



# Interim Report

## January-December 2022

## Interim Report Scandinavian Enviro Systems AB (publ) January – December 2022

*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.*

### Q4 2022

- Net revenues for the period were MSEK 2.0 (1.0)
- Earnings after tax for the period were MSEK -25.0 (-18.1)
- Earnings per share for the period (before dilution) was SEK -0.03 (-0.02)
- Cash flow for the period after investments was MSEK -26.2 (-16.6)
- Enviro receives pyrolysis oil order worth MSEK 2 from Preem
- Michelin unveils the world's first two tyres approved for road use containing 45% and 58% of sustainable materials, respectively amongst which recovered carbon black from Enviro.
- Construction permit granted for Enviro's planned facility in Uddevalla
- Leading US oil company has made successful production tests with Enviro's oil
- Michelin and Bridgestone foresee that demand for up to 1 million tons of recovered carbon black by 2030

### Jan-Dec 2022

- Net revenues for the period were MSEK 8.0 (7.6)
- Earnings after tax for the period were MSEK -83.6 (-57.0)
- Earnings per share for the period (before dilution) was SEK -0.13 (-0.10)
- Cash flow for the period after investments was MSEK -98.5 (-55.7)
- Enviro appoints Staffan Kullberg as new CFO
- Construction permit application submitted for Enviro's planned facility in Uddevalla
- Enviro initiates detailed design stage for its plant in Uddevalla
- Enviro receives a pyrolysis oil order worth MSEK 2 from a subsidiary of a leading US oil company
- Enviro receives order for recovered carbon black from a major European tyre manufacturer
- Sharp increase of interest in Enviro's recovered materials as a result of the war in Ukraine
- Enviro granted environmental permit for planned facility in Uddevalla
- Enviro's pyrolysis oil approved under REACH - the company is now to execute a MSEK 2 order
- Enviro launches a new branding platform
- Michelin presents an even more sustainable racing tyre using Enviro's recovered carbon black
- Enviro granted renewed loan of MSEK 6.5 associated with Åsensbruk operations

### Significant events **after end of period**

- Enviro receives follow-up order for oil from a leading US oil company
- After the period-end, Enviro secured financing in the form of an external loan of MSEK 40.

**Scandinavian Enviro Systems contributes to enhanced environmental and economic sustainability** using a patented technology for the recovery of valuable raw materials from scrapped and end-of-life products, including tires. The production of new tires using carbon black recovered with Enviro's technology reduces carbon dioxide emissions by up to 93 per cent compared with the use of virgin carbon black. Enviro has its head office in Gothenburg and a plant for the recycling of end-of-life tires in Åsensbruk. The largest owner is the French tire manufacturer Michelin. Enviro was founded in 2001. The company is listed on the First North Growth Market with Mangold Fondkommission AB, tel. +46 (0)8 5030 1550, [ca@mangold.se](mailto:ca@mangold.se), as its Certified Advisor. [www.envirosystems.se](http://www.envirosystems.se)

## **Continued important steps toward broad commercialization and industrialization**

**During the past quarter, we continued to take important steps forward in our efforts to industrialize and commercialize our leading recycling technology. Among the more important events, it is worth noting the building permit for the planned plant in Uddevalla that we were granted at the end of October and the order for recovered pyrolysis oil that we secured from Preem during the second half of November.**

During the quarter, we were also able to publicly communicate that the production tests of pyrolysis oil conducted by a leading US oil company had been successful. The purpose of these tests was to determine the suitability of the oil for producing various types of biofuel and the announcement by the company was naturally very welcome. Although we were already reasonably sure of the commercial potential for our oil, the successful tests were evidence that clearly strengthens our potential to sell the product in the market. That the US oil company (or more correctly, that the subsidiary of a leading US oil company) placed a follow-up order worth close to MSEK 5 after the close of the quarter shows in a tangible way the importance of the successful production test. The order, which is our largest to date and pertains to continuous deliveries over a period of nearly one year, is additional evidence of the oil's usability.

