

# Year-end report

January - December 2021



## REVISED STRATEGY FOCUSED ON CORE BUSINESS FOR PROFITABLE GROWTH

### October – December 2021 in summary

- Net sales, MSEK -0.1 [5.7].
- Production MWh 3.5 [2.8].
- Delivered energy storage 48 [94], average size per energy storage 5 [16] kWh.
- Gross profit<sup>1</sup> MSEK -237.7 [-78.1].
- EBITDA MSEK -110,6 [-83.9].
- Operating profit (EBIT) MSEK -269.5 [-101.8].
- Profit for the period MSEK -251.5 [-113.2].
- Earnings per share before/after dilution SEK -5.53.

### January – December 2021 in summary

- Net sales, MSEK 17.8 [25.2].
- Production MWh 14.1 [8.3].
- Delivered energy storage 537 [442], average size per energy storage 8 [12] kWh.
- Gross profit MSEK -479.5 [-199.2].
- EBITDA MSEK -382,1 [-223.4].
- Operating profit (EBIT) MSEK -596.4 [-284.0].
- Profit for the period MSEK -600.5 [-342.9].
- Earnings per share before/after dilution SEK -18.54.

### Significant events during the fourth quarter

- Erik Oldmark was appointed as the new CEO at the board meeting on 11 October.
- The company issued two redundancy notices affecting a total of 110 people in Gävle and Täby. The background is a need to temporarily slow down operations.
- Nilar decided to reduce the pace of investment, which affects the expansion of the company's second production facility in Paldiski, Estonia.
- Refocused strategi concluded in an impairment of -137,5 MSEK related to older capitalized development

### Significant events after the balance sheet date

- Negotiations following the two redundancy notices issued in the fourth quarter have been completed, resulting in 48 people leaving the company due to scarcity of work.
- The Nomination Committee has proposed Gunnar Wieslander as the new chairman of the board of Nilar and the company has convened an extraordinary general meeting on 3 March 2022. Three members of the board declined reelection.

MSEK	Q4		12 months	
	2021 okt-dec	2020 okt-dec	2021 jan-dec	2020 jan-dec
Revenue	-0,1	5,7	17,8	25,2
Gross profit	-237,7	-78,1	-479,5	-199,2
EBITDA	-110,6	-77,3	-382,1	-216,7
Operating income (EBIT)	-269,5	-101,8	-596,4	-284,0
Net profit/loss after tax	-251,5	-113,2	-600,5	-342,9
Cash flow from operating activities	-55,3	-47,5	-190,9	-81,1
Cash flow from investing activities	-131,9	-67,8	-446,6	-211,6
Cash flow from financing activities	-1,0	131,5	818,5	233,6
Equity/debt ratio, %	60%	18%	60%	18%
Shares in issue at end of period, '000	45 511,8	5 025,2	45 511,8	5 025,2
Share options in issue at end of period, '000	260,3	170,6	260,3	170,6
Weighted average number of ordinary shares in issue, '000	45 511,8	4 969,2	32 385,1	4 601,5
Delivered energy storages, number	48	94	537	442
Average employed and contracted personnel, number	253	190	225	166

<sup>1</sup> Alternative key ratios. See page 18 for further explanations. Applies to this and all subsequent alternative key ratios in the report.

<sup>2</sup> For Average number of shares and Earnings per share after dilution, the option rights in the EIB loan have not been taken into account, as that would have resulted in a small negative result per share.

## CEO'S COMMENTS

In 2021 Nilar met with unprecedented challenges. Nilar's strategy of rapidly scaling up production capacity was severely hampered by significant Covid-related supply-chain problems for both Nilar and Nilar's system integration partners, leading to a significant curtailment of sales. In addition, we encountered certain product-related quality problems as well as increases in raw material prices.

Shortly after I took on the role as CEO of Nilar in October 2021, I encouraged the decision to revise our strategy: a roadmap, which prioritizes attaining profitability over short term volume growth. To adjust our cost base, we decided to temporarily reduce production in Gävle, and to put the ongoing construction of our new production unit in Paldiski, Estonia, on hold for now. This also meant a significant reduction of our workforce. The result for Q4 is, however, still affected by our previous production ramp-up plan. It is also affected by write-downs of intangible assets due to our revised strategy, as previously communicated in a separate press release.

As a consequence of revising Nilar's strategy, the full impact of cost reduction measures taken in 2021 is expected in the results of Q2, 2022. However, our sales uptake will be slower than planned in the previous strategy. And – as previously announced – Nilar will need additional external capital during 2022.

