish Stirling's wholly owned subsidiary Swedish Stirling South Africa, has on a consulting basis acted as an advisor to both the subsidiary and parent company in connection with the intensification of the Company's South African business. Curry resigned as board member in November 2020 and is not treated as related party as of this date. During the period January through September 2020, Curry received TSEK 903.

## Staff and organisation

The number of employees at the end of the period was 50, of which 10 were employed in South Africa.

## Shares and financing

Swedish Stirling has been a publicly listed company in Sweden since 28 November 2016 and is as of 6 November 2020 listed on Nasdaq First North Premier Growth Market under the ticker symbol STRLNG and with ISIN code SE0009143993.

The below table outlines the change in issued shares since 1 January 2020.

|  | Shares issued      |
|--|--------------------|
| <b>Opening balance as at 1 January 2020</b>    | <b>85,090,390</b>  |
| New share issue March                          | 6,678,571          |
| Conversion from warrants                       | 350,000            |
| New share issue December                       | 5,000,000          |
| <b>Closing balance as at 31 December 2020</b>  | <b>97,118,961</b>  |
| Conversion from convertible bonds              | 13,770,292         |
| Conversion from warrants                       | 4,220,000          |
| New share issue                                | 13,240,000         |
| <b>Closing balance as at 30 September 2021</b> | <b>128,349,253</b> |

As at 30 September 2021, the share capital amounted to SEK 1,283,492.53 divided into 128,349,253 shares with a quota value of SEK 0.01. All shares confer equal rights to the Company's assets and profits and entitle their holders to one vote at the General Assembly. At the General Assembly, each shareholder with voting rights may vote the full number of shares owned and represented by such party without any restrictions on voting rights.

### Warrant program

In 2014, it was resolved to issue 464 warrants to the Company's employees. Payment was made in a total amount of SEK 3,119,008. This program was not subsidised by the Company and the Company did not incur any material expenses in connection with the program. One (1) warrant entitled the holder to subscribe for ten thousand (10,000) new shares for approximately SEK 2.30 per share from 1 November 2017 up to and including 31 October 2021. During 2020 35 warrants were converted into 350,000 new shares, which increased the Company's share capital by SEK 3,500.

A total of 429 warrants were converted to 4,290,000 shares, of which 70,000 are yet to be registered, during the period January through September 2021, which has increased the Company's share capital by SEK 42,200. As at 30 September all outstanding warrants have been converted to shares and the program has now terminated.

### Convertible loan 2019/2021 (KV2)

An issue of a convertible loan with preferential rights for existing shareholders in the amount of SEK 79,505,021 (STRLNG KV2) was registered on 7 March 2019. The loan carried an interest rate of 10 percent annually. The conversion price was SEK 10 per share. Requests for conversion into shares in the Company could be submitted from 1 January 2021 up to and including 15 February 2021.

The conversion period for KV2 ended on 15 February 2021. Of the total outstanding loan amount of SEK 79,505,021 an amount of SEK 78,814,050 was converted, which corresponds to approximately 99 percent and a dilution of 7.5 percent.

### Convertible loan 2019/2021:2 (KV3)

On 26 November 2019, an issue of a convertible loan was registered with deviation from the shareholders' preferential right in the amount of SEK 53,000,000 (KV3). The convertible loan carried an interest rate of 9 percent per annum and fell due on 28 February 2021. On 22 December 2020 at the Extraordinary General Meeting, it was resolved to amend the conversion price for convertible bonds 2019/2021:2 (KV3) from SEK 10 per share to SEK 9 per share. Requests for conversion into shares in the Company could be submitted from 1 January 2021 up to and including 15 February 2021.

The conversion period for KV3 ended on 15 February 2021. Of the total outstanding loan amount of SEK 53,000,000 a full 100 percent was converted in accordance with previously received conversion commitments, which corresponds to a dilution of 5.7 percent.

### Convertible loan 2020/2025 (KV4)

On 1 July 2020, an issue of a convertible loan with deviation from the shareholders' preferential right in the amount of SEK 100,000,000 (KV4) was registered. The convertible loan carries an interest rate of 14 percent per annum and falls due on 30 June 2025. Conversion requests can be issued from 2 May 2025 up to and including 16 June 2025. The conversion rate is SEK 8 per share. At full conversion the Company's share capital may increase by a maximum of SEK 125,000, and the number of shares in the Company may increase by a maximum of 12,500,000 shares. This corresponds to a dilution of approximately 8.9 percent. There is no intention to list the convertible loan on any marketplace.

## Risks

The Company's business consists mainly of developing and commercialising new technology. The Company's development is thus associated with technical, financial, and regulatory risks. For more detailed information about the Company's risks, please refer to the 2020 annual report available on the Company's website [www.swedishstirling.com](http://www.swedishstirling.com).

The risks associated with the corona pandemic have primarily resulted in certain project delays for Swedish Stirling, due to the lockdown in South Africa. The Company has not incurred any additional costs as a result of the pandemic and has implemented an action program that ensures future cost savings. The Company has also successfully implemented a number of measures to ensure employees' and customers' safety.

## Audit

This interim report has not been subject to review by the Company's auditors.

## Accounting policies

The interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Financial Reporting Board (RFR1 Supplementary Accounting Rules for Groups). Accounting principles and calculations have been applied in the same manner as presented in the 2020 annual report for both the parent company and the Group.

The parent company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board (RFR2 Accounting for Legal Entities).

### Accounting principles for financial instruments at fair value

The Company has entered into a currency hedge during the year which constitutes a financial instrument reported at fair value through profit and loss. Financial assets in this category are reported as derivatives. All derivatives are reported at fair value in the balance sheet. The Company does not currently apply hedge accounting, which is why all derivatives are reported at fair value through profit and loss. The fair value for derivative instruments has been calculated on the basis of the most reliable market prices available. All derivatives are found within level 2 in the value hierarchy and no transfers between the levels have occurred. Level 2 in the fair value hierarchy is based on other observable data for the asset or liability compared to quoted prices included in level 1, either directly (as price) or indirectly (derived from price quotations). With regards to other financial instruments reported at amortised cost, the carrying amount is deemed a reasonable approximation of fair value.

