



Inzile AB (publ)

Year-end Report

January 1 - December 31, 2021

Fourth quarter 2021 in brief

- 80% of Spanish QEV Tech Holdings was acquired
- eFashion Championship became principal shareholder of Inzile
- Order from Pinero Group worth SEK 22 million was received
- Agreement with UNWTO, World Tourism Organization, was signed
- British and German investors became strategic shareholders



INZILE

Inzile Group

Fourth Quarter 2021 in numbers

- Net sales amounted to MSEK 2.9 [0.0]
- Operating profit [EBIT] amounted to MSEK -36.9 [0.0]
- Result for the period amounted to MSEK -37.7 [0.0]
- Earnings per share before and after dilution amounted to SEK -0.70 [-0.02]

The Year 2021 in numbers

- Net sales amounted to MSEK 2.9 [0.0]
- Operating profit [EBIT] amounted to MSEK -36.9 [0.0]
- Result for the period amounted to MSEK -49.6 [0.0]
- Earnings per share before and after dilution amounted to SEK -1.10 [-0.08]

Events during the period

In accordance with an approval by the Extraordinary General Meeting, Inzile acquired 80% of the shares in Spanish QEV Tech Holdings [QTH]. The purchase price was SEK 494 million and the access took place immediately. In connection with the acquisition, the Board of Directors decided on a directed share issue to eFashion Championship [eFC] by offsetting eFC's entire claim against Inzile attributable to the transfer of shares in QTH. The subscription price was SEK 14.62 per share, which means that at the registration of the share issue, eFC owned 63% of Inzile's outstanding shares. The acquisition was regarded as a reversed acquisition, meaning that eFC received the controlling interest of Inzile.

Inzile received an order, worth SEK 22 million, from Spanish Pinero Group regarding the development and delivery of battery systems for their existing vehicle fleet within Hotels & Resorts. The order was delivered during Q4 2021 and Q1 2022 to Pinero's facilities in the Caribbean.

The Board of Directors appointed Yago Mendez as CEO with immediate effect. Yago Mendez was at the time Board Member of QEV Technologies in Barcelona and has been CEO of Spanish Amper Group, a USD 300 million listed company. Board Member Måns Sjöstedt took on a new interim position as General Manager for Inzile Nordics.

Inzile finalized the process of raising SEK 45 million in mid-term financing. In part this financing is a credit facility by the main owner eFashion Championship, and in part it is a bridge loan from an external party, both on market terms. The bridge loan was available as of end of November, while the credit is available when Inzile calls for it. The financing is being used for Inzile's working capital need until new capital has been raised.

Inzile Group signed an agreement with the World Tourism Organization [UNWTO] in order to lead the change from the current combustion tourism mobility sector into a global sustainable electromobility solution.

The Norwegian Transport Agency approved Inzile's operation for sales and delivery of vehicles in Norway. Inzile's vehicle Pro4 was approved for a subsidy by Enova Norway of NOK 50 thousand per vehicle.

eFashion Championship strengthened Inzile's ownership structure by adding German businessman Hakan Koc and British-Chinese businesswoman Snowy Li Ru as strategic investors.

At an Extra General Meeting [EGM] it was resolved to amend the articles of association, meaning that the board shall have its registered office in Stockholm and the company's number of shares shall be a minimum of 25 million shares and a maximum of 100 million shares. The EGM also resolved to authorize the Board of Directors to, on one or more occasions during the period until next Annual General Meeting, decide on a new issue of shares. The number of shares that can be issued shall in total correspond to a maximum of 55 percent of the outstanding shares. The EGM elected Rafael Escanez and Yago Mendez as new Members of the Board and Håkan Örtenholm was appointed Chairman of the Board.



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Events after the period

The governments of Spain and Catalonia, together with the local trade unions, endorsed the electromobility HUB proposal made by QEV Technologies, of which Inzile controls 19,6%. The HUB will be located in the previous Nissan factory in the Free Zone of the Port of Barcelona. Inzile is a direct part of the winning HUB proposal and will therefore have at its disposal all the facilities for design and scale production of its planned new vehicles.

Inzile was selected for Swedish HBV's framework agreement regarding procurement of electric work vehicles. The agreement, worth up to SEK 189 million, is valid for three years, with an option for another year. Inzile is one of four accepted suppliers.