### Market comments

During the last months, Europe has experienced the effects of the transition from fossil-based to renewable power generation on our energy system and infrastructure. Intermittent power sources such as solar and wind generate highly variable amounts of energy – leading to volatile and increasing energy prices. At the same time, our energy consumption patterns are changing fast with the booming market for plugin electrical vehicles among other things. With this comes increased stress on our already strained power grids, causing problems with reliability and stability.

Following the proposed amendment of EU renewable energy targets, we expect to see massive investments in the coming years by utility companies and infrastructure investors in solar and wind, doubling today's capacity<sup>1</sup> within a decade. This creates an increased demand for stationary energy storage solutions to handle the challenges of upholding stability in the grid, with an expected 9-fold increase in installed capacity, exceeding 100 GWh by 2030<sup>2</sup>.

In the last 12 months we have also seen a steep price increase of lithium raw materials following high demand, compared to nickel which has increased by some 30%. For China, the biggest battery-producing country in the world, the lithium price is now five times higher than just a year ago<sup>3</sup>. Credit Suisse estimates there will be a global lithium supply deficit of 248,000 tons by 2025<sup>4</sup>, whilst the total global production is estimated to 1,5 million tons<sup>5</sup>.

With our pioneering battery technologies, Nilar is in an excellent position to thrive in this market. Building on our unique strengths we

continue to innovate and improve our products and our offering. Our ambitions are high and together with selected partners, we aim to be a leader in optimised solutions for customers seeking high-performing, cost-efficient, safe and sustainable energy storage.

### Revised business strategy for Nilar's sustainable growth

We have developed a revised business strategy for Nilar's sustainable growth and a realistic road to profitability. We are now putting the plan into action.

- In addition to our existing business in the residential market segment, we will increase our focus on growth in larger energy storage installations on the European market. The main target customer applications are found in the commercial & industrial (C&I) and utility segments, with solutions such as backup, frequency regulation, peak shaving, microgrid and off-grid. This is where we see the best fit with our unique technology, which competitively differentiates itself on performance, safety, and sustainability.
- We will concentrate on building long-term partnerships with selected key system integrators targeting our focused market segments. We are now streamlining the value chain – cutting out unnecessary distribution actors -- and work with our partners to create sharply optimised energy storage solutions based on customer needs.
- Nilar will move away from supplying complete ESS systems – leaving packaging to our partners – and focus on our competitive battery and BMS platform together with the reoxygenating technology.
- Achieving growth in larger installations demands a shift from standard ESS system products to solution-based projects, where our partners will deliver complete solutions built on our technology. Our focus will be exclusively on further developing and delivering battery technology; we will provide our know-how to create smart and safe solutions based on our products. With the launch of batteries with reoxygenating functionality<sup>6</sup>, our partners have the opportunity to develop a recurring business for life cycle management of our battery solutions.
- We are increasing the sales price of our products to reflect the customer value we deliver with our next generation reoxygenating-ready battery packs, and to adequately account for cost of raw materials.

### Roadmap and milestones for 2022-2023

Following our plan, our production volumes will remain moderate during the first half of 2022. With the launch of our first battery pack with reoxygenating functionality, we are ready to approach the market with a very competitive offering for energy storage installations up to multiple MWh capacity. We focus our production in Gävle during 2022, with a planned ramp-up in volume starting in Q3 2022, reaching

<sup>1</sup> European Commission, [https://ec.europa.eu/info/news/commission-presents-renewable-energy-directive-revision-2021-jul-14\\_en](https://ec.europa.eu/info/news/commission-presents-renewable-energy-directive-revision-2021-jul-14_en)

<sup>2</sup> Wood Mackenzie, Global Energy Storage Outlook H2 2021

<sup>3</sup> Nikkei Asia, <https://asia.nikkei.com/Spotlight/Market-Spotlight/Battery-costs-rise-as-lithium-demand-outstrips-supply>

<sup>4</sup> Forbes, <https://www.forbes.com/sites/timtreadgold/2021/07/02/lithium-price-tipped-to-rise-after-warning-of-perpetual-deficit/?sh=739912434ab7>

<sup>5</sup> S&P Global, <https://www.spglobal.com/en/research-insights/articles/lithium-supply-is-set-to-triple-by-2025-will-it-be-enough>

<sup>6</sup> With our unique and patented Nilar reoxygenating technology, Nilar battery packs can be restored at least three times before they reach their final end-of-life, to get recycled.

approximately 20 MWh production capacity during 2023. During 2022 and 2023 we will focus on achieving the following milestones:

- Sign strategic agreements with key integrators for joint solution development towards our main target customer segments.
- Delivery of batteries, including the new reoxygenating functionality, together with performance and quality improvements on our existing battery design.
- Pull forward development of our next generation battery and control systems, to be launched in 2024, to optimize and align our technology with our revised strategy.
- Set out a roadmap for reaching a production volume capacity of 150-200 MWh by 2025, including the production unit in Paldiski, Estonia.

