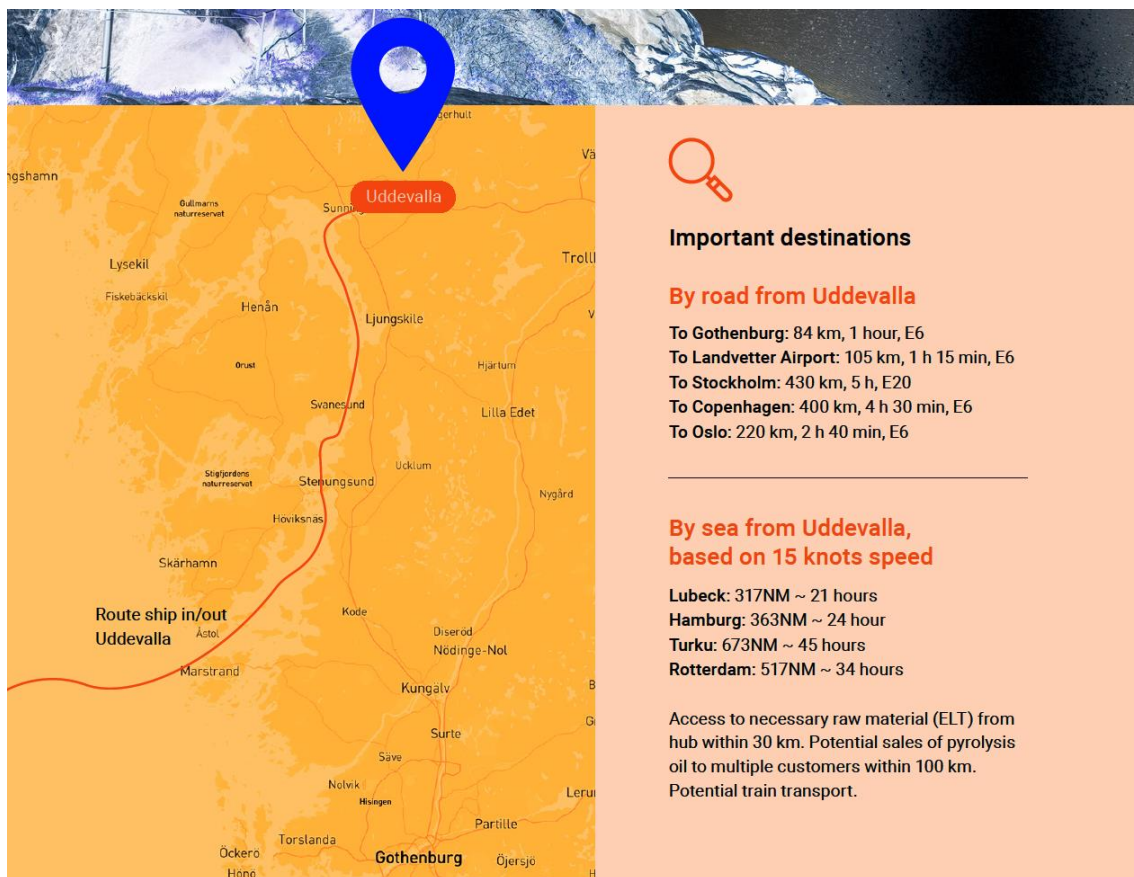




## Half Year Report January – June 2021



*Route map to the planned plant in Uddevalla in which an application for a permit is prepared for a capacity of 60,000 tons end-of-life-tyres per year*

## Half Year Report Scandinavian Enviro Systems AB (publ) January – June 2021

*N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

### Q2 2021

- Net revenues for the period were MSEK 0.5 (0.2)
- Earnings after tax for the period were MSEK -15.3 (-11.9)
- Earnings per share for the period (before dilution) was SEK -0.03 (-0.05)
- Cash flow for the period after investments was MSEK -15.6 (-11.4)
- Michelin's new racing tyres has better performance and less climate impact due to recovered carbon black from Enviro
- Enviro strengthens its capital via a directed issue of MSEK 21.0
- Substantial interest as key employees at Enviro subscribe to options as part of incentive scheme
- Favourable conditions for tyre recovery with Enviro's technology in the UK
- Enviro initiates consultation regarding plant on identified industrial site in West Sweden
- Peter Sandberg Chairman of Enviro's Nomination Committee

### Jan-June 2021

- Net revenues for the period were MSEK 5.1 (0.9)
- Earnings after tax for the period were MSEK -27.4 (-23.6)
- Earnings per share for the period (before dilution) was SEK -0.05 (-0.05)
- Cash flow for the period after investments was MSEK -25.0 (-23.1)
- Enviro receives order from Michelin for engineering services worth MSEK 4
- Enviro and Michelin sign definitive agreements on strategic partnership
- Enviro announces further details of partnership agreements with Michelin
- Approval at an extraordinary general meeting concerning final agreements with Michelin