Spanish OK Mobility Group invested in Inzile corresponding to 1% of the share capital. OK Mobility Group provides mobility solutions through the OK Rent-a-car and OK-cars brands. The company is market leader in Spain and is also present on the Italian, Portuguese, French and German markets.

Former Board Member Måns Sjöstedt took over as CEO of Inzile, with immediate effect. From the end of November 2021, Måns Sjöstedt was acting General Manager for the Nordic region. Måns Sjöstedt has extensive experience from international business, after many years as CEO in global organizations and a Swedish public company.

Inzile signed an agreement with reseller NT Maskin that operates in central Sweden. NT Maskin is an entrepreneurial company with extensive experience in sales in the green space and contracting industry.

Inzile continued its expansion in the Nordics by signing a dealer agreement with Danish Jaka Service Aps, a sales and service company with seven years of experience in sales and optimization of electric vehicles throughout Denmark.

Inzile received an order, at a value of SEK 5 million, from Pinero Group's subsidiary Turiscar, regarding installation of a turnkey assembly factory with a capacity of 2 000 vehicles per year. The factory will assemble the new generation of the Inzile Hotel & Resort vehicles for the Caribbean market for Emos Caribbean, which is a joint venture company between Inzile and Pinero Group. The order will be delivered during the second quarter of 2022 to the Dominican Republic.

Inzile has signed an agreement with Maskincentrum in Bockara, a well-established dealer of transport vehicles in southern Sweden. During its 50 years of operation Maskincentrum has successfully developed its sales in combination with efficient aftermarket service, which has become their key to expansion.

At an Extra General Meeting, and in accordance with a proposal from the company's majority owner eFashion Championship, Enrique Bañuelos, Gloria Bañuelos and Juan Carlos Del Rio were elected as new Members of the Board. Ragnar Åhgren, Måns Sjöstedt, Rafael Escanez and Yago Mendez resigned as Members of the Board.

Pinero Group invested in Inzile to become a strategic shareholder and partner in the commercialization of electric vehicles in the Caribbean.

Inzile and Spanish OK Mobility Group created a joint venture company for the commercialization of electric vehicles (EV) for the Rent a car sector in Europe. Inzile will design, homologate, and produce compact EVs, in order to supply them to this sector, with the assistance and experience of OK Mobility Group and its marketing facilities.

Inzile has signed a distributor agreement with Finnish Oy YBAS Ab [YBAS], which has a long experience and a wide network. By entering the Finnish market Inzile is present on all larger markets in the Nordics. Initially YBAS will take care of sales of Inzile vehicles to end customers. During this period YBAS will also contract resellers and service partners to expand sales at the highest possible pace on the Finnish market.

Inzile contracted international financial advisor MCM Partners for a capital raise equivalent to SEK 250 million, at SEK 25 per share. The share issue may be divided into two or more transactions and will be directed to selected strategic international investors.

Inzile received an order of 33 Hotel & Resort vehicles for Bahia Principe's 5-star luxury resort Cayo Levantado in the Dominican Republic. Bahia Principe is a high-end brand of Pinero Group. The order will be delivered through Emos Caribbean, a joint venture company between Inzile and Pinero Group. The vehicles will be in operation from November 2022, and Inzile's part of the order has a value of SEK 5,6 million.



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CEO Måns Sjöstedt comments on the fourth quarter and full year of 2021

Market and sales

Sales work during the fourth quarter was focused on activities and expansion on the Nordic markets as well as the Caribbean markets. We successfully secured distribution in Denmark and Finland to reach a full Nordic coverage. The major part of this work was carried out in Q4, but it was signed and press released in February 2022. In Norway, the Pro4 vehicle received a final approval for distribution as well as a qualification for government subsidies for electric vehicles. Inzile has already sold and delivered a few vehicles to customers in Norway. In the fourth quarter 14 Inzile Pro4 vehicles were sold and during the full year of 2021 a total of 50 Pro4 vehicles were sold.

Sales activities outside the Nordic countries have started and our ambition to grow internationally is well established in the company. These activities have already resulted in several orders and a large number of prospects, especially in the Hotel & Resort industry in the Caribbean. Thanks to a very intense - and in some ways turbulent - 2021, Inzile is now a stronger and more future-proof company than ever.