With our revised strategy and roadmap in place, all Nilar departments are now fully focused on delivering each of the set milestones.

The energy storage industry is still in an immature phase, and it is with great confidence and optimism I look forward to the coming years. The momentum in the market is strong and we have a unique opportunity to play a vital and differentiated role in enabling the sustainable energy system of the future.



## THE BUSINESS

### ABOUT NILAR

Nilar is a Swedish-based developer and manufacturer of Electrical Energy Storage (ESS) systems. Energy storage can be used to bridge the gap between energy production and demand, for example to better exploit the potential of intermittent electricity production from renewable energy sources, such as solar and wind power, and to reinforce increasingly strained electricity grids. Nilar's battery technology is nickel-metal hydride (NiMH) based with a water-based electrolyte, resulting in a strong environmental and safety profile, together with a competitive price profile over a life cycle.

The company is headquartered in Täby and since 2012 its energy-efficient production has been carried out exclusively in the Gävle plant, where the company's research and development also takes place.

The NILAR share is listed on Nasdaq First North Premier Growth Market. For more information, see [www.nilar.com](http://www.nilar.com).

### FINANCIAL TARGETS

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

#### SALES:

Net sales will reach at least SEK 1 billion by 2025 through increased production capacity resulting from the installation of additional production lines in the Gävle factory and the establishment of a second factory abroad, in Estonia.

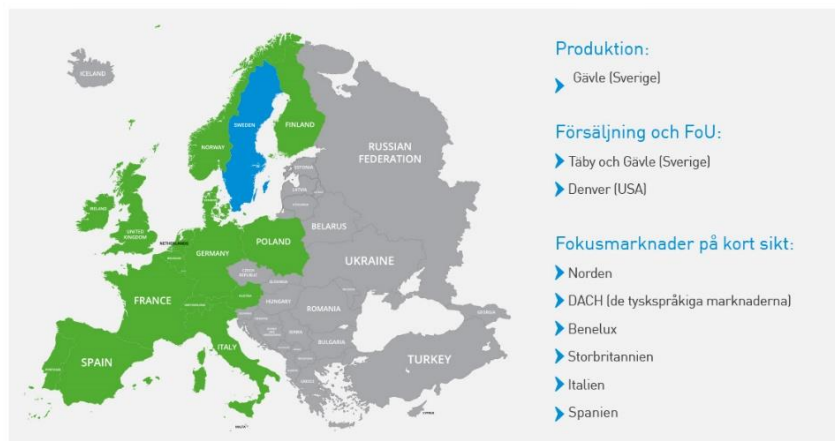
#### PROFITABILITY:

Long-term EBITDA margin of at least 20 percent. Margin improvements are expected to be achieved through, product development, increased pricing, economies of scale, a higher proportion of production in low-cost regions and the introduction of new service offerings related to Nilar Hydride® ReOx and data monitoring.

### BATTERISYSTEM FÖR STATIONÄRA APPLIKATIONER



### MÅLSEGMENT



## FINANCIAL OVERVIEW

### OCTOBER – DECEMBER 2021

#### TURNOVER AND EARNINGS

**Net sales** reduced by 102% to MSEK -0.1 (5.7). The negative turnover in the quarter is due to low sales and a couple of repurchased systems due to uncertain product quality. The current component shortage at Nilar's customers has made it difficult to deliver complete systems to end customers, which has negatively affected sales of Nilar's systems and batteries. The number of energy storage systems sold decreased by 49% to 48 (94) and the average size of systems sold decreased to 5 (16) kWh, as volumes of smaller systems were delivered in greater numbers.

**Gross profit** decreased to MSEK -237.7 (-78.1). The deterioration of the result is mainly driven by increased personnel costs in production and higher depreciation costs related to Nilar's inventory. As the company's products are still sold at a negative margin, the inventory value is reported at net sales value instead of cost, which generated an impairment of the inventory value of MSEK -15.7. Refer also to Note 4.