For more detailed information on the Company's accounting principles, please refer to the annual report 2020, which is available on the Company's website.

## Financial calendar

- The results for Q4 2021 will be published on 16 February 2022.
- The annual report for 2021 will be published on 18 March 2022.
- The quarterly report for Q1 2022 will be published on 12 May 2022.
- The half year report for 2022 will be published on 18 August 2022.
- The quarterly report for Q3 2022 will be published on 2 November 2022.

The CEO warrants that the interim report for the period January through September 2021 provides a true and fair view of the parent company's and the Group's operations, financial position and earnings, and describes material risks and uncertainties faced by the parent company and the companies that form part of the Group.

**Gothenburg, 2 November 2021**

**Gunnar Larsson**

CHIEF EXECUTIVE OFFICER

## Contact

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Swedish Stirling AB (publ) is required to disclose this information in accordance with the EU Market Abuse Regulation. The information was submitted for publication at the initiative of the above contact person on 2 November 2021, 12:00 CET.

# Consolidated statement of profit and loss and comprehensive income

| Amount in SEK thousands                                       | Note | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|---|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales   | 2    | 50              | -               | 50              | -               | -               |
| Own work capitalised  |      | 10,545          | 7,091           | 45,624          | 37,418          | 53,025          |
| Other operating income  | 2    | 71              | 44              | 205             | 340             | 370             |
| <b>Total</b>  |      | <b>10,666</b>   | <b>7,135</b>    | <b>45,879</b>   | <b>37,758</b>   | <b>53,395</b>   |
| Raw materials and consumables                                 |      | -3,004          | -3,195          | -14,539         | -12,597         | -18,240         |
| Other external expense  |      | -3,996          | -3,382          | -16,582         | -13,684         | -20,717         |
| Costs of personnel  |      | -10,008         | -7,544          | -32,394         | -24,699         | -34,593         |
| Depreciation of tangible fixed assets and right-of-use assets |      | -867            | -520            | -2,467          | -1,939          | -2,694          |
| Depreciation of intangible fixed assets                       |      | -2,340          | -               | -2,340          | -               | -               |
| Other operating expenses                                      |      | -19             | -36             | -99             | -138            | -102            |
| <b>Total</b>  |      | <b>-20,234</b>  | <b>-14,677</b>  | <b>-68,421</b>  | <b>-53,057</b>  | <b>-76,346</b>  |
| <b>Operating profit</b>                                       |      | <b>-9,568</b>   | <b>-7,542</b>   | <b>-22,542</b>  | <b>-15,299</b>  | <b>-22,951</b>  |
| Financial income  |      | -446            | 3               | 42              | 3               | -               |
| Financial cost  | 3    | -6,373          | -13,856         | -22,592         | -34,475         | -48,489         |
| <b>Financial items - net</b>                                  |      | <b>-6,819</b>   | <b>-13,853</b>  | <b>-22,550</b>  | <b>-34,472</b>  | <b>-48,489</b>  |
| <b>Net income before tax</b>                                  |      | <b>-16,387</b>  | <b>-21,395</b>  | <b>-45,092</b>  | <b>-49,771</b>  | <b>-71,440</b>  |
| Tax   |      | -391            | -337            | -1,121          | -836            | -1,437          |
| <b>Profit/loss for the period</b>                             |      | <b>-16,778</b>  | <b>-21,732</b>  | <b>-46,213</b>  | <b>-50,607</b>  | <b>-72,877</b>  |
| Other comprehensive income:                                   |      |                 |                 |                 |                 |                 |
| Items that may be classified to profit/loss for the period:   |      |                 |                 |                 |                 |                 |
| Exchange rate differences from foreign operation              |      | 177             | -36             | -140            | -101            | -22             |
| <b>Other comprehensive income for the period</b>              |      | <b>177</b>      | <b>-36</b>      | <b>-140</b>     | <b>-101</b>     | <b>-22</b>      |
| <b>Total comprehensive income for the period</b>              |      | <b>-16,601</b>  | <b>-21,768</b>  | <b>-46,353</b>  | <b>-50,708</b>  | <b>-72,899</b>  |

The profit/loss for the period and total comprehensive income for the period are attributable in their entirety to the parent company's shareholders.

Earnings per share, based on the profit/loss for the period attributable to the parent company's shareholders:

| Amount in SEK                        | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Earnings per share prior to dilution | -0.13           | -0.24           | -0.40           | -0.56           | -0.80           |
| Diluted earnings per share           | -0.13           | -0.24           | -0.40           | -0.56           | -0.80           |