### Significant events after end of period

- Michelin increases its ownership to 20 percent of the shares in Enviro

**Enviro is a company developing, building and operating industrial plants for material recovery from End of Life Tyres (ELT).** The company has developed a process, based on a patented technology, where gas generated in the process is heating the tyres in absence of oxygen. This enables the materials in the tyres to decompose and be recovered instead of incinerated. Thus, a sustainable recovery of the resources Carbon black, Oil, Steel and Gas is obtained. The products are used in new products, replacing fossil resources to help the customers reach their sustainability targets. Enviro was founded in 2001, has its head office in Gothenburg and runs its own plant for ELT tyres in Åsensbruk, Sweden. The company is listed on the First North Growth Market with Mangold Fondkommission AB, tel. +46 (0)8 5030 1550, ca@mangold.se, as its Certified Advisor. [www.envirosystems.se](http://www.envirosystems.se)

## Realizing our plans step by step

**For Enviro, the second quarter of 2021 was dominated by a long line of activities and events that, step by step, help realize the expansion plans that we have put into place. These involved decisive activities for the establishment of the announced plant in Chile and a new recycling plant in West Sweden, as well as a clear increase in interest for recovered carbon black and oil.**

Having reached a definitive agreement for a strategic partnership with Michelin during the first quarter, Enviro entered into an expansion phase in which central activities aim to support our established and announced overarching plan: to establish 30 recycling plants based on our leading pyrolysis technology by 2030. Efforts to establish a jointly owned facility with Michelin in Chile are proceeding according to plan. Michelin has now begun to appoint subcontractors for the establishment and, after the end of the quarter, the international technology consultant company McDermott announced that it had been tasked by Michelin to complete the next phase: Front End Engineering Design. The design, which involves an adaptation of Enviro's technology based on local prerequisites, is intended for use at the recycling plant in Chile as well as potential additional facilities that Michelin is entitled to establish in accordance with our agreement.

At the end of May, we could announce that we identified a suitable industrial site outside of Uddevalla for a new facility in West Sweden, and that we initiated consultation to establish a plant there. We intend to submit a formal application for a permit to establish the plant in the autumn. However, and as we previously noted, there are some additional factors that need to be resolved before we can establish the plant, which include securing access to end-of-life tyres and establishing a supply agreement for recovered material from the plant. Nevertheless, we are highly confident of the demand for recovered material and that we will have access to tyres. The need for more circular solutions for the management of end-of-life tyres is considerable, and we are seeing an increase in expressed interest for our technology from different recycling companies.

In terms of carbon black, all major tyre manufacturers have announced extensive ambitions in the past year when it comes to the use of recovered material. Michelin and two other global tyre manufacturers have set a target to use 100 per cent recovered material in their tyres by 2050. Michelin has already demonstrated that the increased use of recovered material does not lead to inferior end products, and at the end of April, Michelin presented a new motorcycle racing tyre containing recovered carbon black from Enviro that performed even better than its non-environmentally adapted counterpart.

As Enviro previously announced, we assess that recovered carbon black could, in time, replace half of all virgin carbon black, and we are engaging in discussions for deliveries of recovered carbon black with a number of major tyre manufacturers. An interesting change in this respect is that requests have become clearly more strategic and encompass significantly greater volumes and more precise schedules. If recovered carbon black was previously considered an interesting possibility in these discussions, it is now considered a business-critical raw material, the access to which needs to be secured globally. To paint a better picture of where in the world it could be beneficial for us to establish operations, we are now investigating where other tyre manufacturers have their facilities – we have identified 36 key facilities where tyres are being manufactured in Europe alone. If these key facilities were to replace 30 per cent of virgin carbon black with recovered carbon black, this would be equivalent to the need for

250,000 tonnes of recovered carbon black per year. Since one of our normal-sized facilities typically produces 9,000 tonnes of recovered carbon black per year, this means that we would require about 28 of these facilities to meet a 30 per cent replacement requirement in Europe alone. In the rest of the world, the need is naturally many times greater. As a comparison, we are applying for a permit for the planned facility in Uddevalla to recover 60,000 tonnes of tyres, which would yield about 18,000 tonnes of recovered carbon black per year.