Of the warranty provision of MSEK 23.7 made in the third quarter, systems were replaced during the quarter at a cost of MSEK 8.8. The quarter was also impacted by a further provision which entailed an increase of MSEK 1.3 to MSEK 26.8 for future warranty replacements of older systems and battery packs identified with an elevated risk of overheating. The replacement and updating of these systems are expected to take place over the next 6-9 months.

During the period, an impairment of intangible assets was made as a result of the company's revised strategy, amounting to -137.5 (-6.7), see further details under estimates and assumptions on p. 14.

**Operating expenses** increased to MSEK -272.2 (-107.7), mainly due to the impairment of older capitalized development work following strategy changes, of -137.5 MSEK (-6.7). Employee and contractor costs amounted to MSEK -50.4 (-38.3). This increase was mainly in Production and R&D. Costs for raw materials was -43.1 (-29.4).

Depreciation for tangible and intangible fixed assets amounted to MSEK -21.4 (-17.8). Depreciation of machinery equipment increased to MSEK -11.6 (-8.7) because of the expansion of the production facility. Depreciation of capitalized development expenses and patents amounted to MSEK -8.3 (-8.0) and depreciation expenses for right-of-use assets amounted to MSEK -1.5 (-1.2).

**Operating profit** decreased to MSEK -269.5 (-101.8).

**Financial items** amounted to MSEK 18.0 (-11.5), of which MSEK -3.6 relates to interest on loans to the EIB, MSEK 21.4 to the change in value of the derivative component of the options for EIB, and MSEK -0.5 relating to the interest component of the lease liabilities related to costs for the company's premises.

**Profit before and after tax** decreased to MSEK -251.5 (-113.2).

#### CASH FLOW AND INVESTMENTS

**Cash flow from operating activities** amounted to MSEK -131.9 (-67.8). Changes in working capital amounted to MSEK -21.3 (5.0), of which MSEK 2.0 consisted of increased operating liabilities, MSEK -7.8 was increased inventories and MSEK -15.5 was increased operating receivables.

**Investments** amounted to MSEK -61.8 (-60.6), of which MSEK -55.3 (-47.5) consisted of investments in machinery and equipment for the factory in Gävle and MSEK -6.5 (-13.1) consisted of capitalised development costs and patents.

**Cash flow from investment activities** amounted to MSEK -1.0 (131.5). The amortisation component of the lease liabilities relating to the company's premises costs amounted to MSEK -1.0 (-1.1).

**Cash flow for the period** was MSEK -194.8 (3.2).

### JANUARY – DECEMBER 2021

#### TURNOVER AND EARNINGS

**Net sales** reduced by 29% to MSEK 17.8 (25.2). The turnover for the period has been negatively affected in several ways linked to COVID -19. Problems in the supply chain at Nilar's customers during the period have reduced the orders for battery storage systems as the shortage of components has made it impossible to deliver complete solutions to the end customer. Nonetheless, the number of energy storage units sold increased by 21% to 537 (442). However, the average size of the energy storage units sold was 8 (12) kWh, as volumes of smaller systems were delivered in larger numbers.

**Gross profit** decreased to MSEK -479.5 (-199.2). The deterioration in the result is mainly driven by increased material costs and higher personnel costs for the increased production capacity. The company's inventories are stated at net realisable value instead of cost due to the negative margin on the products. Of these, there was an impairment loss of MSEK -59.7 on the value of inventories, corresponding to 48.7% of the value of the inventory. Refer also to Note 4.

Of the warranty provision of MSEK 14.3, made in the last quarter of 2020 related to identified software errors, the replacement program has been delivered and completed during the third quarter and the entire reserve has been returned. Of the warranty provision of MSEK 23.7, made in the third quarter, systems were replaced during the quarter at a cost of MSEK 8.8. During the year, warranty costs relating to materials and external services have impacted the result by MSEK 39.5. The fourth quarter was also impacted by a further provision which entailed an increase of MSEK 1.3 to MSEK 26.8 for possible future warranty replacements of older systems and battery packs identified with an elevated risk of overheating. The replacement and updating of these systems are expected to take place over the next 6-9 months.

During the period, an impairment of intangible assets was made as a result of the company's revised strategy, amounting to -137.5 (-6.7), see further details under 'estimates and assumptions' on p. 14.

**Operating expenses** increased to MSEK -617.8 (-310.2). Employee and contractor costs amounted to MSEK -194.6 (-116.4). This increase was mainly in Production and R&D. Costs for raw materials was -148.4 (-86.4).