# Consolidated balance sheet

## ASSETS

| Amount in SEK thousands                       | Note | 30-09-2021     | 30-09-2020     | 31-12-2020     |
|---|------|----------------|----------------|----------------|
| <b>Intangible fixed assets</b>                |      |                |                |                |
| Capitalised expenditures for development work |      | 381,165        | 311,844        | 342,769        |
| <b>Total</b>                                  |      | <b>381,165</b> | <b>311,844</b> | <b>342,769</b> |
| <b>Tangible fixed assets</b>                  |      |                |                |                |
| Leasehold improvements                        |      | 650            | 735            | 859            |
| Machinery and other technical assets          |      | 12             | 27             | 24             |
| Property, plant and equipment                 |      | 4,177          | 3,993          | 4,191          |
| Vehicles                                      |      | 732            | 411            | 851            |
| <b>Total</b>                                  |      | <b>5,571</b>   | <b>5,166</b>   | <b>5,925</b>   |
| Right-of-use assets                           |      | 10,736         | 3,617          | 3,319          |
| <b>Financial fixed assets</b>                 |      |                |                |                |
| Derivatives                                   |      | 4,920          | -              | -              |
| Other long-term receivables                   |      | 39             | 88             | 37             |
| <b>Total</b>                                  |      | <b>4,959</b>   | <b>88</b>      | <b>37</b>      |
| Deferred tax asset                            |      | 24             | 42             | 44             |
| <b>Total fixed assets</b>                     |      | <b>402,455</b> | <b>320,757</b> | <b>352,094</b> |
| <b>Current assets</b>                         |      |                |                |                |
| Inventories                                   |      | 13,329         | 15,016         | 17,570         |
| Work in progress                              |      | 10,773         | 14,034         | 148            |
| <b>Total</b>                                  |      | <b>24,102</b>  | <b>29,050</b>  | <b>17,718</b>  |
| <b>Current receivables</b>                    |      |                |                |                |
| Current tax receivables                       |      | 1,774          | 195            | 606            |
| Other receivables                             |      | 69             | 287            | 627            |
| Prepaid expenses                              |      | 1,436          | 1,150          | 773            |
| Cash and cash equivalents                     |      | 263,555        | 102,428        | 141,631        |
| <b>Total current assets</b>                   |      | <b>290,936</b> | <b>133,110</b> | <b>161,355</b> |
| <b>TOTAL ASSETS</b>                           |      | <b>693,391</b> | <b>453,867</b> | <b>513,449</b> |

# Consolidated balance sheet

## EQUITY AND LIABILITIES

| Amount in SEK thousands   | Note | 30-09-2021     | 30-09-2020     | 31-12-2020     |
|---|------|----------------|----------------|----------------|
| <b>Equity</b>   |      |                |                |                |
| Share capital   |      | 1,283          | 918            | 971            |
| Share premium reserve   |      | 784,769        | 367,148        | 431,583        |
| Other reserves  |      | -163           | -69            | -23            |
| Retained earnings   |      | -188,402       | -116,800       | -139,306       |
| <b>Total equity attributable to the parent company's shareholders</b> |      | <b>597,487</b> | <b>251,197</b> | <b>293,225</b> |
| <b>Long-term liabilities</b>  |      |                |                |                |
| Convertible loans   |      | 62,693         | 179,709        | 59,129         |
| Lease liabilities   |      | 8,964          | 2,384          | 2,096          |
| Other long-term loans   |      | 10,000         | 10,000         | 10,000         |
| <b>Total</b>  |      | <b>81,657</b>  | <b>192,093</b> | <b>71,225</b>  |
| Deferred tax liability  |      | 3,296          | 1,595          | 2,194          |
| <b>Current liabilities</b>  |      |                |                |                |
| Convertible loans   |      | -              | -              | 127,895        |
| Accounts payable  |      | 3,957          | 4,032          | 5,498          |
| Leasing liabilities   |      | 1,564          | 1,228          | 1,231          |
| Other current liabilities   |      | 1,733          | 1,067          | 7,531          |
| Accrued expenses  |      | 3,697          | 2,655          | 4,650          |
| <b>Total</b>  |      | <b>10,951</b>  | <b>8,982</b>   | <b>146,805</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <b>693,391</b> | <b>453,867</b> | <b>513,449</b> |

# Consolidated changes in equity

| 2020  | Equity attributable to parent company shareholders        |                             |                             |  |  |
|---|---|-----------------------------|-----------------------------|--|--|
|   | Amount in SEK thousands                                   | Share capital               | Other capital contributions | Reserves   | Retained earnings including profit/loss for the period |
| <b>Opening balance as at 1 January 2020</b>                       | 851   | 323,737                     | 32                          | -109,022   | 215,598  |
| Profit/loss for the period  |   |                             |                             | -50,607  | -50,607  |
| Other comprehensive income for the period                         |   |                             | -101                        | 34   | -67  |
| <b>Total comprehensive income for the period</b>                  |   |                             | <b>-101</b>                 | <b>-50,573</b>   | <b>-50,674</b>   |
| <b>Transactions with shareholders in their capacity as owners</b> |   |                             |                             |  |  |
| New share issue, net of transaction costs                         | 67  | 43,411                      |                             |  | 43,478   |
| Option component convertible loan                                 |   |                             |                             | 42,795   | 42,795   |
| <b>Total transactions with shareholders</b>                       | <b>67</b>   | <b>43,411</b>               |                             | <b>42,795</b>  | <b>86,273</b>  |
| <b>Balance as at 30 September 2020</b>                            | <b>918</b>  | <b>367,148</b>              | <b>-69</b>                  | <b>-116,800</b>  | <b>251,197</b>   |
| Profit/loss for the period  |   |                             |                             | -22,270  | -22,270  |
| Other comprehensive income for the period                         |   |                             | 46                          | -1   | 45   |
| <b>Total comprehensive income for the period</b>                  |   |                             | <b>46</b>                   | <b>-22,271</b>   | <b>-22,225</b>   |
| <b>Transactions with shareholders in their capacity as owners</b> |   |                             |                             |  |  |
| New share issue, net of transaction costs                         | 50  | 63,400                      |                             |  | 63,450   |
| Conversion of warrants  | 3   | 1,035                       |                             | -235   | 803  |
| <b>Total transactions with shareholders</b>                       | <b>53</b>   | <b>64,435</b>               | <b>-</b>                    | <b>-235</b>  | <b>64,253</b>  |
| <b>Closing balance as at 31 December 2020</b>                     | <b>971</b>  | <b>431,583</b>              | <b>-23</b>                  | <b>-139,306</b>  | <b>293,225</b>   |
| <b>2021</b>   | <b>Equity attributable to parent company shareholders</b> |                             |                             |  |  |
| Amount in SEK thousands   | Share capital   | Other capital contributions | Reserves                    | Retained earnings including profit/loss for the period | Total equity   |
| <b>Opening balance as at 1 January 2021</b>                       | 971   | 431,583                     | -23                         | -139,306   | 293,225  |
| Profit/loss for the period  |   |                             |                             | -46,213  | -46,213  |
| Other comprehensive income for the period                         |   |                             | -140                        |  | -140   |
| <b>Total comprehensive income for the period</b>                  |   |                             | <b>-140</b>                 | <b>-46,213</b>   | <b>-46,353</b>   |
| <b>Transactions with shareholders in their capacity as owners</b> |   |                             |                             |  |  |
| Conversion of convertible loan to shares                          | 138   | 131,677                     |                             |  | 131,815  |
| Conversion of warrants  | 42  | 12,690                      |                             | -2,883   | 9,849  |
| New share issue, net of transaction costs                         | 132   | 208,819                     |                             |  | 208,951  |
| <b>Total transactions with shareholders</b>                       | <b>312</b>  | <b>353,186</b>              |                             | <b>-2,883</b>  | <b>350,615</b>   |
| <b>Closing balance as at 30 September 2021</b>                    | <b>1,283</b>  | <b>784,769</b>              | <b>-163</b>                 | <b>-188,402</b>  | <b>597,487</b>   |