The order also confirmed another development that we had noted in the fourth quarter, and also in 2022 as a whole, namely that players in the market are increasingly demanding larger volumes with deliveries over a longer period of time. This applies to both recovered oil and our recovered carbon black and is a clear sign that the commercialization process has begun – the customers are no longer only demanding individual deliveries for their tests but are moving ever closer to a situation where they are planning to use our recovered material in their continuous production and thereby need to secure deliveries over a longer period. In this context, we received interesting news from Michelin and Bridgestone during the quarter. These two tire giants, the world's two largest tire manufacturers accounting for approximately 30% of the global market, jointly stated at the end of November that there is potential for annual demand for recovered carbon black of one million tonnes by 2030. If that is the case, there will be a need in just seven years for comprehensive production of recovered carbon black to be in place.

Underlying that prophecy are of course the initiatives being made by both of these manufacturers to develop increasingly environmentally sustainable products. As previously communicated, the aim of both companies is that their tires will consist solely of sustainable material by 2050. However, we received confirmation at the beginning of the quarter that it will not take that long before more environmentally sustainable tires reach the market. As the first tire manufacturer in the world, Michelin presented two tires with a high proportion of environmentally sustainable materials that had been approved for use on ordinary road vehicles. The tires presented by Michelin had been produced using, among other materials, recovered carbon black from our plant in Åsensbruk. Even more important in this context, however, was Michelin's statement that it would start to introduce this type of more sustainable tire on a large scale as early as within two to three years.

Another interesting development is that these tire manufacturers are now beginning to demand deliveries of recovered pyrolysis oil. Previously, we had noted that this oil was

primarily of interest to oil companies in particular, and to the chemicals industry, but now tire manufacturers are also showing an interest in the oil. The reason is the increased unrest in the energy market due to Russia's invasion of Ukraine. Due to the war, the concept of energy security has gained a more tangible meaning and, for tire manufacturers, it is vital that their sub-suppliers of carbon black have access to the oil required in its production. According to the same logic, the war has also increased interest in recovered carbon black, not least because a large part of it is produced in parts of the world that are now directly or indirectly involved in the war, such as Ukraine, Russia and Belarus. We have previously stated that the war has led to price increases for carbon black of more than 30% during the past year and it still appears that no slowdown is in sight.

After the period-end, Enviro secured financing in the form of an external loan of MSEK 40.