Depreciation for tangible and intangible fixed assets amounted to MSEK -76.8 (-60.7). Depreciation of machinery equipment increased to MSEK -39.8 (-24.9) because of the expansion of the production facility. Depreciation of capitalized development expenses and patents amounted to MSEK -31.6 (-30.9) and depreciation expenses for right-of-use assets amounted to MSEK -5.3 (-4.8).

**Operating profit** decreased to MSEK -596.4 (-284.0).

**Financial items** amounted to MSEK -4.2 (-58.9), of which MSEK -13.6 relates to interest on loans to EIB, MSEK -10.1 relates to interest on convertible loans, MSEK 29.0 to the change in value of the derivative component attributable to the convertible loan (see Note 2), and MSEK -1.7 relating to the interest component of the lease liabilities related to costs for the company's premises.

**Profit before and after tax** decreased to MSEK -600.5 (-342.9).

#### CASH FLOW AND INVESTMENTS

**Cash flow from operating activities** amounted to MSEK -448.2 (-211.6). Changes in working capital amounted to MSEK -63.2 (8.0), of which MSEK -1.1 consisted of reduced operating liabilities, MSEK -57.2 was increased inventories and MSEK -4.9 was increased operating receivables.

**Investments** amounted to MSEK -215.1 (-111.5), of which MSEK -191.0 (-81.1) consisted of investments in machinery and equipment for

the factory in Gävle and MSEK -24.2 (-30.4) consisted of capitalised development costs and patents.

**Cash flow from financing activities** amounted to MSEK 820.1 (233.6), of which MSEK 733.3 relates to a new share issue, MSEK 1.8 relates to an option programme and MEUR 8.7 (MSEK 87.8) relates to a second and final disbursement of the loan from EIB (tranche A). The amortisation component of the lease liabilities relating to the company's premises costs amounted to MSEK -4.3 (-4.3).

**Cash flow for the period** was MSEK 156.8 (-89.4).

#### PERSONNEL

The average number of employees and contracted staff in the group increased to 225 (166) during the period from 1 January to 31 December, of which employees were 185 (123) and contracted staff were 40 (38). The number of employees and contracted staff has increased mainly in the production organisation to 135 (103).

The total number of employees and contracted staff at the end of the period was 233 (223), of which the number of personnel in the production organisation was 151 (135).

## FINANCIAL POSITION

### BALANCE SHEET

**The balance sheet total** is MSEK 815.2 (576.4). The comparative period for the balance sheet analysis is 31 December 2020.

The group's **intangible fixed assets** at the end of the period amounted to MSEK 39.8 (184.8). Assets consist of capitalised expenditure for development work of MSEK 38.7 (184.3) and patents of MSEK 1.1 (0.5). During the period, MSEK 23.4 of development expenditure has been capitalised for the development of a new product with oxygen filling and the development of BMS (Battery Management System). **Property, plant and equipment** amounted to MSEK 348.3 (197.0), of which MSEK 155.1 (50.6) consisted of new installations during the year for the now almost completed factory in Gävle and the commenced expansion of Nilar's new factory in Estonia. The assets consist of forming and electrode manufacturing equipment for a total of 6 completed production lines in Gävle and for 4 started lines in Estonia. **Current assets** at the end of the period amounted to MSEK 374.3 (155.3). Inventories amounted to MSEK 99.3 (42.0).

**Equity** in the group at the end of the period amounted to MSEK 491.5 (103.1). The rights issue and conversion of convertible loans in connection with the IPO in April have increased equity by MSEK 973.3 during the period.

**Liabilities** at the end of the period amounted to MSEK 323.7 (473.3), of which **long-term liabilities** amounted to MSEK 181.2 (119.1) and **short-term liabilities** amounted to MSEK 142.5 (354.1). The equity ratio was 60 (18)%.

### FINANCIAL POSITION

In the aftermath of COVID-19, material procurement and rising raw material prices have posed problems for Nilar as well as for the company's customers. Component shortages and higher purchase prices, combined with the already strongly negative margin on Nilar's products, have led to the decision to significantly reduce sales in the fourth quarter. Another contributing factor to the decision to reduce sales can be linked quality issues in certain products produced after the summer of 2021. The curtailment of sales during the period and the negative margin are contributing factors to the fact that Nilar will need additional capital in 2022 to finance its operations. At the time of signing the interim report, the board of directors is actively working on securing sources of funding.

Nilar's sources of capital are loans and rights issues and, given these sources of capital, the board of directors believes that it will be able to raise the required capital.