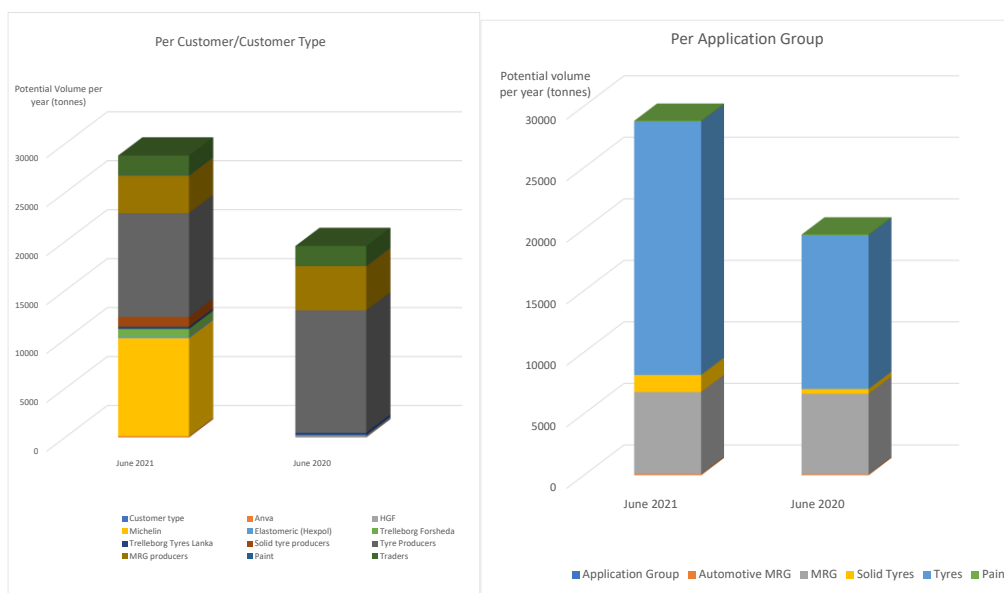
The latest report from the UN's Intergovernmental Panel on Climate Change (IPCC) published at the start of August clearly expressed that the planet's climate is going in the wrong direction and that the need for action is critical. The UN Secretary-General Antonio Guterres described the report as a code red for humanity and demanded a stop for fossil fuels. To end the use of fossil fuels is easier said than done considering that oil is still critical for transportation and as a raw material in the chemicals industry. In line with this, our pyrolysis oil offers a highly compelling alternative as it has a high content of oil from renewable natural rubber and, as such, has clearly less of a negative impact on the climate. To increase the commercial potential of our oil, our goal is for certification according to the ISCC standard as soon as possible, efforts for which have already commenced. In this context, it is worth repeating the conclusions of the UK feasibility study that investigated the opportunity of establishing a recycling plant based on Enviro's technology in the UK market. As previously announced, the study concluded that there are favourable opportunities to establish a commercially successful recycling plant. The decisive reason is the expected significant domestic demand for pyrolysis oil for the transition of renewable vehicle fuel.

To conclude, I would like to mention the directed share issue (private placement) totalling MSEK 21 that we completed during the quarter. As previously announced, the aim of the issue was to strengthen our working capital pending the Board's evaluation of different long-term financing alternatives. In conjunction with the issue, Michelin's ownership of the company became somewhat diluted, but after the end of the quarter we were able to note that Michelin had increased its holding in Enviro and that the company once again owned 20 per cent of Enviro. We consider this a sign of trust in Enviro and our technology. Enviro has every reason to be confident ahead of upcoming developments.

*Thomas Sörensson*

*Chief Executive Officer*

**Below: Status of the interest in Enviro’s carbon black and potential carbon black customers.**



The customers in these graphs all have at least a status where production tests have or are being conducted. The graphs clearly show an increase in interest for our recovered carbon black, especially from the tyre industry.

**Below: Status ongoing customer contacts regarding future plants**

Customer	Cap. 'tonnes tyres/year	Status	Type	Country
Michelin	30	Agreement signed	Tyre Manufacturer	Chile
Own Project	Max 60	Permit process	N/A	Sweden
Own project	90	Feasibility study	N/A	UK

The above listed projects are the ones Enviro assesses as having the biggest probability to be realised within 24 months. As a result of the new business model, we will prioritize projects where we evaluate that a co-ownership will be the most favourable one.

## Financial summary

### Q2 2021

#### Group revenues and results

Net revenues for the period were MSEK 0.5 (0.2). Operating results totalled MSEK -15.3 (-11.9), and earnings after tax were MSEK -15.3 (-11.9). The decrease of the result compared to last year with MSEK 3.4 is explained by higher external costs in connection with legal and consultancy support as well as running costs in connection with improvements in the plant in Åsensbruk, all in all totally MSEK 1.0 higher than during the same period in 2020. The personnel costs are totally MSEK 2.2 higher than last year mainly due to strengthening of the staff in both the parent company and the subsidiary as well as payments of achievement related remunerations. In addition to that direct costs, depreciation and financial expenses has been MSEK 0.5 higher than during the same period last year. On the other hand, there is an increase in turnover of MSEK 0.3 compared to Q2 in 2020.

#### Investments and financial standing

Investments of the group in fixed assets amounted to MSEK 2.4 (2.3). The investments consist of additional investments in the plant in Åsensbruk, as well as a PDP (Process Design Package) for a future plant. The cash flow from operating activities after investing activities for the period were MSEK -15.6 (-11.4). The decrease in the cashflow is related to a lower operating result after adjustments of working capital, mainly due to lower operating income after adjustment of working capital of MSEK 4.1, of which MSEK 1.0 is related to changes in working capital. However, the investments have been MSEK 0.1 lower compared to the same period 2020.

Further, the parent company has secured additional capital of MSEK 21.0 via a directed issue. In connection with allotment of warrants to the board and key employees, the company received additional capital of MSEK 5.6.