# Consolidated cash flow statement

| Amount in SEK thousands  | Note | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Operating activities</b>  |      |                 |                 |                 |                 |                 |
| Profit/loss after financial items  |      | -16,387         | -21,395         | -45,092         | -49,771         | -71,440         |
| Adjustments for items not included in cash flow                              | 4    | 6,126           | 8,932           | 16,553          | 21,301          | 33,677          |
| <b>Cash flow from operating activities before changes in working capital</b> |      | <b>-10,261</b>  | <b>-12,463</b>  | <b>-28,539</b>  | <b>-28,470</b>  | <b>-37,763</b>  |
| Increase (-) / decrease (+) in inventories                                   |      | -234            | -2,854          | -2,791          | -7,524          | -12,006         |
| Increase (-) / decrease (+) in operating receivables                         |      | -1,664          | -409            | -1,206          | 1,447           | 924             |
| Increase (-) / decrease (+) in operating liabilities                         |      | -2,200          | -730            | -8,900          | -2,701          | 3,749           |
| <b>Cash flow from changes in working capital</b>                             |      | <b>-4,098</b>   | <b>-3,993</b>   | <b>-12,897</b>  | <b>-8,778</b>   | <b>-7,333</b>   |
| <b>Total cash flow from operating activities</b>                             |      | <b>-14,359</b>  | <b>-16,456</b>  | <b>-41,436</b>  | <b>-37,248</b>  | <b>-45,096</b>  |
| <b>Investing activities</b>  |      |                 |                 |                 |                 |                 |
| Investment in financial fixed assets   |      | -5 117          | -               | -7 954          | -               | -               |
| Investments in intangible assets   |      | -10,545         | -7,109          | -44,564         | -37,436         | -53,155         |
| Investments in tangible fixed assets   |      | -480            | -875            | -1,105          | -2,297          | -3,491          |
| <b>Cash flow from investing activities</b>                                   |      | <b>-16,142</b>  | <b>-7,984</b>   | <b>-53,623</b>  | <b>-39,733</b>  | <b>-56,646</b>  |
| <b>Financing activities</b>  |      |                 |                 |                 |                 |                 |
| New share issue  |      | -               | -               | 208,951         | 43,477          | 106,927         |
| Conversion of warrants   |      | 6,360           | -               | 9,849           | -               | 804             |
| Amortisation of lease debt   |      | -479            | 25              | -1,087          | -892            | -1,188          |
| Repayment of convertible loan  |      | -               | -               | -691            | -               | -               |
| New convertible loans  |      | -               | -               | -               | 100,000         | 100,000         |
| <b>Cash flow from financing activities</b>                                   |      | <b>5,881</b>    | <b>25</b>       | <b>217,022</b>  | <b>142,585</b>  | <b>206,543</b>  |
| <b>Cash flow for the period</b>  |      | <b>-24,620</b>  | <b>-24,415</b>  | <b>121,963</b>  | <b>65,604</b>   | <b>104,801</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>              |      | <b>288,208</b>  | <b>126,841</b>  | <b>141,631</b>  | <b>36,862</b>   | <b>36,862</b>   |
| Exchange rate differences in cash and cash equivalents                       |      | -33             | 2               | -39             | -38             | -32             |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                    |      | <b>263,555</b>  | <b>102,428</b>  | <b>263,555</b>  | <b>102,428</b>  | <b>141,631</b>  |