Inzile received its so far largest order when Touriscar, a Pinero Group subsidiary, placed an order of battery systems for their existing vehicles, to be delivered in the Dominican Republic and Mexico, at total value exceeding SEK 22 million. The start of the project has been successful, and the activity is high in both Sweden and the Dominican Republic. Inzile's first customer invoice in this new business area was sent to Pinero Group in November. The co-operation with Pinero Group deepened and Inzile is now involved in several projects, including various geographic areas and fields in the Hotel & Resort industry.

During the first quarter this year the international expansion of Inzile continued and we are very pleased with the progress. The Hotel & Resort joint venture with Pinero Group in the Caribbean and the joint

venture with OK Mobility in the car rental industry are projects that will ensure Inzile's future growth and profitability.

The eFashion Championship Formula E competition project was reactivated and the post-pandemic situation thrown the project in a favorable new forward phase. Inzile is currently developing final technical specifications and is planning for sourcing, production as well as evaluating technical partners for the project.

Production

During the fourth quarter production was at a low pace because the first half of the year gave Inzile the opportunity to manufacture a large number of vehicles. At the end of December, there were 50 vehicles in the finished goods inventory, and we plan to sell all these vehicles during H1, 2022. After that, customer order-driven production will take over.

We also focused on marketing our assembly factory concept, to distributed as a service to our Hotel & Resort vehicle customers in the Caribbean. The first order of this concept will be delivered to Pinero Group in Q2 2022.

Staff

The increased activity during the fourth quarter due to new orders resulted in a shortage of staff in Sweden. Therefore, we are in the process of employing engineers and other key personnel in both Västervik and Tranås. We are also increasing the number of external consultants to fulfill our customers' expectations and deliver on tough timelines on a fast-growing market.

Covid-19

During the fourth quarter, Covid-19 had only a marginal impact on operations. The staff stayed healthy, and the white-collar employees worked part time at the offices and part time from home.



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Financials

Sales work was further intensified during the fourth quarter, but revenues were still lower than planned, mainly due to long sales cycles. Since Inzile built up a finished goods inventory during the first half of the year, the production rate was kept at a reduced level throughout H2. Equipment and component inventories were also built up during H1, which meant that purchases were reduced to a minimum during the second half of the year. Furthermore, finalizing the acquisition of Spanish QEV Tech Holdings (QTH) required legal and financial advisory services, which meant that other external costs increased. Net sales for the fourth quarter amounted to SEK 2.9 million and the result for the period amounted to SEK -37.7 million. Cash at the end of the year amounted to SEK 18.2 million and the equity/assets ratio was 88.3%.

In Q1 2022, Inzile contracted financial advisor MCM to raise approximately SEK 250 million during the second quarter of 2022. To secure financing of working capital until that point in time Inzile is using the mid-term financing facility that was announced in November 2021.

When reading the financials of this report it is important to consider the following conditions. In the first half of October 2021 Inzile and eFashion Championship (eFC) finalized the transaction that was initiated in June the same year. The result was that Inzile received the controlling interest of QTH and therefore controls 19.6% of electric vehicle developer QEV Technologies. At the same time eFC became the majority owner of Inzile. The transaction is regarded as a so-called reversed acquisition, meaning in part that, as of October 1, 2021, QTH became the parent company in the new Inzile consolidated group accounts. Consequently, the consolidated group accounts for 2021 are based on the full year for QTH, but only the fourth quarter for Inzile, and comparative figures for 2020 therefore refers solely to QTH.

Events after the fourth quarter

Inzile's increased geographical coverage in the Nordics and the increased number of engaged dealers, together with our existing partners and customers, will expand sales and revenues during 2022. The start of the new year already showed signs of this, and my expectation is that it will continue. The market situation is good, environmental awareness and increasing energy prices are factors that affect Inzile in a positive direction, in both short and long term.

During the first quarter, Inzile continued to add new strong shareholders who have a clear objective to increase and expand our business together with their existing operations. OK Mobility, Pinero Group, Auto1 and Snowy Li Ru are together with our existing owners an excellent combination for our future global expansion.

In February, the first order including the management of setting up a complete assembly factory was placed on Inzile by Pinero Group, at an order value of SEK 5 million.

QEV Technologies, of which Inzile controls 19.6%, was chosen by the governments of Spain and Catalonia for the electromobility HUB proposal, using the former Nissan factory in Barcelona. These production facilities will be at Inziles disposal for scale production of our planned new vehicles.