### JANUARY – MARCH 2021

#### Group revenues and results

Net revenues for the period were MSEK 5.1 (0.9). Operating results totalled MSEK -27.3 (-23.4), and earnings after tax were MSEK -27.4 (-

23.6). The decrease of the result compared to last year with MSEK 3.8 is explained of by higher external costs in connection with legal and consultancy support as well as running costs in connection with improvements in the plant in Åsensbruk, all in all totally MSEK 3.0 higher than during the same period in 2020. The personnel costs are totally MSEK 4.3 higher than last year mainly due to strengthening of the staff in both the parent company and the subsidiary as well as payments of achievement related remunerations. In addition to that direct costs, depreciation and financial expenses has been MSEK 0.7 higher than during the same period last year. On the other hand, there is an increase in turnover of MSEK 4.2 mainly due to invoicing from the parent company for engineering services according to an agreement with Michelin concerning a commonly owned plant in Chile.

#### Investments and financial standing

Investments of the group in fixed assets amounted to MSEK 3.9 (5.0). The investments consist of additional investments in the plant in Åsensbruk, as well as a PDP (Process Design Package) for a future plant. The cash flow from operating activities after investing activities for the period were MSEK -25.0 (-23.1). The decrease in the cashflow is related to a lower operating result after adjustments of working capital, mainly due to lower operating income after adjustment of working capital of MSEK 2.9, However, the investments have been MSEK 1.0 lower compared to the same period 2020.

Further, the parent company has secured additional capital of MSEK 21.0 via a directed issue. In connection with allotment of warrants to the board and key employees, the company received additional capital of MSEK 5.6.

The group cash amounted to MSEK 39.5 (66.5) at the end of the period.

The equity/assets ratio was 91 (91) percent.

#### Parent company

The net revenues for the parent company totalled MSEK 5.6 (1.6), and the result after tax was MSEK -25.2 (-24.3). The major part of the revenues is a sale of a part of the engineering services, which are included in the agreements between the company and Michelin that were signed and approved during Q1 as well as invoicing to group companies for internal

services. For the rest the company has incurred higher external expenses, mainly legal and consultancy expenses which are MSEK 0.6 higher than last year. The staff costs are MSEK 2.0 higher than during the same period last year, mainly due to strengthening of the staff as well as payments of achievement related remunerations. The investments in fixed assets amounted to MSEK 2.5 (0.7). The investments of the year are mainly related to a PDP for a future plant.

Further, the parent company has secured additional capital of MSEK 21.0 via a directed issue. In connection with allotment of warrants to the board and key employees, the company received additional capital of MSEK 5.6.

The Equity/assets ratio at the period-end was 95 (96) %.

#### Staff and Organisation

The group has 23 (21) employees at the period-end.

#### Executed transactions with related parties

For the period Jan-June consultancy fees to P 30 Ltd. of MSEK 0.4 have been included. Further, the parent company has invoiced Michelin the equivalent of MSEK 4.0 for engineering services according to agreement. Further, the subsidiary Tyre Recycling in Sweden AB has invoiced two different Michelin-owned companies for an amount of around SEK 0.2 million.

This concerns sales of recovered carbon black and services. These transactions are evaluated by the company management to be according to market conditions. In connection with the, by the AGM, approved incentive programs LTIP 2021/2024 and LTIP 2021/2025 Tyre Recycling in Sweden AB has acquired 17,947,528 warrants for a total of around MSEK 8.3 from the parent company. Tyre Recycling in Sweden AB has, after that, made an allotment of 6,074,260 warrants in the program LTIP 2021/2024 for around MSEK 2.7 and 5,945,900 warrants in the program LTIP 2021/2025 for around MSEK 2.9.

#### Number of shares

Total shares outstanding at the end of the period was 590,826,115 (580,826,115).

#### Risks and uncertainties

A detailed description of risks and uncertainty factors is provided on page 41 and 54 of the annual report of 2020 as well as on pages 18-22 in the 2018 share issue prospectus. No new risks are assessed to have arisen in relation to those listed there.

#### FINANCIAL KEY RATIOS

##### Accounting policies

The consolidated reports for the group are prepared in compliance with the Swedish Annual Accounts Act, and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3). Applicable accounting policies are detailed in the company consolidated annual report note 1.

## Financial Key Ratios

	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
EBITDA (KSEK)	-11,926	-8,667	-20,707	-17,073	-36,969
Operating margin (%) <sup>1)</sup>	neg.	neg.	neg.	neg.	neg.
Equity Ratio (%) <sup>2)</sup>	-	-	91.1%	91.5%	90.4%
Return on capital employed (%) <sup>3)</sup>	-11.1%	-7.2%	-18.9%	-13.7%	-31.8%
Interest-bearing liabilities (KSEK) <sup>4)</sup>	-	-	2,360	5,528	3,944
Earnings per share before dilution (SEK)	-0.03	-0.02	-0.05	-0.05	-0.09

<sup>1)</sup> Operating income as a percentage of net sales.