## Parent company income statement

| Amount in SEK thousands                 | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Operating income</b>                 |                 |                 |                 |                 |                 |
| Net sales                               | -               | -               | -               | -               | -               |
| Own work capitalised                    | 9,225           | 7,402           | 41,704          | 35,914          | 50,627          |
| Other operating income                  | 100             | 44              | 182             | 340             | 348             |
| <b>Total</b>                            | <b>9,325</b>    | <b>7,446</b>    | <b>41,886</b>   | <b>36,254</b>   | <b>50,975</b>   |
| <b>Operating expense</b>                |                 |                 |                 |                 |                 |
| Raw materials and consumables           | -2,666          | -3,992          | -13,425         | -12,605         | -18,231         |
| Other external expense                  | -4,682          | -3,400          | -18,249         | -14,771         | -21,977         |
| Costs of personnel                      | -9,127          | -7,140          | -30,024         | -23,422         | -32,643         |
| Depreciation of tangible fixed assets   | -436            | -341            | -1,281          | -910            | -1,294          |
| Depreciation of intangible fixed assets | -2,228          | -               | -2,228          | -               | -               |
| Other operating expenses                | -10             | -21             | -77             | -67             | -83             |
| <b>Total</b>                            | <b>-19,149</b>  | <b>-14,894</b>  | <b>-65,284</b>  | <b>-51,775</b>  | <b>-74,228</b>  |
| <b>Operating profit</b>                 | <b>-9,824</b>   | <b>-7,448</b>   | <b>-23,398</b>  | <b>-15,521</b>  | <b>-23,253</b>  |
| <b>Profit/loss from financial items</b> |                 |                 |                 |                 |                 |
| Interest income                         | 331             | 172             | 592             | 405             | 495             |
| Interest expense                        | -6,378          | -13,707         | -22,538         | -33,965         | -48,186         |
| <b>Financial items - net</b>            | <b>-6,047</b>   | <b>-13,535</b>  | <b>-21,946</b>  | <b>-33,560</b>  | <b>-47,691</b>  |
| <b>Net income before tax</b>            | <b>-15,871</b>  | <b>-20,983</b>  | <b>-45,344</b>  | <b>-49,081</b>  | <b>-70,944</b>  |
| Income tax                              | -               | -3              | -               | -3              | -5              |
| <b>Profit/loss for the period</b>       | <b>-15,871</b>  | <b>-20,986</b>  | <b>-45,344</b>  | <b>-49,084</b>  | <b>-70,949</b>  |

No items are recognised as other comprehensive income in the parent company, for which reason total comprehensive income for the period corresponds to the profit/loss for the period.

# The parent company balance sheet

| <b>ASSETS</b>                                 |      |                |                |                |
|---|------|----------------|----------------|----------------|
| Amount in SEK thousands                       | Note | 30-09-2021     | 30-09-2020     | 31-12-2020     |
| <b>Intangible fixed assets</b>                |      |                |                |                |
| Capitalised expenditures for development work |      | 369,543        | 307,653        | 334,955        |
| <b>Total</b>                                  |      | <b>369,543</b> | <b>307,653</b> | <b>334,955</b> |
| <b>Tangible fixed assets</b>                  |      |                |                |                |
| Leasehold improvements                        |      | 650            | 735            | 859            |
| Property, plant and equipment                 |      | 4,015          | 3,906          | 4,051          |
| <b>Total</b>                                  |      | <b>4,665</b>   | <b>4,641</b>   | <b>4,910</b>   |
| <b>Financial fixed assets</b>                 |      |                |                |                |
| Shares in subsidiaries                        |      | 0              | 0              | 0              |
| Receivables from subsidiaries                 |      | 13,133         | 5,048          | 6,085          |
| Derivatives                                   |      | 4,920          | -              | -              |
| Other long-term receivables                   |      | 1              | 53             | -              |
| <b>Total</b>                                  |      | <b>18,054</b>  | <b>5,101</b>   | <b>6,085</b>   |
| <b>Total fixed assets</b>                     |      | <b>392,262</b> | <b>317,395</b> | <b>345,950</b> |
| <b>Current assets</b>                         |      |                |                |                |
| Inventory                                     |      | 13,329         | 15,016         | 17,570         |
| Work in progress                              |      | 10,757         | 12,660         | 148            |
| <b>Total</b>                                  |      | <b>24,086</b>  | <b>27,676</b>  | <b>17,718</b>  |
| <b>Current receivables</b>                    |      |                |                |                |
| Receivables from subsidiaries                 |      | 592            | 405            | 551            |
| Current tax receivables                       |      | 28             | 132            | 539            |
| Other receivables                             |      | 13             | 3              | 330            |
| Prepaid expenses                              |      | 1,635          | 1,157          | 960            |
| <b>Total</b>                                  |      | <b>2,268</b>   | <b>1,697</b>   | <b>2,380</b>   |
| Cash and cash equivalents                     |      | 261,531        | 101,416        | 141,578        |
| <b>Total current assets</b>                   |      | <b>287,885</b> | <b>130,789</b> | <b>161,676</b> |
| <b>TOTAL ASSETS</b>                           |      | <b>680,147</b> | <b>448,184</b> | <b>507,626</b> |

# The parent company balance sheet

| EQUITY AND LIABILITIES  |      |                |                |                |
|---|------|----------------|----------------|----------------|
| Amount in SEK thousands   | Note | 30-09-2021     | 30-09-2020     | 31-12-2020     |
| <b>Equity</b>   |      |                |                |                |
| <b>Restricted equity</b>  |      |                |                |                |
| Share capital   |      | 1,283          | 918            | 971            |
| Fund for development costs  |      | 205,516        | 114,286        | 170,928        |
| <b>Total</b>  |      | <b>206,799</b> | <b>115,204</b> | <b>171,899</b> |
| <b>Unrestricted equity</b>  |      |                |                |                |
| Share premium reserve   |      | 784,769        | 367,148        | 431,583        |
| Retained earnings   |      | -347,874       | -182,577       | -239,454       |
| Profit/loss for the period  |      | -45,344        | -49,084        | -70,949        |
| <b>Total</b>  |      | <b>391,551</b> | <b>135,487</b> | <b>121,180</b> |
| <b>Total equity attributable to the parent company's shareholders</b> |      | <b>598,350</b> | <b>250,691</b> | <b>293,079</b> |
| <b>Long-term liabilities</b>  |      |                |                |                |
| Convertible loans   |      | 62,693         | 179,709        | 59,129         |
| Other long-term loans   |      | 10,000         | 10,000         | 10,000         |
| <b>Total</b>  |      | <b>72,693</b>  | <b>189,709</b> | <b>69,129</b>  |
| <b>Current liabilities</b>  |      |                |                |                |
| Convertible loans   |      | -              | -              | 127,895        |
| Accounts payable  |      | 3,766          | 3,911          | 4,983          |
| Other current liabilities   |      | 1,643          | 1,218          | 7,907          |
| Accrued expenses and deferred income                                  |      | 3,695          | 2,655          | 4,633          |
| <b>Total</b>  |      | <b>9,104</b>   | <b>7,784</b>   | <b>145,418</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <b>680,147</b> | <b>448,184</b> | <b>507,626</b> |