Personal reflections

After a few months as Board Member of Inzile, and an even shorter time as CEO, I am excited, proud, and humble over the trust given to me and by this opportunity. To be part of this journey, with the opportunities that lies in front of Inzile, is "an offer you can't refuse".

My focus is to grow a profitable enterprise and bring out the full potential of the team as well as the extensive knowledge and entrepreneurial excellence of Inzile. I am really impressed with the know-how and fighting spirit of the organization. I believe that our focus on special vehicles, in combination with business to business, is a successful strategy, not at least thanks to a fast-growing market for electric mobility.

The joint ventures with Spanish Pinero Group and OK Mobility Group create a great foundation and are key activities for the next phase of Inzile's future success. I can guarantee the Inzile team's full attention on sales and service activities with a strong customer focus. We will in 2022 create and deliver increased value to customers, employees and shareholders.

We want to change the market, vehicles as a service, with the best customer experience. With the strong backing from our owners and shareholders I believe that we have all the tools we need to make Inzile a successful company.

Stockholm, Sweden, March 30, 2022
Måns Sjöstedt
CEO



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Inzile Group

Financial summary

	Oct - Dec 2021	Oct - Dec 2020	Year 2021	Year 2020
Net sales, SEK	2 949 864	0	2 949 864	0
Operating profit [EBIT], SEK	-36 881 162	-3 511	-36 939 856	-14 333
Result for the period, SEK	-37 718 731	-2 634	-49 633 305	-10 750
Earnings per share, before and after dilution, SEK	-0.70	-0.02	-1.10	-0.08
Cash and cash equivalents, SEK	18 188 073	0	18 188 073	0
Cash flow for the period from operating activities, SEK	-17 987 065	0	-17 865 129	0
Equity, SEK	253 284 662	12 913 618	253 284 662	12 913 618
Balance sheet total, SEK	286 964 927	12 927 337	286 964 927	12 927 337
Equity/assets ratio, %	88.3	99.9	88.3	99.9
Total number of shares, before potential dilution	53 586 852	129 285	53 586 852	129 285
Average number of shares, before potential dilution	53 586 852	129 285	45 046 448	129 285
Average number of employees, Group	33	0	8	0
Average number of employees, Parent Company	33	38	54	28

Definitions

Net sales

Revenue from goods and services sold in the principal business

Operating profit (EBIT)

Result before financial items and tax

Cash and cash equivalents

Cash and bank balances

Cash flow from operating activities

Cash flow before cash flow from investing and financing activities

Equity/assets ratio

Equity as a share of total assets. Provides an image of how much of the company's assets are financed with equity and shows the company's solvency in the long term.

Average number of employees

Calculated as the sum of time worked divided by normal working hours for the period.

Earnings per share before and after dilution

Result for the period, attributed to the Parent Company's shareholders, divided by the weighted average number of shares during the period before and after dilution, respectively. If the result is negative, the number of shares before dilution is also used for the calculation after dilution.



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Inzile in brief

Inzile is a Swedish technology company that manufactures intelligent electric vehicles and creates modern transportation and service solutions for a sustainable society. Our vision is to free the world from fossil fuel emissions and speed up climate change by contributing to sustainable cities that improve people's quality of life.

Inzile was founded in 2012, based on a strong desire to adapt the work vehicle sector to the future, and with a team that includes some of Scandinavia's leading authorities in electric vehicles, digitization, manufacturing and procurement. Inzile develops, produces and sells innovative vehicle solutions for a global market based on the Nordic region's challenging climate, safety requirements, and environmental standards.

In the fourth quarter of 2021 Inzile became a group, consisting of Swedish parent company Inzile AB (publ), the Norwegian sales company Inzile AS and 80% of the Spanish holding company QEV Tech Holdings SL, which in turn owns EV Hotels & Resorts SL and joint venture company Emos (50%). Inzile Group also controls 19,6 % of QEV Technologies SL, a technology development company focused on electric racing cars, with its base in Barcelona, Spain. The new Inzile Group has its head office in Stockholm, sales offices in Stockholm and in Palma, Spain, production in Västervik and R&D in Tranås, Sweden.

For further information, please visit: www.inzile.com



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Financial overview Inzile Group

Oct - Dec 2021

Net sales

Net sales amounted to MSEK 2.9 [0.0] for the fourth quarter.

Operating expenses

Operating expenses amounted to MSEK -35.5 [0.0] for the fourth quarter. The costs are primarily related to marketing and sales, materials and components, as well as advisory services regarding the newly completed acquisition.