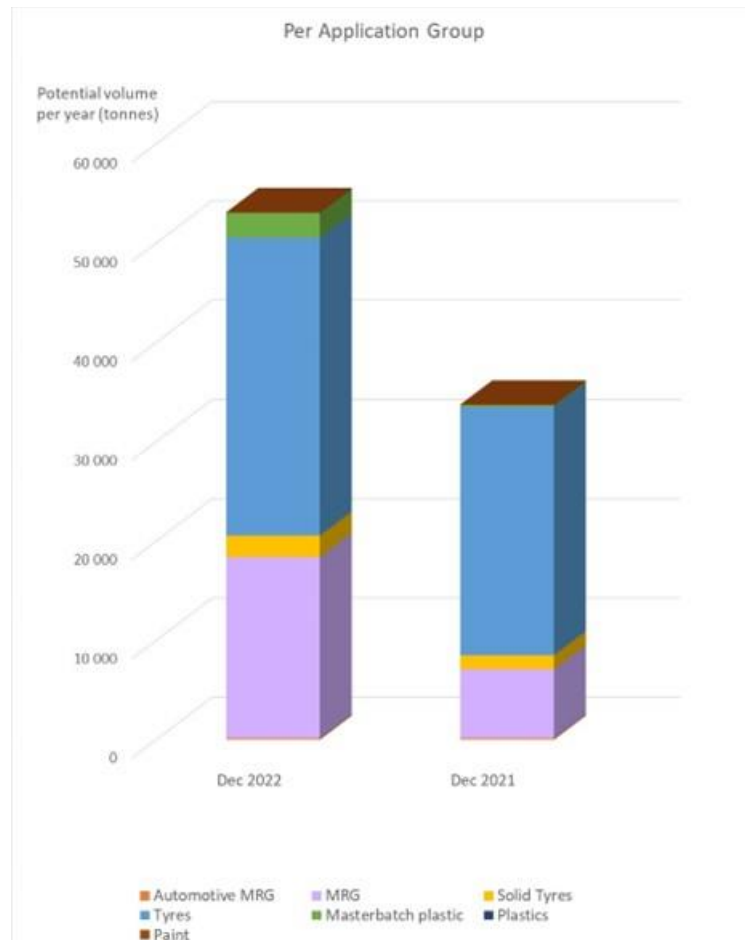
### **Uddevalla**

In parallel with this increased interest in both recovered oil and carbon black, our work to establish a plant in Uddevalla continues. During the quarter, we were granted a building permit for the plant and, previously in 2022, we communicated that we had been granted an environmental permit. As we have stated many times before, a final decision on building the plant depends on several factors. In 2022, we were able to tick off several of these, including the environmental permit and the building permit, and the main factors still remaining are long-term agreements concerning deliveries of recovered material and securing access to end-of-life tires. Thanks to the market development described above for both recovered carbon black and oil, we are confident that we will succeed in establishing supply agreements for both carbon black and oil. We also feel confident when it comes to securing delivery of end-of-life tires. The technology that we possess offers more sustainable management of end-of-life tires and, because the manufacturers are bound by producer responsibility, it is in their own best interests to find the most efficient and sustainable method possible to handle this. Although a definitive decision about building the plant in Uddevalla has yet to be made, the several positive steps that we took in 2022 have undoubtedly brought us significantly closer to construction start. I look forward to an exciting continuation over the coming quarters.

*Thomas Sörensson*

*Chief Executive Officer*

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



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

**Status of the interest in Enviro's Tyre pyrolysis oil (TPO)**

The commercial demand of our TPO is developing rapidly because of the transformation in several downstream value chains. The ISCC-certifications and the REACH has paved the way to production tests with larger refinery customers. Indications from that sector are pointing at demanded volumes exceeding what can be produced within our expansion plan to 2030. The interest from the chemical industry, including the producers of virgin Carbon black is also developing at a high pace. The reason is that the TPO has proven to be possible to substitute fossil alternatives as sustainable raw material in Carbon black production as well as valuable oil products used in for instance the tire sector. Such use of the TPO will lead to even more circular use of the oil and enable the tire industry to reach their sustainability targets faster. Our focus is now to evaluate the best possible alternatives to create value from our TPO and prioritize choices of partners.

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

Partner	Cap. 'tonnes tyres/year	Status	Type	Country
Michelin	30	Agreement signed	Tyre Manufacturer	Chile
Own Project	Max 60	Environmental permit approved	N/A	Sweden
Own project	90	Feasability 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.

Out of the total output of a plant approx. 50% is TPO and approx. 30% is rCB

## Financial summary

### Q4 2022

#### Group revenue and results

Net revenues for the period were MSEK 2.0 (1.0). Operating results totalled MSEK -25.0 (-18.0), and earnings after tax were MSEK -25.0 (-18.1).

The decrease of the result compared to last year with MSEK 6.9 is mainly running maintenance and freight costs in connection with the plant in Åsensbruk – totally MSEK 4.2 higher. The company has incurred higher electricity costs, which are included in the above, of MSEK 1.5 more than last year. The personnel costs were MSEK 3.3 higher than during the same period last year due to strengthening of the staff in both the parent company and the subsidiary, as well as running reservations related to the stay-on bonus to key employees in connection with the incentive programme LTIP 2021/2024, which was approved by the Annual General Meeting. All employees concerned are still employed within the group. Further the depreciation has been MSEK 0.1 higher than during the same period in 2021. On the other hand, the gross profit is MSEK 1.3 higher than last.

#### Investments and financial standing

Investments of the group in fixed assets amounted to MSEK 8.5 (6.7). The investments consist of additional investments in the plant in Åsensbruk, as well as in a so-called Detailed Design (DD), which applies to engineering hours for the Uddevalla plant. The cash flow from operating activities after investing activities for the period were MSEK -26.2 (-16.6).

The decrease in the cashflow is related to a lower operating result before adjustments of working capital of MSEK 6.7. As an addition to that, the changes in working capital have been negative with MSEK 0.9 during the period compared to last year. Additional to that, the investments have been MSEK 1.8 higher compared to the same period 2021.