# Parent company changes in equity

| 2020  | Equity attributable to parent company shareholders |                     |                |  |                |
|---|--|---------------------|----------------|--|----------------|
| Amount in SEK thousands   | Share capital                                      | Development reserve | Reserves       | Retained earnings including profit/loss for the period | Total equity   |
| <b>Opening balance as at 1 January 2020</b>                       | <b>851</b>   | <b>78,372</b>       | <b>323,737</b> | <b>-189,458</b>  | <b>213,502</b> |
| Profit/loss for the period  |  |                     |                | -49,084  | -49,084        |
| Provisions for development reserve                                |  | 35,914              |                | -35,914  | -              |
| <b>Total comprehensive income for the period</b>                  |  | <b>35,914</b>       |                | <b>-84,998</b>   | <b>-49,084</b> |
| <b>Transactions with shareholders in their capacity as owners</b> |  |                     |                |  |                |
| New share issue, net of transaction costs                         | 67   |                     | 43,411         |  | 43,478         |
| Option component convertible loan                                 |  |                     |                | 42,795   | 42,795         |
| <b>Total transactions with shareholders</b>                       | <b>67</b>  |                     | <b>43,411</b>  | <b>42,795</b>  | <b>86,273</b>  |
| <b>Balance as at 30 September 2020</b>                            | <b>918</b>   | <b>114,286</b>      | <b>367,148</b> | <b>-231,661</b>  | <b>250,691</b> |
| Profit/loss for the period  |  |                     |                | -21,865  | -21,865        |
| Provisions for development reserve                                |  | 56,642              |                | -56,642  | -              |
| <b>Total comprehensive income for the period</b>                  |  | <b>56,642</b>       |                | <b>-78,507</b>   | <b>-21,865</b> |
| <b>Transactions with shareholders in their capacity as owners</b> |  |                     |                |  |                |
| New share issue, net of transaction costs                         | 50   |                     | 63,400         |  | 63,450         |
| Conversion of warrants  | 3  |                     | 1,035          | -235   | 803            |
| <b>Total transactions with shareholders</b>                       | <b>53</b>  |                     | <b>64,435</b>  | <b>-235</b>  | <b>64,253</b>  |
| <b>Closing balance as at 31 December 2020</b>                     | <b>971</b>   | <b>170,928</b>      | <b>431,583</b> | <b>-310,403</b>  | <b>293,079</b> |
| 2021  | Equity attributable to parent company shareholders |                     |                |  |                |
| Amount in SEK thousands   | Share capital                                      | Development reserve | Reserves       | Retained earnings including profit/loss for the period | Total equity   |
| <b>Opening balance as at 1 January 2021</b>                       | <b>971</b>   | <b>170,928</b>      | <b>431,583</b> | <b>-310,403</b>  | <b>293,079</b> |
| Profit/loss for the period  |  |                     |                | -45,344  | -45,344        |
| Provisions for development reserve                                |  | 34,588              |                | -34,588  | -              |
| <b>Total comprehensive income for the period</b>                  |  | <b>34,588</b>       |                | <b>-79,932</b>   | <b>-45,344</b> |
| <b>Transactions with shareholders in their capacity as owners</b> |  |                     |                |  |                |
| Conversion of convertible loan to shares                          | 138  |                     | 131,677        |  | 131,815        |
| Conversion of warrants  | 42   |                     | 12,690         | -2,883   | 9,849          |
| New share issue, net of transaction costs                         | 132  |                     | 208,819        |  | 208,951        |
| <b>Total transactions with shareholders</b>                       | <b>312</b>   |                     | <b>353,186</b> | <b>-2,883</b>  | <b>350,615</b> |
| <b>Closing balance as at 30 September 2021</b>                    | <b>1,283</b>                                       | <b>205,516</b>      | <b>784,769</b> | <b>-393,218</b>  | <b>598,350</b> |

# Parent company cash flow statement

| Amount in SEK thousands  | Note | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Operating activities</b>  |      |                 |                 |                 |                 |                 |
| Profit/loss after financial items  |      | -15,871         | -20,983         | -45,344         | -49,081         | -70,944         |
| Adjustments for items not included in cash flow, etc.                        |      | 5,146           | 8,660           | 15,502          | 19,899          | 31,806          |
| <b>Cash flow from operating activities before changes in working capital</b> |      | <b>-10,725</b>  | <b>-12,323</b>  | <b>-29,842</b>  | <b>-29,182</b>  | <b>-39,138</b>  |
| Increase (-) / decrease (+) in inventories                                   |      | -219            | -1,480          | -2,775          | -6,150          | -9,390          |
| Increase (-) / decrease (+) in operating receivables                         |      | 70              | -417            | 329             | 2,234           | 1,486           |
| Increase (-) / decrease (+) in operating liabilities                         |      | -2,522          | -721            | -9,059          | -2,562          | 3,712           |
| <b>Cash flow from changes in working capital</b>                             |      | <b>-2,671</b>   | <b>-2,618</b>   | <b>-11,505</b>  | <b>-6,478</b>   | <b>-4,192</b>   |
| <b>Total cash flow from operating activities</b>                             |      | <b>-13,396</b>  | <b>-14,941</b>  | <b>-41,347</b>  | <b>-35,660</b>  | <b>-43,330</b>  |
| <b>Investing activities</b>  |      |                 |                 |                 |                 |                 |
| Investment in financial fixed assets   |      | -5 117          | -               | -7 954          | -               | -               |
| Investments in intangible assets   |      | -9,225          | -7,420          | -40,644         | -35,932         | -50,645         |
| Investments in tangible fixed assets   |      | -454            | -578            | -1,036          | -1,968          | -2,622          |
| <b>Cash flow from investing activities</b>                                   |      | <b>-14,796</b>  | <b>-7,998</b>   | <b>-49,634</b>  | <b>-37,900</b>  | <b>-53,267</b>  |
| <b>Financing activities</b>  |      |                 |                 |                 |                 |                 |
| New share issue  |      | -               | -               | 208,951         | 43,477          | 106,927         |
| Conversion of warrants   |      | 6,360           | -               | 9,849           | -               | 804             |
| Repayment of convertible loan  |      | -               | -               | -691            | -               | -               |
| New convertible loans  |      | -               | -               | -               | 100,000         | 100,000         |
| Loans issued to subsidiaries   |      | -4,094          | -2,170          | -7,175          | -5,138          | -6,193          |
| <b>Cash flow from financing activities</b>                                   |      | <b>2,266</b>    | <b>-2,170</b>   | <b>210,934</b>  | <b>138,339</b>  | <b>201,538</b>  |
| <b>Cash flow for the period</b>  |      | <b>-25,926</b>  | <b>-25,109</b>  | <b>119,953</b>  | <b>64,779</b>   | <b>104,941</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>              |      | <b>287,457</b>  | <b>126,525</b>  | <b>141,578</b>  | <b>36,637</b>   | <b>36,637</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                    |      | <b>261,531</b>  | <b>101,416</b>  | <b>261,531</b>  | <b>101,416</b>  | <b>141,578</b>  |