Operating profit

Operating profit [EBIT] amounted to MSEK -36.9 [0.0].

Result for the period

Result for the period amounted to MSEK -37.7 [0.0], corresponding to earnings per share of SEK -0.70 [-0.02].

Cash flow

Cash flow from operating activities during the period amounted to MSEK -18.0 [0.0].

Full Year 2021

Net sales

Net sales amounted to MSEK 2.9 [0.0] for the year 2021.

Operating expenses

Operating expenses amounted to MSEK -35.6 [0.0] for the year 2021. The costs are primarily related to marketing and sales, materials and components, staffing of the organization, as well as advisory services regarding the newly completed acquisition.

Operating profit

Operating profit [EBIT] amounted to MSEK -36.9 [0.0].

Result for the period

Result for the period amounted to MSEK -49.6 [0.0], corresponding to earnings per share of SEK -1.10 [-0.08].

Cash flow

Cash flow from operating activities during the period amounted to MSEK -17.9 [0.0].

Financial position and investments

Total assets as of December 31, 2021 amounted to MSEK 287.0 [12.9]. Cash and cash equivalents as of December 31, 2021 amounted to MSEK 18.2 [0.0]. The equity/assets ratio was 88.3 [99.9] percent at the end of the period.

Employees

The number of employees as of December 31, 2021 was 29, compared with 0 people at the end of the corresponding period last year.

Principles for the preparation of the interim report

The accounts in Inzile's interim report have been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and in accordance with the general advice of the Swedish Accounting Standards Board (BFNAR) 2012:1 (K3).

The share

Inzile AB [publ] has been traded on Nasdaq First North Growth Market since June 2019. In January 2021, a directed new issue of 2 600 000 shares was carried out. In October 2021, a directed new share issue of 33 759 717 shares was carried out. The number of outstanding shares as of December 31, 2021 amounted to 53 586 852.

Warrants

At the end of December 2020, a long-term incentive program for employees was launched in the form of subscription warrants. As of December 31, 2021, there were 60 500 outstanding subscription warrants in the company with an exercise period of January 1 to March 31, 2025. The options give the right to subscribe for a total of 60 500 shares at a strike price of SEK 100 per share. As of December 31, 2021, after a potential full subscription, the number of outstanding shares would amount to 53 647 352.

Risks

Inzile's risk factors have changed slightly since the last annual report. With more and larger international transactions in the new Group the currency risk has increased.

Audit review

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

Certified Advisor

Redeye AB is Inzile's Certified Advisor.



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Financial overview Parent Company

Full year 2021

Net sales

Net sales amounted to MSEK 9.5 [4.2] for the year 2021.

Result for the period

Result for the period amounted to MSEK -109.0 [-57.1]

Cash flow

Cash flow from operating activities during the period amounted to MSEK -119.4 [-55.3].

Financial position and investments

Total assets as of December 31, 2021 amounted to MSEK 566.3 [57.6]. Cash and cash equivalents as of December 31, 2021 amounted to MSEK 18.0 [16.5]. A major investment of MSEK 494 was made by acquiring 80% of the shares in QEV Tech Holdings SL.



Stockholm, March 30, 2022

Inzile AB [publ]