<sup>2)</sup> Total equity divided by total assets

<sup>3)</sup> Capital employed; equity plus interest bearing liabilities. Return on capital employed is calculated as earnings after financial items plus interest expenses divided by average capital employed.

<sup>4)</sup> Interest bearing liabilities, ending balance.

## Largest shareholders

June 30, 2021

☒

Shareholders	Ownership share
Michelin Ventures S.A.S	20.00%
Försäkringsbolaget Avanza Pension	7.05%
Nordnet Pensionsförsäkring AB	2.51%
Peak AM Securities AB (Lennart Persson)	2.03%
Unwrap Finance AB	1.35%
<b>10 largest owners</b>	<b>36.11%</b>
<b>Others</b>	<b>63.89%</b>

## Planned reporting schedule

Interim Report Jan-Sep 2021	November 18, 2021
Year End Report Jan-Dec 2021	February 24, 2022
Annual Report 2021 is published on the company's website	April 28, 2022
Quarterly Report January-March 2022	May 19, 2022
Annual General Meeting 2022	May 19, 2022

Gothenburg August 26, 2021

The board of directors and Managing Director

Scandinavian Enviro Systems AB (publ)

This interim report has not been subject to auditing by the company's auditors.

## Questions answered by

Thomas Sörensson, VD, Phone: +46 735 10 53 43, [thomas.sorensson@envirosystems.se](mailto:thomas.sorensson@envirosystems.se)

Urban Folcker, CFO, Phone: +46 760 00 13 11, [urban.folcker@envirosystems.se](mailto:urban.folcker@envirosystems.se)



**CONSOLIDATED STATEMENT OF INCOME**

Amounts in KSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>Operating income</b>					
Net sales	484	233	5,124	914	1,508
Other operating income	-	-	-	-	29
Changes in stocks of finished goods	23	- 62	34	18	357
	<b>507</b>	<b>171</b>	<b>5,158</b>	<b>932</b>	<b>1,894</b>
<b>Operating expenses</b>					
Raw materials and consumables	- 215	- 41	- 559	- 69	- 370
Other external costs	- 5,705	- 4,564	- 12,332	- 9,363	- 20,270
Personnel costs	- 6,513	- 4,234	- 12,973	- 8,573	- 18,223
Depreciation of tangible and intangible assets	- 3,072	- 2,880	- 6,031	- 5,754	- 11,603
Amortization of acquired goodwill	- 305	- 305	- 610	- 610	- 1,219
	- 15,811	- 12,023	- 32,504	- 24,368	- 51,685
<b>Operating profit/loss</b>	<b>- 15,304</b>	<b>- 11,852</b>	<b>- 27,347</b>	<b>- 23,436</b>	<b>- 49,791</b>
<b>Profit/loss from financial items</b>					
Interest income and similar items	3	79	61	84	184
Interest expenses and similar items	- 14	- 135	- 90	- 218	- 395
	- 11	- 56	- 29	- 134	- 211
<b>Profit/loss after financial items</b>	<b>- 15,314</b>	<b>- 11,908</b>	<b>- 27,375</b>	<b>- 23,571</b>	<b>- 50,002</b>
Tax for the period	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>- 15,314</b>	<b>- 11,908</b>	<b>- 27,375</b>	<b>- 23,571</b>	<b>- 50,002</b>
Number of shares at the end of the period	590,826,115	580,826,115	590,826,115	580,826,115	580,826,115
Average number of shares before dilution	581,595,346	552,741,457	581,212,855	508,944,491	545,180,203
Average number of shares after dilution	585,737,083	552,741,457	583,295,165	508,944,491	545,180,203
Earnings per share before dilution (SEK)	- 0.03	- 0.02	- 0.05	- 0.05	- 0.09
Earnings per share after dilution (SEK)	- 0.03	- 0.02	- 0.05	- 0.05	- 0.09

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in KSEK	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development	33,595	32,760	33,740
Patents and similar rights	3,605	4,041	3,882
Goodwill	3,048	4,267	3,657
	<b>40,248</b>	<b>41,067</b>	<b>41,279</b>
<i>Property, plant and equipment</i>			
Machinery and other technical facilities	68,885	71,334	70,534
Equipment, tools, and installations	90	120	105
	<b>68,976</b>	<b>71,454</b>	<b>70,639</b>
<i>Financial non-current assets</i>			
Other non-current receivables	148	148	148
	<b>148</b>	<b>148</b>	<b>148</b>
<b>Total fixed assets</b>	<b>109,371</b>	<b>112,670</b>	<b>112,066</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Raw materials and consumables	41	35	66
Goods in progress	82	97	123
Finished products and goods for resale	622	134	580
Inventory spare parts	1,016	704	1,022
	<b>1,761</b>	<b>970</b>	<b>1,790</b>
<i>Current receivables</i>			
Trade receivables	233	312	154
Other receivables	2,433	2,302	1,966
Prepaid costs and accrued income	1,178	1,034	1,083
	<b>3,844</b>	<b>3,649</b>	<b>3,202</b>
<i>Cash and cash equivalents</i>			
	39,494	66,481	39,577
<b>Total current assets</b>	<b>45,098</b>	<b>71,100</b>	<b>44,569</b>
<b>TOTAL ASSETS</b>	<b>154,470</b>	<b>183,769</b>	<b>156,635</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	23,633	23,233	23,233
Other capital contributions	431,229	405,165	405,165
Other capital, including profit/loss for the year	- 314,143	- 260,337	- 286,768
	<b>140,719</b>	<b>168,062</b>	<b>141,630</b>
<b>Non-current liabilities</b>			
Other liabilities to credit institutions	-	2,360	776
	-	<b>2,360</b>	<b>776</b>
<b>Current liabilities</b>			
Amounts owed to credit institutions	2,360	3,168	3,168
Trade payables	1,956	2,084	3,217
Other current liabilities	2,479	2,759	2,524
Accrued expenditures and prepaid income	6,956	5,337	5,320
	<b>13,751</b>	<b>13,348</b>	<b>14,229</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>154,470</b>	<b>183,769</b>	<b>156,635</b>