### JANUARY – DECEMBER 2022

#### Group revenues and results

Net revenues for the period were MSEK 8.0 (7.6). Operating results totalled MSEK -83.8

(-57.0), and earnings after tax were MSEK -83.6 (-57.0).

The decrease of the result compared to last year with MSEK 26.6 is explained of by a lower gross profit of MSEK 0.9 as a larger sale to Michelin was included in the sales figures of last year, higher external costs of MSEK 17.3 compared with 2021, mainly in connection with lawyer and consultancy support including the new branding platform of the company, higher running costs in connection with freight and improvements, including electricity costs in the plant in Åsensbruk with MSEK 2.4.. The personnel costs were totally MSEK 8.1 higher than last year partly due to strengthening of the staff in both the parent company and the subsidiary, partly due to a payment of a stay-on bonus to key employees in connection with the incentive programme LTIP 2021/2024, which was approved by the Annual General Meeting and running reservations for future payments for this. In addition to that depreciation has been MSEK 0.6 higher than during the same period last year. The finance net, on the other hand, was MSEK 0.3 higher than during the same period 2021.

#### Investments and financial standing

Investments of the group in fixed assets amounted to MSEK 37.8 (14.4). The investments consist of additional investments in the plant in Åsensbruk, as well as a Front End Engineering Design (FEED) for the coming plans, of which Uddevalla is the first one. Also, investments have been made in a so-called Detailed Design (DD), which applies to engineering hours for the Uddevalla plant. The cash flow from operating activities after investing activities for the period were MSEK -98.5 (-55.7).

The decrease in the cashflow is related to a lower operating result before adjustments of working capital of MSEK 25.4. However, the change in working capital has been positive during the year with MSEK 1.5 compared to last year. The investments have been MSEK 18.4 higher compared to the same period in 2021.

The group has, via its subsidiary Tyre Recycling in Sweden AB, obtained a bank loan of MSEK 6.5, which mainly will be used for financing of a substantial part of the investments in the plant in Åsensbruk. The loan has a duration of 8 (eight) years and has currently an interest of around six (6) percent.

During 2021 the company signed an agreement with an international investment bank, Greenhill & Co, and are currently working together with them on a both long- and short-term solution for the future financing of the company and its expansion plan.

After the period-end, Enviro secured financing in the form of an external loan of MSEK 40.

The group cash amounted to MSEK 30.0 (123.2) at the end of the period.

The equity/assets ratio was 84 (93) percent.

#### Parent company

The net revenues for the parent company totalled MSEK 4.2 (8.6), and the result after tax was MSEK -73.2 (-53.4). Around 76 (37) percent of the turnover are sales related to group companies for internal services. In last year's turnover a part of the engineering services which is included in the previously communicated agreements between the company and Michelin. For the rest the company has incurred higher external expenses of MSEK 8.8 compared to 2021, mainly consultancy and lawyer expenses as well as the new company branding platform. The staff costs are MSEK 6.1 higher than during the same period last year partly due to strengthening of the staff, partly due to a payment of a stay-on bonus to key employees in connection with the incentive programme LTIP 2021/2024, which was approved by the Annual General Meeting and running reservations for future payments for this. The investments in fixed assets amounted to MSEK 18.6 (8.1). The investments of the year are mainly related to a FEED for future plants as well as in a so-called Detailed Design (DD), which applies to engineering hours for the Uddevalla plant.

The Equity/assets ratio at the period-end was 92 (96) %.

#### Staff and Organisation

The group has 36 (23) employees at the period-end.

#### Executed transactions with related parties

The parent company has invoiced Michelin according to existing agreement with MSEK 1.0. Further, in the parent company, for 2022 consultancy fees to P 30 Ltd, (Peter Möller, board member), of MSEK 1.1 have been included. In addition to that consultancy fees to Blomqvist Unlimited AB (Alf Blomqvist, chairman of the board) of MSEK 1.3 have been included. Further, consultancy fees to M & K Industrials AB (Nina Macpherson, board member) of MSEK 0.3 have been included. Finally, the subsidiary Tyre Recycling in Sweden AB has invoiced six different Michelin-owned companies for an amount of around MSEK 2.1. This concerns sales of recovered carbon black and services. These transactions are evaluated by the company management to be according to market conditions.