Håkan Örtenholm,
Executive Chairman



Leif Lindqvist,
Board member



Enrique Banuelos,
Board member



Gloria Banuelos,
Board member



Juan Carlos Del Rio,
Board member



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Group Accounts

Consolidated Income statement SEK	Oct - Dec 2021	Oct - Dec 2020 ¹⁾	Year 2021	Year 2020 ¹⁾
Net sales	2 949 864	0	2 949 864	0
Change in inventory of products in process, finished goods and work in progress on behalf of others	-4 501 533	0	-4 501 533	0
Other operating income	175 372	2 716	234 950	11 086
Total revenue	-1 376 297	2 716	-1 316 719	11 086
Materials and components	-4 608 526	0	-4 608 526	0
Other external expenses	-5 778 205	-6 227	-5 896 476	-25 419
Personnel costs	-9 992 166	0	-9 992 166	0
Depreciations/write-downs of tangible and intangible fixed assets	-13 971 632	0	-13 971 632	0
Other operating expenses	-1 154 337	0	-1 154 337	0
Total expenses	-35 504 866	-6 227	-35 623 137	-25 419
Operating profit	-36 881 162	-3 511	-36 939 856	-14 333
Result from other securities and receivables accounted for as fixed assets	7 708	0	-11 847 420	0
Interest expenses	-845 277	0	-846 029	0
Profit before tax	-37 718 731	-3 511	-49 633 305	-14 333
Tax	0	877	0	3 583
Result for the period	-37 718 731	-2 634	-49 633 305	-10 750
The result for the period is attributable to:				
Parent Company's shareholders	-37 713 528	-2 634	-49 628 102	-10 750
Non-controlling interests	-5 203	0	-5 203	0
Result for the period	-37 718 731	-2 634	-49 633 305	-10 750
1) QEV Tech Holdings SL Group relationship arose via reverse acquisition on Oct 12, 2021. For the period Jan 1 - Sep 30, 2021 and for the entire financial year 2020, the legal subsidiary is reported.				
Weighted average number of shares	53 586 852	129 285	45 046 448	129 285
Earnings per share, before and after dilution, SEK	-0.70	-0.02	-1.10	-0.08



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Group Accounts

Consolidated Balance sheet Condensed, SEK	Dec 31 2021	Dec 31 2020 ¹⁾
Assets		
Intangible fixed assets	218 618 224	0
Tangible fixed assets	11 560 211	0
Financial fixed assets	1 270 587	12 918 865
Deferred tax assets	8 632	8 472
Total fixed assets	231 457 654	12 927 337
Inventories etc.	28 099 761	0
Current receivables	9 219 439	0
Cash and cash equivalents	18 188 073	0
Total current assets	55 507 273	0
Total assets	286 964 927	12 927 337
Equity and liabilities		
Equity	253 284 662	12 913 618
Short-term liabilities, interest-bearing	20 000 000	0
Short-term liabilities, non interest-bearing	13 680 265	13 719
Total current liabilities	33 680 265	13 719
Total equity and liabilities	286 964 927	12 927 337

1) QEV Tech Holdings SL
Group relationship arose via reverse acquisition on Oct 12, 2021.
For the period Jan 1 - Sep 30, 2021 and for the entire financial year 2020, the legal subsidiary is reported.

Consolidated statement of changes in equity Condensed, SEK	Oct - Dec 2021	Oct - Dec 2020 ¹⁾	Year 2021	Year 2020 ¹⁾
Opening balance of shareholder equity	1 154 059	13 564 090	12 913 618	13 423 215
Share issue, net after capital transactions costs	289 859 854	0	289 859 854	0
Exchange-rate differences from translation of foreign subsidiaries	-10 520	-647 838	144 495	-498 847
Result for the period	-37 718 731	-2 634	-49 633 305	-10 750
Closing balance of equity	253 284 662	12 913 618	253 284 662	12 913 618
Of which non-controlling interests	225 598	n/a	225 598	n/a

1) QEV Tech Holdings SL
Group relationship arose via reverse acquisition on Oct 12, 2021.
For the period Jan 1 - Sep 30, 2021 and for the entire financial year 2020, the legal subsidiary is reported.



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Group Accounts

Consolidated cash flow statement Condensed, SEK	Oct - Dec 2021	Oct - Dec 2020 ¹⁾	Year 2021	Year 2020 ¹⁾
Cash flow from operating activities before change in working capital	-22 047 241	-3 511	-22 105 934	-14 333
Decrease [+] / increase [-] in inventories	8 267 681	0	8 267 681	0
Decrease [+] / increase [-] of current receivables	-6 022 913	0	-6 026 213	0
Decrease [-] / increase [+] of current liabilities	1 815 408	3 511	1 999 337	14 333
Cash flow from operating activities	-17 987 065	0	-17 865 129	0
Cash flow from investing activities	16 152 281	0	16 050 832	0
Cash flow from financing activities	20 000 000	0	20 000 000	0
Change in cash and cash equivalents	18 165 216	0	18 185 702	0
Opening balance of cash and cash equivalents	20 543	0	0	0
Exchange-rate differences in cash and cash equivalents	2 314	0	2 371	0
Closing balance of cash and cash equivalents	18 188 073	0	18 188 073	0

1) QEV Tech Holdings SL

Group relationship arose via reverse acquisition on Oct 12, 2021.

For the period Jan 1 - Sep 30, 2021 and for the entire

financial year 2020, the legal subsidiary is reported.