## GROUP STATEMENT OF THE COMPREHENSIVE INCOME

TSEK	Q4		12 months	
	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Revenue	-111	5 666	17 820	25 238
Cost of sales	-237 610	-83 802	-497 327	-224 476
<b>Gross profit</b>	<b>-237 721</b>	<b>-78 136</b>	<b>-479 507</b>	<b>-199 238</b>
Research and development expenses	-10 798	-9 257	-32 730	-25 023
Distribution and selling costs	-12 205	-11 530	-45 971	-30 161
Administrative expenses	-11 575	-3 111	-41 771	-30 518
Other operating income	2 840	247	3 594	931
<b>Operating profit / EBIT</b>	<b>-269 460</b>	<b>-101 787</b>	<b>-596 386</b>	<b>-284 008</b>
Finance income	24 682	2 747	44 203	2 624
Finance costs	-6 718	-14 203	-48 356	-61 518
<b>Finance costs - net</b>	<b>17 964</b>	<b>-11 457</b>	<b>-4 153</b>	<b>-58 894</b>
<b>Profit before income tax</b>	<b>-251 496</b>	<b>-113 243</b>	<b>-600 539</b>	<b>-342 903</b>
Income tax	-	-	-	-
<b>Net profit/loss after tax</b>	<b>-251 496</b>	<b>-113 243</b>	<b>-600 539</b>	<b>-342 903</b>
<b>Attributable to:</b>	-	-	-	-
Parent Company shareholders	<b>-251 496</b>	<b>-113 243</b>	<b>-600 539</b>	<b>-342 903</b>
Non-controlling interests	-	-	-	-
<b>Earnings per share</b>				
Profit after tax	-251 496	-113 243	-600 539	-342 903
Number of shares at end of period	45 511 751	5 025 191	45 511 751	5 025 191
Number of share options at end of period	260 315	170 633	260 315	170 633
Weighted number of ordinary shares before dilution	45 511 751	4 969 230	32 385 124	4 601 521
Earnings per share before dilution, SEK	-5,53	-22,79	-18,54	-74,52
<b>Other comprehensive income</b>				
Currency translation differences	-64	195	-115	282
<b>Other comprehensive income for the year, net after tax</b>	<b>-64</b>	<b>195</b>	<b>-115</b>	<b>282</b>
<b>Total comprehensive income</b>	<b>-251 560</b>	<b>-113 048</b>	<b>-600 655</b>	<b>-342 620</b>

<sup>1)</sup> For Average number of shares and Earnings per share after dilution, the option rights in the convertible loan and the EIB loan have not been taken into account, which would have resulted in a smaller negative result per share.



## GROUP BALANCE SHEET

TSEK	Note	2021-12-31	2020-12-31
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible fixed assets</b>			
Patents		1 097	484
Capitalized expenditure for development work		38 724	184 272
<b>Total intangible fixed assets</b>		<b>39 821</b>	<b>184 756</b>
<b>Tangible fixed assets</b>			
Property, plant and equipment		193 204	146 446
Fixed assets under construction		155 089	50 563
<b>Total tangible fixed assets</b>		<b>348 293</b>	<b>197 009</b>
<b>Other fixed assets</b>			
Right-of-use assets		52 743	39 267
<b>Total other fixed assets</b>		<b>52 743</b>	<b>39 267</b>
<b>Total fixed assets</b>		<b>440 857</b>	<b>421 031</b>
<b>CURRENT ASSETS</b>			
Inventories	4	99 251	42 013
Accounts receivable - trade		6 937	15 030
Tax assets		1 630	1 433
Other receivables		33 435	22 344
Prepaid expenses and accrued income		2 309	579
Cash and cash equivalents		230 748	73 940
<b>Total current assets</b>		<b>374 311</b>	<b>155 339</b>
<b>Total assets</b>		<b>815 168</b>	<b>576 370</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		7 585	5 025
Other contributed capital		2 051 757	1 065 282
Other reserves		24	139
Retained earnings		-1 567 868	-967 329
<b>Total equity</b>		<b>491 498</b>	<b>103 118</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term interest-bearing lease liabilities		46 092	34 555
Borrowings	3	135 125	84 570
<b>Total non-current liabilities</b>		<b>181 217</b>	<b>119 125</b>
<b>Current liabilities</b>			
Borrowings	3	-	204 372
Current lease liabilities, interest-bearing		7 670	4 787
Provisions of warranty		26 818	15 585
Accounts payable - trade		32 889	76 912
Other liabilities		53 552	12 233
Accrued expenses and deferred income		21 524	40 238
<b>Total current liabilities</b>		<b>142 452</b>	<b>354 127</b>
<b>Total equity and liabilities</b>		<b>815 168</b>	<b>576 370</b>