#### Number of shares

Total shares outstanding at the end of the period was 656,615,589 (656,615,589).

#### Risks and uncertainties

A detailed description of risks and uncertainty factors is provided on page 43 and 56 of the annual report of 2021. Covid-19 could have a negative effect on the commercialisation of the company, not least through potential imbalances in logistical flows and/or lock-down situations of societies or partly thereof. The war in Ukraine has indirectly led to higher costs for the group, hereunder higher energy costs. Additional to that, the war could imply a negative effect on the will to invest.

#### 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

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
EBITDA (KSEK)	-21,359	-14,586	-69,753	-43,453
Operating margin (%) <sup>1)</sup>	neg.	neg.	neg.	neg.
Equity Ratio (%) <sup>2)</sup>	-	-	84.0%	93.5%
Return on capital employed (%) <sup>3)</sup>	-15.4%	-10.0%	-44.2%	-30.4%
Interest-bearing liabilities (KSEK) <sup>4)</sup>	-	-	6,024	776
Earnings per share before dilution (SEK)	-0.04	-0.03	-0.13	-0.10

<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

Dec 30, 2022

Shareholders	Ownership share
Michelin Ventures S.A.S	20.00%
Försäkringsbolaget Avanza Pension	7.67%
Nordnet Pensionsförsäkring AB	2.95%
Peak AM Securities AB (Lennart Persson)	1.82%
BNY Mellon BA/NV, Brussels	1.38%
<b>10 largest owners</b>	<b>37.21%</b>
<b>Others</b>	<b>62.79%</b>

Results Disposition	KSEK
<b>Unrestricted Equity</b>	
Share Premium Reserve	544,199
Retained Earnings	-361,658
Profit/Loss for the period	-73,240
	<u>109,302</u>
The Board of Directors propose that the whole unrestricted equity, KSEK 109,302, be carried over to the next financial year	

### Planned reporting schedule

Annual Report 2022 is published on the company's website  
Quarterly Report January-March 2023

May 3, 2023  
May 24, 2023

Gothenburg February 27, 2023

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, CEO, Phone: +46 735 10 53 43, [thomas.sorensson@envirosystems.se](mailto:thomas.sorensson@envirosystems.se)  
Staffan Kullberg, CFO, Phone: +46 721 456 190, [staffan.kullberg@envirosystems.se](mailto:staffan.kullberg@envirosystems.se)

**CONSOLIDATED STATEMENT OF INCOME**

Amounts in KSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Operating income</b>				
Net sales	2,011	1,046	7,976	7,592
Other operating income	38	323	221	403
Changes in stocks of finished goods	-68	123	-538	586
	<b>1,981</b>	<b>1,493</b>	<b>7,660</b>	<b>8,580</b>
<b>Operating expenses</b>				
Raw materials and consumables	-249	-539	-1,527	-1,493
Other external costs	-13,699	-9,424	-43,743	-26,517
Personnel costs	-9,391	-6,116	-32,142	-24,024
Depreciation of tangible and intangible assets	-3,317	-3,116	-12,812	-12,227
Amortization of acquired goodwill	-305	-305	-1,219	-1,219
	-26,962	-19,499	-91,443	-65,480
<b>Operating profit/loss</b>	<b>- 24,981</b>	<b>- 18,007</b>	<b>- 83,783</b>	<b>- 56,900</b>
<b>Profit/loss from financial items</b>				
Interest income and similar items	68	95	407	163
Interest expenses and similar items	-87	-179	-212	-298
	-19	-85	195	-135
<b>Profit/loss after financial items</b>	<b>- 25,000</b>	<b>- 18,091</b>	<b>- 83,588</b>	<b>- 57,034</b>
Tax for the period	-	-	-	-
<b>Profit/loss for the period</b>	<b>- 25,000</b>	<b>- 18,091</b>	<b>- 83,588</b>	<b>- 57,034</b>
Number of shares at the end of the period	656,615,589	656,615,589	656,615,589	656,615,589
Average number of shares before dilution	656,615,589	645,173,941	656,615,589	599,757,622
Average number of shares after dilution	674,563,117	663,121,469	674,563,117	609,149,342
Earnings per share before dilution (SEK)	-0.04	-0.03	-0.13	-0.10
Earnings per share after dilution (SEK)	-0.04	-0.03	-0.12	-0.09