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Accounting principles for the Group - in summary form

General

On October 12, 2021, Inzile AB [publ] [Inzile] acquired 80% of the shares in QEV Tech Holdings SL [QTH]. The acquisition took place through the issue of new shares whereby the owners of QTH received 63% of the shares in Inzile. Since in this case it is the owner of the acquired company who received a controlling interest over the new group, the transaction was reported in accordance with the rules for reverse acquisitions. This means that despite the fact that Inzile is the legal parent company, the consolidated accounts for 2021 are prepared as if the legal subsidiary QTH were the parent company and that it is the acquiring company's assets and liabilities that are valued at fair value at the time of the transaction. The consolidated financial statements are prepared as if QTH had acquired Inzile. A hypothetical purchase price has therefore been calculated. See the preliminary Purchase Price Allocation [PPA] in Note 1 Business combinations, on page 15.

No group existed until the transaction above, but in order to increase comparability, the legal subsidiary, QTH, is reported for comparable periods in the consolidated income statements and balance sheets, equity reports and cash flow analysis. This is the first time Inzile publishes an external financial report that includes consolidated accounts. The most essential additional accounting principles for the Group are presented below in a condensed form. In other respects, reference is made to accounting principles described in Inzile's Annual Report 2020.

Consolidated financial statements

Companies in which Inzile holds the majority of the votes at the Annual General Meeting and companies in which Inzile has a controlling influence by agreement are classified as subsidiaries and consolidated in the financial statements. The subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the purchase method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the purchase price, including the value of the minority interest, and is initially valued at acquisition value. Transactions between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual accounts in foreign currency. Upon consolidation, the items in these companies' balance sheets and income statements are translated at the balance sheet date rate and the spot rate for the day of a business event, respectively. The exchange rate differences that arise are reported in accumulated exchange rate differences in the Group's equity.

Leasing agreement

All the Group's leasing agreements are operational leasing [rental agreements] and are reported as an expense on a straight-line basis over the leasing period.

Goodwill

Goodwill is reported at acquisition value less accumulated depreciation and write-downs. Goodwill is amortized on a straight-line basis over the estimated useful life [five years].

Shares in joint ventures

Joint venture is a contract-based collaboration where two or more parties jointly conduct an economic activity and have a joint controlling influence over the business. The Group's joint ventures have the form of jointly controlled companies and are reported in accordance with the equity method.

Ownership interests

Holdings of shares in a company that are intended to promote the business in Inzile by creating a lasting connection with the other company are reported as associated companies. The holdings are long term. Assets included in this item are initially reported at acquisition value. In the subsequent accounting, the shares are valued at acquisition value with an assessment regarding whether there is a need for impairment.



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Note 1 Business combinations

On October 12, 2021, Inzile AB [publ] [Inzile] acquired 80% of the shares in QEV Tech Holdings SL [QTH]. The acquisition took place through the issue of new shares whereby the owners of QTH received 63% of the shares in Inzile. Since in this case it is the owner of the acquired company who receives a controlling interest over the new group, the transaction has been reported in accordance with the rules on so-called reverse acquisitions. This means that despite the fact that Inzile is the legal parent company, the consolidated accounts for 2021 are prepared as if the legal subsidiary QTH were the parent company and that it is the acquiring company's assets and liabilities that are valued at fair value at the time of the transaction.

The consolidated financial statements are prepared as if QTH had acquired Inzile. A hypothetical purchase price has therefore been calculated. The preliminary Purchase Price Allocation (PPA) regarding acquired net assets is presented below:

Purchase price	SEK
Cash portion	0
Non-cash Issue	289 872 714
Total purchase price	289 872 714

<i>Value of acquired assets and liabilities</i>	
Goodwill	224 170 766
Intangible fixed assets	6 030 459
Tangible fixed assets	16 080 701
Financial fixed assets	22 328
Inventories etc.	36 338 508
Current receivables	3 161 546
Cash and cash equivalents	14 945 416
Short-term liabilities	-10 877 010
Total identifiable net assets and goodwill	289 872 714

Impact on Group's cash and cash equivalents	
Purchase price, cash portion	0
Paid capital transactions costs	-12 860
Cash and cash equivalents in the acquired companies	14 945 416
Total impact on Group's cash and cash equivalents	14 932 556