## CHANGES IN EQUITY, CONSOLIDATED

Amounts in KSEK	Jan 1 - Jun 30, 2021		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>23,233</b>	<b>405,165</b>	<b>- 286,768</b>
Profit/loss for the period	-	-	- 27,375
Fund for development costs	-	-	4,444
Profits brought forward	-	-	- 4,444
New share issue	400	26,136	-
Expenses related to issue	-	-	- 73
<b>Closing balance, equity</b>	<b>23,633</b>	<b>431,302</b>	<b>- 314,216</b>

Amounts in KSEK	Jan 1 - Jun 30, 2020		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>18,586</b>	<b>377,315</b>	<b>- 236,766</b>
Profit/loss for the period	-	-	- 23,571
Fund for development costs	-	-	- 186
Profits brought forward	-	-	186
New share issue	4,647	27,880	-
Expenses related to issue	-	- 30	-
<b>Closing balance, equity</b>	<b>23,233</b>	<b>405,165</b>	<b>- 260,337</b>

	Jan 1 - Dec 31, 2020		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>18,586</b>	<b>377,315</b>	<b>- 236,766</b>
Profit/loss for the period	-	-	- 50,002
Fund for development costs	-	-	- 248
Profits brought forward	-	-	248
New share issue	4,647	27,880	-
Expenses related to issue	-	- 30	-
<b>Closing balance, equity</b>	<b>23,233</b>	<b>405,165</b>	<b>- 286,768</b>

**STATEMENT OF CASH FLOW, CONSOLIDATED**

Amounts in KSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<i>Operating activities</i>					
Operating profit/loss	- 15,304	- 11,852	- 27,347	- 23,436	- 49,791
Adjustments for items not part of the cash flow	3,377	3,185	6,640	6,363	12,822
Capital gain/loss on fixed assets	-	-	-	-	-
Interest received	3	79	61	84	184
Interest paid	- 14	- 135	- 90	- 218	- 395
<b>Cash flow from operating activities before changes in working capital</b>	<b>- 11,937</b>	<b>- 8,723</b>	<b>- 20,735</b>	<b>- 17,207</b>	<b>- 37,180</b>
<i>Cash flow from changes in working capital</i>					
Increase (-) / reduction (+) in inventories	19	56	30	- 311	- 1,131
Increase (-) / reduction (+) in trade receivables	36	218	- 79	8	166
Increase (-) reduction (+) in other receivables	- 76	- 188	- 562	- 244	45
Increase (+)/reduction (-) in trade payables	- 977	- 280	- 1,261	- 1,094	39
Increase (+)/reduction (-) in current liabilities	- 292	- 143	1,591	729	477
<b>Cash flow from ordinary course of business</b>	<b>- 13,228</b>	<b>- 9,059</b>	<b>- 21,017</b>	<b>- 18,119</b>	<b>- 37,584</b>
<b>Investment activities</b>					
Acquisition of intangible assets	- 1,766	- 549	- 2,487	- 685	- 4,420
Acquisition of property, plant and equipment	- 572	- 1,755	- 1,459	- 4,294	- 6,413
Changes in long-term receivables	-	-	-	-	-
<b>Cash flow from investment activities</b>	<b>- 2,338</b>	<b>- 2,304</b>	<b>- 3,946</b>	<b>- 4,979</b>	<b>- 10,834</b>
<b>Financing activities</b>					
New rights issue	26,536	32,526	26,536	32,526	32,526
Expenses related to issue	- 73	- 38	- 73	- 30	- 30
Ongoing rights issue	-	-	-	-	-
Amortisation/Increase of debts	- 792	- 792	- 1,584	- 1,584	- 3,168
<b>Cashflow from financing activities</b>	<b>25,672</b>	<b>31,697</b>	<b>24,880</b>	<b>30,912</b>	<b>29,328</b>
<b>Cash flow for the period</b>	<b>10,106</b>	<b>20,334</b>	<b>- 83</b>	<b>7,815</b>	<b>- 19,090</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>29,388</b>	<b>46,147</b>	<b>39,576</b>	<b>58,666</b>	<b>58,666</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>39,493</b>	<b>66,481</b>	<b>39,493</b>	<b>66,481</b>	<b>39,576</b>