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in KSEK	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Capitalized expenditures for development	48,948	36,383
Patents and similar rights	2,868	3,410
Goodwill	1,219	2,438
	<b>53,034</b>	<b>42,232</b>
<i>Property, plant and equipment</i>		
Machinery and other technical facilities	78,310	70,543
Equipment, tools, and installations	454	129
	<b>78,764</b>	<b>70,672</b>
<i>Financial non-current assets</i>		
Other non-current receivables	-	148
	<b>-</b>	<b>148</b>
<b>Total fixed assets</b>	<b>131,798</b>	<b>113,051</b>
<b>Current assets</b>		
<i>Inventories, etc.</i>		
Raw materials and consumables	52	96
Goods in progress	12	110
Finished products and goods for resale	907	1,276
Inventory spare parts	1,120	817
	<b>2,091</b>	<b>2,298</b>
<i>Current receivables</i>		
Trade receivables	774	368
Other receivables	3,614	2,671
Prepaid costs and accrued income	2,590	1,402
	<b>6,977</b>	<b>4,441</b>
<i>Cash and cash equivalents</i>	<b>29,979</b>	<b>123,245</b>
<b>Total current assets</b>	<b>39,047</b>	<b>129,984</b>
<b>TOTAL ASSETS</b>	<b>170,846</b>	<b>243,036</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	26,265	26,265
Other capital contributions	544,701	544,701
Other capital, including profit/loss for the year	- 427,390	- 343,802
	<b>143,575</b>	<b>227,163</b>
<b>Non-current liabilities</b>		
Other liabilities to credit institutions	5,208	-
	<b>5,208</b>	<b>-</b>
<b>Current liabilities</b>		
Amounts owed to credit institutions	816	776
Trade payables	9,333	5,543
Other current liabilities	1,303	1,375
Accrued expenditures and prepaid income	10,611	8,178
	<b>22,063</b>	<b>15,872</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>170,846</b>	<b>243,036</b>

## CHANGES IN EQUITY, CONSOLIDATED

Amounts in KSEK	Jan 1 - Dec 31, 2022		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>26,265</b>	<b>544,701</b>	<b>- 343,802</b>
Profit/loss for the period	-	-	- 83,588
Added capital via warrant programmes	-	-	-
<b>Closing balance, equity</b>	<b>26,265</b>	<b>544,701</b>	<b>- 427,390</b>

Amounts in KSEK	Jan 1 - Dec 31, 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	-	-	- 57,034
Added capital via warrant programmes	-	5,586	-
New share issue	-	142,919	-
Expenses related to issue	3,032	- 8,969	-
<b>Closing balance, equity</b>	<b>26,265</b>	<b>544,701</b>	<b>- 343,802</b>