## GROUP STATEMENT OF CHANGES IN EQUITY IN SUMMARY

TSEK	jan-dec	
	2021-12-31	2020-12-31
<b>Equity at start of period</b>	<b>103 118</b>	<b>275 764</b>
<b>Comprehensive income</b>		
Earnings after tax	-600 539	-342 903
Other comprehensive income	-115	282
<b>Total comprehensive income</b>	<b>-600 655</b>	<b>-342 621</b>
<b>Transactions with shareholders</b>		
New share issue	973 321	169 975
Issued share options	1 794	-
Reclassification of derivative liability	13 920	-
<b>Total transactions with shareholders</b>	<b>989 035</b>	<b>169 975</b>
<b>Equity at end of period</b>	<b>491 498</b>	<b>103 118</b>

## GROUP CASH FLOW ANALYSIS

TSEK	Q4		12 months	
	2021 okt-dec	2020 okt-dec	2021 jan-dec	2020 jan-dec
<b>Cash flows from operating activities</b>				
Profit/loss before tax	-251 495	-113 243	-600 539	-342 903
Profit/loss on disposal of fixed assets	171	-0	423	-0
Interest paid and received	-2 017	-488	-8 876	-2 397
<b>Adjustment for other non-cash items</b>				
Depreciation on tangible and intangible fixed assets	21 411	17 840	76 796	60 652
Write-down of intangible fixed assets	137 472	6 694	137 472	6 694
Provisions for warranty	1 309	5 608	11 233	169
Accrued interest	1 984	7 787	17 508	27 660
Changes in value of derivatives	-21 387	5 296	-28 956	30 829
Translation differences	446	-2 977	3 244	-2 977
Other adjustments	-515	211	-586	315
<b>Cash flow from operating activities before changes in working capital</b>	<b>-110 604</b>	<b>-72 784</b>	<b>-383 404</b>	<b>-219 560</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/decrease (+) in inventories	-7 800	-15 921	-57 238	-24 400
Increase (-)/decrease (+) in operating receivables	-15 498	-17 885	-4 891	-24 856
Increase (+)/decrease (-) in operating liabilities	1 960	38 813	-1 114	57 262
<b>Total changes in working capital</b>	<b>-21 339</b>	<b>5 007</b>	<b>-63 244</b>	<b>8 007</b>
<b>Cash flow from operating activities</b>	<b>-131 942</b>	<b>-67 777</b>	<b>-446 648</b>	<b>-211 553</b>
<b>Investing activities</b>				
Investments in intangible assets	-6 475	-13 074	-24 170	-30 439
Investments in tangible fixed assets	-55 321	-47 490	-190 949	-81 063
<b>Cash flow from investing activities</b>	<b>-61 795</b>	<b>-60 564</b>	<b>-215 120</b>	<b>-111 502</b>
<b>Financing activities</b>				
New share issue	-	45 883	733 310	169 975
Option programme	-	-	1 794	-
Repayment of debt	-1 035	-1 069	-4 373	-24 341
Loans raised	-	86 689	87 819	87 989
<b>Cash flow from financing activities</b>	<b>-1 035</b>	<b>131 502</b>	<b>818 549</b>	<b>233 622</b>
<b>Reconciliation of cash and cash equivalents</b>				
<b>Cash equivalents as of beginning of the period</b>	<b>425 512</b>	<b>70 789</b>	<b>73 940</b>	<b>163 395</b>
<b>Cash flow for the period</b>	<b>-194 773</b>	<b>3 161</b>	<b>156 782</b>	<b>-89 433</b>
Exchange rate difference in cash and cash equivalents	9	-11	27	-23
<b>Cash and cash equivalents at the end of the period</b>	<b>230 748</b>	<b>73 940</b>	<b>230 748</b>	<b>73 940</b>