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Parent Company

Income statement Condensed, SEK	Oct - Dec 2021	Oct - Dec 2020	Year 2021	Year 2020
Net sales	3 872 257	2 132 419	9 547 821	4 199 644
Change in inventory of products in process, finished goods and work in progress on behalf of others	-4 501 533	5 978 535	14 339 698	6 525 836
Other operating revenue	155 564	-573	205 289	93 427
Own work capitalized	0	6 918 983	0	7 642 270
Total revenue	-473 712	15 029 364	24 092 808	18 461 177
Materials and components	-5 523 977	-10 953 037	-50 932 214	-18 140 610
Other external expenses	-5 595 923	-11 656 703	-27 096 646	-24 792 253
Personnel costs	-9 992 165	-10 844 138	-45 206 090	-25 592 896
Depreciations/write-downs of tangible and intangible fixed assets	-2 763 094	-5 838 622	-6 143 424	-6 558 534
Other operating expenses	-1 154 337	-58 575	-2 718 241	-166 608
Total expenses	-25 029 496	-39 351 075	-132 096 615	-75 250 901
Operating profit	-25 503 208	-24 321 711	-108 003 807	-56 789 724
Interest expenses	-845 024	-66 454	-996 901	-298 456
Profit before tax	-26 348 232	-24 388 165	-109 000 708	-57 088 180
Tax	0	0	0	0
Result for the period	-26 348 232	-24 388 165	-109 000 708	-57 088 180



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Parent Company

Balance sheet Condensed, SEK	Dec 31 2021	Dec 31 2020
Assets		
Intangible fixed assets	5 655 996	7 153 847
Tangible fixed assets	11 560 211	8 560 290
Financial fixed assets	493 590 893	0
Total fixed assets	510 807 100	15 714 137
Inventories etc.	27 014 604	23 449 946
Current receivables	10 460 575	1 869 590
Cash and cash equivalents	18 021 089	16 523 003
Total current assets	55 496 268	41 842 539
Total assets	566 303 368	57 556 676
Equity and liabilities		
Equity	532 907 919	27 324 424
Short-term liabilities, interest-bearing	20 000 000	10 000 000
Short-term liabilities, non interest-bearing	13 395 449	20 232 252
Total current liabilities	33 395 449	30 232 252
Total equity and liabilities	566 303 368	57 556 676

Statement of changes in equity Condensed, SEK	Oct - Dec 2021	Oct - Dec 2020	Year 2021	Year 2020
Opening balance of shareholder equity	65 701 948	51 712 589	27 324 424	19 677 783
Share issue, net after capital transactions costs	493 554 203	-	614 584 203	64 734 821
Result for the period	-26 348 232	-24 388 165	-109 000 708	-57 088 180
Closing balance of equity	532 907 919	27 324 424	532 907 919	27 324 424



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Cash flow statement Condensed, SEK	Oct - Dec 2021	Oct - Dec 2020	Year 2021	Year 2020
Cash flow from operating activities before change in working capital	-21 876 835	-18 377 426	-99 818 918	-50 357 529
Decrease [+] / increase [-] in inventories	9 323 904	-11 387 550	-3 564 658	-18 682 980
Decrease [+] / increase [-] of current receivables	-8 386 937	-633 280	-8 614 815	1 038 358
Decrease [-] / increase [+] of current liabilities	2 837 073	9 221 666	-7 432 480	12 670 686
Cash flow from operating activities	-18 102 795	-21 176 590	-119 430 871	-55 331 465
Cash flow from investing activities	1 191 328	-5 500 874	-10 088 183	-15 217 379
Cash flow from financing activities	19 987 140	10 000 000	131 017 140	74 734 822
Change in cash and cash equivalents	3 075 673	-16 677 464	1 498 086	4 185 978
Opening balance of cash and cash equivalents	14 945 416	33 200 467	16 523 003	12 337 025
Exchange-rate differences in cash and cash equivalents	0	0	0	0
Closing balance of cash and cash equivalents	18 021 089	16 523 003	18 021 089	16 523 003



Financial calendar

Annual Report 2021	April 28, 2022
First quarter, 2022	May 31, 2022
Annual General Meeting 2022	June 8, 2022
Second quarter, 2022	August 31, 2022
Third quarter, 2022	November 18, 2022

Inzile's financial reports are published at the company's website, see the link below.

<https://inzile.com/investerare/finansiella-rapporter/>

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