**STATEMENT OF INCOME, PARENT COMPANY**

Amounts in KSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>Operating revenues</b>					
Net sales	824	798	5,647	1,596	3,207
Other Operating Income	-	-	-	-	29
	<b>824</b>	<b>798</b>	<b>5,647</b>	<b>1,596</b>	<b>3,237</b>
<b>Operating expenses</b>					
Other external costs	- 9,837	- 9,077	- 19,406	- 18,297	- 35,728
Personnel expenses	- 4,300	- 2,398	- 8,606	- 4,715	- 10,258
Depreciation of tangible and intangible assets	- 1,462	- 1,458	- 2,923	- 2,909	- 5,839
	- 15,599	- 12,933	- 30,935	- 25,922	- 51,825
<b>Operating profit/loss</b>	<b>- 14,775</b>	<b>- 12,135</b>	<b>- 25,288</b>	<b>- 24,326</b>	<b>- 48,588</b>
<b>Profit/loss from financial items</b>					
Interest income and similar items	- 1	27	56	31	90
Interest expenses and similar items	- 0	- 36	- 0	- 36	- 46
	- 1	- 9	55	- 5	44
<b>Profit/loss after financial items</b>	<b>- 14,776</b>	<b>- 12,145</b>	<b>- 25,233</b>	<b>- 24,331</b>	<b>- 48,544</b>
Group contributions	-	-	-	-	-
<b>Profit/loss after balance sheet allocations</b>	<b>- 14,776</b>	<b>- 12,145</b>	<b>- 25,233</b>	<b>- 24,331</b>	<b>- 48,544</b>
Tax on net profits for the period					
<b>Profit/loss for the period</b>	<b>- 14,776</b>	<b>- 12,145</b>	<b>- 25,233</b>	<b>- 24,331</b>	<b>- 48,544</b>

**STATEMENT OF FINANCIAL POSITION, PARENT COMPANY**

Amounts in KSEK	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
<b>ASSETS</b>			
<b>Committed but not paid capital</b>	-	-	-
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development	33,545	32,710	33,690
Patents and similar rights	3,605	4,041	3,882
	<b>37,150</b>	<b>36,751</b>	<b>37,572</b>
<i>Tangible fixed assets</i>			
Equipment, tools, and installations	90	120	105
	<b>90</b>	<b>120</b>	<b>105</b>
<i>Financial non-current assets</i>			
Investments in group companies	36,891	36,891	36,891
Long-term receivables, group enterprises	53,141	42,551	42,521
Other long-term receivables	148	148	148
	<b>90,179</b>	<b>79,589</b>	<b>79,559</b>
<b>Total fixed and non-current assets</b>	<b>127,420</b>	<b>116,460</b>	<b>117,236</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Trade receivables	4	-	2
Other receivables	2,316	2,178	1,895
Prepaid costs, accrued earnings	701	643	677
	<b>3,021</b>	<b>2,821</b>	<b>2,574</b>
<i>Cash and cash equivalents</i>	32,276	62,247	36,741
<b>Current assets, total</b>	<b>35,297</b>	<b>65,069</b>	<b>39,315</b>
<b>TOTAL ASSETS</b>	<b>162,717</b>	<b>181,529</b>	<b>156,551</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	23,633	23,233	23,233
Share capital not registered	-	-	-
Statutory reserve	502	502	502
Fund for development expenses	6,893	2,635	2,449
<i>Unrestricted equity</i>			
Share premium reserve	433,487	404,663	404,663
Ongoing share issue	-	-	-
Share right issue costs	-	-	-
Retained earnings	- 283,950	- 231,148	- 230,962
Profit/loss for the period	- 25,233	- 24,331	- 48,544
	<b>155,331</b>	<b>175,554</b>	<b>151,341</b>
<b>Current liabilities</b>			
Amounts owed to credit institutions	-	-	-
Trade payables	943	1,148	522
Other current liabilities	1,154	1,403	1,496
Accrued costs and prepaid income	5,289	3,423	3,191
	<b>7,386</b>	<b>5,975</b>	<b>5,210</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>162,717</b>	<b>181,529</b>	<b>156,551</b>

**CHANGES IN EQUITY, PARENT COMPANY**

Amounts in KSEK		Jan 1-Jun 30, 2021							
	Restricted equity				Unrestricted equity				
	Share capital	Ongoing rights issue	Statutory reserve	Fund for development costs	Share premium reserve	Ongoing rights issue	Retained earnings	Profit/loss for the period	
<b>Opening balance, equity</b>	<b>23,233</b>	-	<b>502</b>	<b>2,449</b>	<b>404,664</b>	-	<b>- 230,962</b>	<b>- 48,544</b>	
Adjustment of previous year's profit and loss	-	-	-	-	-	-	- 48,544	48,544	
Profit/loss for the period	-	-	-	-	-	-	-	- 25,233	
Fund for development costs	-	-	-	4,444	-	-	- 4,444	-	
New share issue	400	-	-	-	28,896	-	-	-	
Expenses related to issue	-	-	-	-	- 73	-	-	-	
<b>Closing balance, equity</b>	<b>23,633</b>	-	<b>502</b>	<b>6,893</b>	<b>433,487</b>	-	<b>- 283,951</b>	<b>- 25,233</b>	