# Notes

## Note 1 General information

Swedish Stirling AB (publ) ("Swedish Stirling"), corporate identity number 556760-6602, is a parent company registered in Sweden with its headquarters in Gothenburg, with the address Gruvgatan 35B, SE-421 30 Västra Frölunda, Sweden.

Unless otherwise specified, all amounts are reported in thousands of SEK (TSEK). Information appearing in parentheses refers to the comparison year which, for income statement and cash flow, represent prior year-to-date for the same period and for balance sheet and equity, prior year ending balance.

## Note 2 Operating income

Operating income comprises the following:

| Amount in SEK thousands       | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales                     | 50              | -               | 50              | -               | -               |
| Currency gains                | 71              | 13              | 198             | 293             | 323             |
| Other income                  | -               | 28              | 7               | 29              | 29              |
| Invoiced cost                 | -               | 3               | -               | 18              | 18              |
| <b>Total operating income</b> | <b>121</b>      | <b>44</b>       | <b>255</b>      | <b>340</b>      | <b>370</b>      |

## Note 3 Financial cost

Convertible debt instruments include both a debt component and an equity component. Swedish Stirling has one outstanding convertible loan of TSEK 100,000 (KV4). For detailed accounting principles for the convertible loans, see Note 2 - 2.16 in the 2020 annual report.

Swedish Stirling is in an expansion phase where revenues from sale of the product have not been reported. As the risk is considered greater in a company that has yet to secure significant sales volumes compared to a mature company, the yield requirements have also been adjusted accordingly. In light of this, a discount rate of 35% has been used to determine the market value of the loan and option component, and the interest effect of the period's revaluation of the convertible loan.

| Amount in SEK thousands         | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Interest convertible loans      | 4,780           | 13,463          | 18,686          | 30,32           | 44,250          |
| Other interest expense          | 273             | 393             | 802             | 4,152           | 4,239           |
| Revaluation of derivative       | 1,320           | -               | 3,104           | -               | -               |
| <b>Total financial expenses</b> | <b>6,373</b>    | <b>13,856</b>   | <b>22,592</b>   | <b>34,475</b>   | <b>48,489</b>   |

During the period January through September 2021, interest payments amounted to TSEK 18,017 (TSEK 20,098).

**Note 4 Adjustments for items not included in cash flow**

| Amount in SEK thousands                          | 2021<br>Jul-Sep | 2020<br>Jul-Sep | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Discount rate convertible loans                  | 1,188           | 6,744           | 8,082           | 17,175          | 24,491          |
| Amortisation of tangible fixed assets            | 867             | 520             | 2,467           | 1,939           | 2,694           |
| Amortisation of intangible fixed assets          | 2,340           | -               | 2,340           | -               | -               |
| Stock obsolescence reserve and scrapped material | 62              | 1,482           | 235             | 1,482           | 2,091           |
| Revaluation of derivative                        | 1,320           | -               | 3,104           | -               | -               |
| Accrued interest                                 | 206             | 206             | 619             | 619             | 4,312           |
| Unrealised currency translation adjustment       | 143             | -20             | -294            | 86              | 89              |
| <b>Total</b>                                     | <b>6,126</b>    | <b>8,932</b>    | <b>16,553</b>   | <b>21,301</b>   | <b>33,677</b>   |

**Note 5 Earnings per share**

|  | 2021<br>Jul-Sep    | 2020<br>Jul-Sep   | 2021<br>Jan-Sep    | 2020<br>Jan-Sep   | 2020<br>Jan-Dec   |
|--|--------------------|-------------------|--------------------|-------------------|-------------------|
| <b>SEK</b>   |                    |                   |                    |                   |                   |
| Earnings per share prior to dilution   | -0.13              | -0.24             | -0.40              | -0.56             | -0.80             |
| Diluted earnings per share   | -0.13              | -0.24             | -0.40              | -0.56             | -0.80             |
| <b>Earnings measurements used in the calculation of earnings per share</b>   |                    |                   |                    |                   |                   |
| Earnings attributable to the parent company's shareholders used in the calculation of earnings per share before and after dilution, TSEK | -16,778            | -21,732           | -46,213            | -50,607           | -72,877           |
| <b>Amount</b>  |                    |                   |                    |                   |                   |
| Weighted average number of common shares when calculating earnings per share before dilution   | 126,458,383        | 91,768,961        | 115,224,904        | 90,135,880        | 91,020,971        |
| <b>Total weighted average number of common shares when calculating earnings per share after dilution</b>                                 | <b>126,458,383</b> | <b>91,768,961</b> | <b>115,224,904</b> | <b>90,135,880</b> | <b>91,020,971</b> |

No dilutive effect as the earnings are negative

**Note 6 Subsequent events**

The board of Swedish Stirling appoints Dennis Andersson as new CEO of the company. Dennis will assume the position on 15 November 2021.