## STATEMENT OF CASH FLOW, CONSOLIDATED

Amounts in KSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<i>Operating activities</i>				
Operating profit/loss	- 24,981	- 18,007	- 83,783	- 56,900
Adjustments for items not part of the cash flow	3,622	3,421	14,031	13,446
Interest received	68	95	407	163
Interest paid	- 87	- 179	- 212	- 298
<b>Cash flow from operating activities before changes in working capital</b>	<b>- 21,378</b>	<b>- 14,670</b>	<b>- 69,557</b>	<b>- 43,588</b>
<i>Cash flow from changes in working capital</i>				
Increase (-) / reduction (+) in inventories	- 438	42	207	- 508
Increase (-) / reduction (+) in trade receivables	1,553	872	- 406	- 214
Increase (-) reduction (+) in other receivables	- 1,480	- 570	- 2,131	- 1,025
Increase (+)/reduction (-) in trade payables	3,989	2,955	3,789	2,326
Increase (+)/reduction (-) in current liabilities	64	1,383	2,361	1,709
<b>Cash flow from ordinary course of business</b>	<b>- 17,691</b>	<b>- 9,987</b>	<b>- 65,736</b>	<b>- 41,299</b>
<b>Investment activities</b>				
Acquisition of intangible assets	- 7,177	- 4,041	- 18,413	- 8,095
Acquisition of property, plant and equipment	- 1,502	- 2,614	- 14,512	- 6,337
Changes in long-term receivables	148	-	148	-
<b>Cash flow from investment activities</b>	<b>- 8,531</b>	<b>- 6,655</b>	<b>- 32,778</b>	<b>- 14,432</b>
<b>Financing activities</b>				
New rights issue	-	119,414	-	145,950
Expenses related to issue	-	- 8,786	-	- 8,969
Added capital via warrant programmes	-	5,586	-	5,586
Amortisation/Increase of debts	- 204	- 792	5,248	- 3,168
<b>Cashflow from financing activities</b>	<b>- 204</b>	<b>115,422</b>	<b>5,248</b>	<b>139,399</b>
<b>Cash flow for the period</b>	<b>- 26,426</b>	<b>98,780</b>	<b>- 93,266</b>	<b>83,669</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>56,405</b>	<b>24,465</b>	<b>123,245</b>	<b>39,576</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>29,979</b>	<b>123,245</b>	<b>29,979</b>	<b>123,245</b>

**STATEMENT OF INCOME, PARENT COMPANY**

Amounts in KSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Operating revenues</b>				
Net sales	886	1,291	4,199	8,612
Other Operating Income	38	311	210	391
	<b>924</b>	<b>1,602</b>	<b>4,408</b>	<b>9,003</b>
<b>Operating expenses</b>				
Other external costs	-13,166	-13,088	-50,125	-41,252
Personnel expenses	-5,818	-3,620	-21,278	-15,197
Depreciation of tangible and intangible assets	-1,621	-1,561	-6,443	-5,954
	-20,605	-18,269	-77,846	-62,403
<b>Operating profit/loss</b>	<b>- 19,682</b>	<b>- 16,666</b>	<b>- 73,438</b>	<b>- 53,400</b>
<b>Profit/loss from financial items</b>				
Interest income and similar items	31	91	218	154
Interest expenses and similar items	-0	-161	-20	-162
	31	-70	198	-8
<b>Profit/loss after financial items</b>	<b>- 19,651</b>	<b>- 16,736</b>	<b>- 73,240</b>	<b>- 53,408</b>
Group contributions	-	-	-	-
<b>Profit/loss after balance sheet allocations</b>	<b>- 19,651</b>	<b>- 16,736</b>	<b>- 73,240</b>	<b>- 53,408</b>
Tax on net profits for the period				
<b>Profit/loss for the period</b>	<b>- 19,651</b>	<b>- 16,736</b>	<b>- 73,240</b>	<b>- 53,408</b>

## STATEMENT OF FINANCIAL POSITION, PARENT COMPANY

Amounts in KSEK	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>		
<i>Fixed assets</i>		
<i>Intangible fixed assets</i>		
Capitalized expenditures for development	48,898	36,333
Patents and similar rights	2,868	3,410
	<b>51,765</b>	<b>39,744</b>
<i>Tangible fixed assets</i>		
Equipment, tools, and installations	270	129
	<b>270</b>	<b>129</b>
<i>Financial non-current assets</i>		
Investments in group companies	36,891	36,891
Long-term receivables, group enterprises	59,771	50,031
Other long-term receivables	-	148
	<b>96,661</b>	<b>87,069</b>
<b>Total fixed and non-current assets</b>	<b>148,697</b>	<b>126,942</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Trade receivables	88	117
Other receivables	3,468	2,513
Prepaid costs, accrued earnings	1,896	871
	<b>5,452</b>	<b>3,500</b>
<i>Cash and cash equivalents</i>	<i>27,985</i>	<i>119,172</i>
<b>Current assets, total</b>	<b>33,437</b>	<b>122,673</b>
<b>TOTAL ASSETS</b>	<b>182,134</b>	<b>249,614</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	26,265	26,265
Share capital not registered	-	-
Statutory reserve	502	502
Fund for development expenses	31,192	13,125
<i>Unrestricted equity</i>		
Share premium reserve	544,199	544,199
Retained earnings	-361,657	-290,183
Profit/loss for the period	-73,240	-53,408
	<b>167,261</b>	<b>240,501</b>
<b>Current liabilities</b>		
Trade payables	6,184	3,185
Other current liabilities	498	389
Accrued costs and prepaid income	8,191	5,540
	<b>14,873</b>	<b>9,114</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>182,134</b>	<b>249,614</b>