		Jan 1-Jun 30, 2020							
	Restricted equity				Unrestricted equity				
	Share capital	Ongoing rights issue	Statutory reserve	Fund for development costs	Share premium reserve	Ongoing rights issue	Retained earnings	Profit/loss for the period	
<b>Opening balance, equity</b>	<b>18,586</b>	-	<b>502</b>	<b>2,821</b>	<b>376,814</b>	-	<b>- 188,007</b>	<b>- 43,327</b>	
Adjustment of previous year's profit and loss	-	-	-	-	-	-	- 43,327	43,327	
Profit/loss for the period	-	-	-	-	-	-	-	- 24,331	
Fund for development costs	-	-	-	- 186	-	-	186	-	
New share issue	4,647	-	-	-	27,880	-	-	-	
Expenses related to issue	-	-	-	-	- 30	-	-	-	
<b>Closing balance, equity</b>	<b>23,233</b>	-	<b>502</b>	<b>2,635</b>	<b>404,664</b>	-	<b>- 231,148</b>	<b>- 24,331</b>	

		Jan 1-Dec 31, 2020							
	Restricted equity				Unrestricted equity				
	Share capital	Ongoing rights issue	Statutory reserve	Fund for development costs	Share premium reserve	Ongoing rights issue	Retained earnings	Profit/loss for the period	
<b>Opening balance, equity</b>	<b>18,586</b>	-	<b>502</b>	<b>2,821</b>	<b>376,814</b>	-	<b>- 188,007</b>	<b>- 43,327</b>	
Adjustment of previous year's profit and loss	-	-	-	-	-	-	- 43,327	43,327	
Profit/loss for the period	-	-	-	-	-	-	-	- 48,544	
Fund for development costs	-	-	-	- 372	-	-	372	-	
New share issue	4,647	-	-	-	27,880	-	-	-	
Expenses related to issue	-	-	-	-	- 30	-	-	-	
<b>Closing balance, equity</b>	<b>23,233</b>	-	<b>502</b>	<b>2,449</b>	<b>404,664</b>	-	<b>- 230,962</b>	<b>- 48,544</b>	

**STATEMENT OF CASH FLOW, PARENT COMPANY**

Amounts in KSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<i>Operating activities</i>					
Operating profit/loss	- 14,775	- 12,135	- 25,288	- 24,326	- 48,588
Adjustments for items not part of the cash flow	1,462	1,458	2,923	2,909	5,839
Capital gain/loss on fixed assets	-	-	-	-	-
Interest received	- 1	27	56	31	90
Interest paid	- 0	- 36	- 0	- 36	- 46
<b>Cash flow from operating activities before changes in working capital</b>	<b>- 13,314</b>	<b>- 10,687</b>	<b>- 22,310</b>	<b>- 21,422</b>	<b>- 42,706</b>
<i>Cash flow from changes in working capital</i>					
Increase (–) reduction (+) in other receivables	- 46	- 167	- 448	- 213	35
Increase (+)/reduction (–) in trade payables	- 54	680	421	267	- 359
Increase (+)/reduction (–) in current liabilities	13	- 469	1,756	53	- 85
<b>Cash flow from ordinary course of business</b>	<b>- 13,401</b>	<b>- 10,643</b>	<b>- 20,582</b>	<b>- 21,314</b>	<b>- 43,114</b>
<b>Investment activities</b>					
Acquisition of intangible assets	- 1,766	- 549	- 2,487	- 685	- 4,420
Changes in long-term receivables	- 9,435	- 3,065	- 10,620	- 4,550	- 4,520
<b>Cash flow from investment activities</b>	<b>- 11,201</b>	<b>- 3,614</b>	<b>- 13,107</b>	<b>- 5,235</b>	<b>- 8,940</b>
<b>Financing activities</b>					
New rights issue	29,296	32,526	29,296	32,526	32,526
Expenses related to issue	- 73	- 38	- 73	- 30	- 30
<b>Cashflow from financing activities</b>	<b>29,223</b>	<b>32,489</b>	<b>29,223</b>	<b>32,496</b>	<b>32,496</b>
<b>Cash flow for the period</b>	<b>4,621</b>	<b>18,232</b>	<b>- 4,465</b>	<b>5,947</b>	<b>- 19,558</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>27,655</b>	<b>44,014</b>	<b>36,741</b>	<b>56,299</b>	<b>56,300</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>32,276</b>	<b>62,246</b>	<b>32,276</b>	<b>62,246</b>	<b>36,741</b>