**Note 7 Financial ratios**

In addition to the financial ratios prepared in accordance with IFRS, Swedish Stirling presents financial ratios that have not been defined in accordance with IFRS, for example equity and quick ratio. These alternative ratios are considered important earnings and performance indicators for investors and other users of the interim report. The alternative ratios should be considered a complement to, but not a substitute for, the financial information prepared in accordance with IFRS. The Company's definitions of these measures, not defined in accordance with IFRS, are described in this note.

| Financial ratio                | Definition  | Purpose   |
|--------------------------------|---|---|
| <b>Equity/asset ratio in %</b> | Profit after tax in relation to equity.   | The ratio shows the return on the owners' invested capital.   |
| <b>Equity ratio</b>            | Equity as a percentage of total assets.   | Equity ratio is relevant for investors and other stakeholders who want to assess the Company's financial stability and ability to cope in the long term.            |
| <b>Quick ratio</b>             | Current assets, excluding inventories, divided by current liabilities including proposed dividends. | The key figure gives an idea of the Company's payment readiness in the short term. At a cash flow about 100% the Company manages to pay all their short-term debts. |

## Reconciliation between IFRS and financial ratios

| Amount in SEK thousands    | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|----------------------------|-----------------|-----------------|-----------------|
| Profit/loss for the period | -46,213         | -50,607         | -72,877         |
| Total equity               | 597,487         | 251,197         | 293,225         |
| <b>Return on equity</b>    | <b>-8%</b>      | <b>-20%</b>     | <b>-25%</b>     |

  

| Amount in SEK thousands      | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|------------------------------|-----------------|-----------------|-----------------|
| Total equity                 | 597,487         | 251,197         | 293,225         |
| Total equity and liabilities | 693,391         | 453,867         | 513,449         |
| <b>Equity / asset ratio</b>  | <b>86%</b>      | <b>55%</b>      | <b>57%</b>      |

  

| Amount in SEK thousands               | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|---------------------------------------|-----------------|-----------------|-----------------|
| Total current assets                  | 290,936         | 133,110         | 161,355         |
| Less inventories and work in progress | -24,102         | -29,050         | -17,718         |
| <b>Total</b>                          | <b>266,834</b>  | <b>104,060</b>  | <b>143,637</b>  |
| Total current liabilities             | 10,951          | 8,982           | 146,805         |
| <b>Quick ratio</b>                    | <b>2437%</b>    | <b>1159%</b>    | <b>98%</b>      |

## Key ratios

| Amount in SEK thousand                              | 2021<br>Jan-Sep | 2020<br>Jan-Sep | 2020<br>Jan-Dec |
|---|-----------------|-----------------|-----------------|
| <b>Profitability</b>                                |                 |                 |                 |
| Operating income                                    | 45,879          | 37,758          | 53,395          |
| Operating profit                                    | -22,542         | -15,299         | -22,951         |
| Operating profit, after tax                         | -46,213         | -50,607         | -72,877         |
| Return on equity *                                  | -8%             | -20%            | -25%            |
| <b>Capital structure</b>                            |                 |                 |                 |
| Equity/asset ratio *                                | 86%             | 55%             | 57%             |
| Quick ratio *                                       | 2437%           | 1159%           | 98%             |
| Weighted average outstanding shares                 | 115,224,904     | 90,135,880      | 91,020,971      |
| - Outstanding warrants (**)                         | -               | 4,640,000       | 4,290,000       |
| - Convertible loans (***)                           | 10,000,000      | 23,250,502      | 23,250,502      |
| Number of shareholders (**)                         | 16,301          | 8,448           | 10,402          |
| Earnings per share in SEK                           | -0.40           | -0.56           | -0.80           |
| Earnings per share before and after dilution in SEK | -0.40           | -0.56           | -0.80           |
| Dividend per share                                  | -               | -               | -               |
| <b>Employees</b>                                    |                 |                 |                 |
| Average number of employees                         | 46              | 34              | 34              |
| Personnel costs                                     | 32,394          | 24,699          | 34,593          |

(\*) See note 7 for definitions

(\*\*) At the balance sheet date

(\*\*\*) Estimated number based on a conversion rate of KV2: SEK 10.0 per share, KV3: 9.0 per share and KV4: 8.0 per share.

## Key ratio definitions

**Operating income**

All revenue, including capitalised work for own account.

**Operating profit**

Profit/loss after amortisation and depreciation.

**Operating profit, after tax**

Profit after tax.

**Return on equity**

Profit after tax divided by equity.

**Equity/asset ratio**

Equity as a percentage of total assets.

**Quick ratio**

Current assets, excluding inventories, divided by current liabilities including proposed dividends.

**Weighted average outstanding shares**

Outstanding shares at the beginning of the period adjusted for newly issued shares during the period, multiplied by a time-weighting factor.

**Potential shares attributable to outstanding warrants**

Outstanding warrants at the end of the period converted into potential shares.

**Earnings per share**

The profit/loss for the period divided by the weighted average of outstanding shares.

**Diluted earnings per share**

The profit/loss for the period divided by the weighted average of outstanding shares and potential shares attributable to outstanding warrants and convertibles.

**Dividend per share**

Established dividend per eligible share.

**Average number of employees**

Average number of employees during the period.

**Personnel costs**

Personnel costs during the period, including wages, salaries, other benefits and social welfare costs.



## Swedish Stirling

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