# CHANGES IN EQUITY, PARENT COMPANY

Amounts in KSEK		Jan 1-Dec 31, 2022						
	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>26,265</b>	-	<b>502</b>	<b>13,126</b>	<b>544,199</b>	-	<b>- 290,183</b>	<b>- 53,408</b>
Adjustment of previous year's profit and loss	-	-	-	-	-	-	- 53,408	53,408
Profit/loss for the period	-	-	-	-	-	-	-	- 73,240
Fund for development costs	-	-	-	18,067	-	-	- 18,067	-
New share issue	-	-	-	-	-	-	-	-
Expenses related to issue	-	-	-	-	-	-	-	-
Added capital via warrant programmes	-	-	-	-	-	-	-	-
<b>Closing balance, equity</b>	<b>26,265</b>	-	<b>502</b>	<b>31,192</b>	<b>544,199</b>	-	<b>- 361,658</b>	<b>- 73,240</b>

		Jan 1-Dec 31, 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	-	-	-	-	-	-	-	- 53,408
Fund for development costs	-	-	-	10,677	-	-	- 10,677	-
New share issue	3,032	-	-	-	142,919	-	-	-
Expenses related to issue	-	-	-	-	- 8,969	-	-	-
Added capital via warrant programmes	-	-	-	-	5,586	-	-	-
<b>Closing balance, equity</b>	<b>26,265</b>	-	<b>502</b>	<b>13,126</b>	<b>544,199</b>	-	<b>- 290,183</b>	<b>- 53,408</b>

## STATEMENT OF CASH FLOW, PARENT COMPANY

Amounts in KSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<i>Operating activities</i>				
Operating profit/loss	-19,682	-16,666	-73,438	-53,400
Adjustments for items not part of the cash flow	1,621	1,561	6,443	5,954
Interest received	31	91	218	154
Interest paid	-0	-161	-20	-162
<b>Cash flow from operating activities before changes in working capital</b>	<b>- 18,030</b>	<b>- 15,176</b>	<b>- 66,797</b>	<b>- 47,454</b>
<i>Cash flow from changes in working capital</i>				
Increase (-) reduction (+) in other receivables	-1,556	256	-1,951	-927
Increase (+)/reduction (-) in trade payables	2,958	2,058	2,999	2,663
Increase (+)/reduction (-) in current liabilities	1,593	1,225	2,760	1,241
<b>Cash flow from ordinary course of business</b>	<b>- 15,035</b>	<b>- 11,637</b>	<b>- 62,989</b>	<b>- 44,477</b>
<b>Investment activities</b>				
Acquisition of intangible assets	-7,177	-4,041	-18,413	-8,095
Changes in long-term receivables	-2,037	-1,705	-9,592	-7,510
<b>Cash flow from investment activities</b>	<b>- 9,265</b>	<b>- 5,800</b>	<b>- 28,198</b>	<b>- 15,659</b>
<b>Financing activities</b>				
New rights issue	-	116,654	-	145,950
Expenses related to issue	-	-8,786	-	-8,969
Added capital via warrant programs	-	5,586	-	5,586
<b>Cashflow from financing activities</b>	<b>-</b>	<b>113,455</b>	<b>-</b>	<b>142,567</b>
<b>Cash flow for the period</b>	<b>- 24,300</b>	<b>96,019</b>	<b>- 91,187</b>	<b>82,432</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,286</b>	<b>23,154</b>	<b>119,173</b>	<b>36,741</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>27,986</b>	<b>119,173</b>	<b>27,986</b>	<b>119,173</b>