## THE PARENT COMPANY'S INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

TSEK	Q4		12 months	
	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Revenue	-	-	-	-
Cost of sales	16	-23	-233	-174
<b>Gross profit</b>	<b>16</b>	<b>-23</b>	<b>-233</b>	<b>-174</b>
Research and development expenses	-146 294	9 252	-170 563	-23 179
Distribution and selling costs	-225	-106	-618	-631
Administrative expenses	-5 777	-471	-23 101	-17 268
Other operating income	1 395	-0	1 395	-0
<b>Operating profit / EBIT</b>	<b>-150 885</b>	<b>8 652</b>	<b>-193 120</b>	<b>-41 253</b>
Finance income	28 847	4 352	56 862	11 266
Finance costs	-5 848	-13 729	-45 641	-59 748
Write-down of shares in subsidiaries	-152 537	-51 624	-502 537	-208 124
<b>Finance costs - net</b>	<b>-129 538</b>	<b>-61 001</b>	<b>-491 316</b>	<b>-256 606</b>
<b>Profit after finance costs</b>	<b>-280 423</b>	<b>-52 349</b>	<b>-684 436</b>	<b>-297 859</b>
<b>Profit before tax</b>	<b>-280 423</b>	<b>-52 349</b>	<b>-684 436</b>	<b>-297 859</b>
Income tax expense	-	-	-	-
<b>Profit after tax</b>	<b>-280 423</b>	<b>-52 349</b>	<b>-684 436</b>	<b>-297 859</b>
<b>Parent company statement of other comprehensive income</b>				
Other comprehensive income, net after tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-280 423</b>	<b>-52 349</b>	<b>-684 436</b>	<b>-297 859</b>

## PARENT COMPANY'S BALANCE SHEET

TSEK	2021-12-31	2020-12-31
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
<b>Intangible fixed assets</b>		
Patents	1 097	484
Capitalized expenditure for development work	38 724	184 272
<b>Total intangible fixed assets</b>	<b>39 821</b>	<b>184 756</b>
<b>Tangible fixed assets</b>		
Property, plant and equipment	228	-
<b>Total tangible fixed assets</b>	<b>228</b>	<b>-</b>
<b>Financial non-current assets</b>		
Participations in Group companies	379	101
Receivables from Group companies	237 523	152 642
<b>Total financial non-current assets</b>	<b>237 902</b>	<b>152 743</b>
<b>Total fixed assets</b>	<b>277 951</b>	<b>337 499</b>
<b>CURRENT ASSETS</b>		
Accounts receivable - trade	171	-
Tax assets	359	359
Other receivables	6 287	3 889
Prepaid expenses and accrued income	1 142	159
Cash and cash equivalents	225 302	67 574
<b>Total current assets</b>	<b>233 260</b>	<b>71 981</b>
<b>Total assets</b>	<b>511 210</b>	<b>409 480</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	7 585	5 025
Statutory reserve	34 401	34 401
Fund for development expenditure	38 724	16 093
<b>Total restricted equity</b>	<b>80 710</b>	<b>55 520</b>
<b>Non-restricted equity</b>		
Share premium reserve	2 019 125	1 032 650
Profit/loss brought forward	-1 045 720	-725 230
Profit/loss for the year	-684 436	-297 859
<b>Total non-restricted equity</b>	<b>288 969</b>	<b>9 561</b>
<b>Total equity</b>	<b>369 680</b>	<b>65 081</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	135 125	84 570
<b>Total non-current liabilities</b>	<b>135 125</b>	<b>84 570</b>
<b>Current liabilities</b>		
Borrowings	-	204 372
Accounts payable - trade	1 186	28 752
Other liabilities	1 912	692
Accrued expenses and deferred income	3 308	26 012
<b>Total current liabilities</b>	<b>6 405</b>	<b>259 828</b>
<b>Total equity and liabilities</b>	<b>511 210</b>	<b>409 480</b>

## NOTES TO THE FINANCIAL REPORT

### GENERAL INFORMATION

Nilar International AB (publ), 556600-2977, the parent company and its subsidiaries, referred to collectively as the group, is a company engaged in the development, manufacture and sale of electrical energy storage devices. The parent company is a limited liability company with its registered office and headquarters in Täby, Sweden. The address of the head office is Stockholmsvägen 116A, 187 30 Täby, Sweden.

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

### ACCOUNTING PRINCIPLES

The interim report for the group has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The financial statements for the parent company have been prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for legal entities. The accounting policies applied are unchanged from the principles set out in the 2020 Annual Report.

The new standards and interpretations and amended standards effective from 1 January 2021 have not had a material impact on the group's financial statements. The same applies to the parent company, i.e. changes in RFR 2 effective from 1 January 2021 have not had a material impact on the parent company's financial statements.

### Segment

The group consists of only one reportable segment, Nilar, as it is at this level that the group's management team is responsible for allocating resources and assessing the performance of the business.

### ESTIMATES AND ASSESSMENTS

Estimations and assumptions are appraised continually and based on historical experience and other factors, including expectations concerning events in the future which are said to be plausible under prevailing circumstances.

The group makes assessments and assumptions for the future. The estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual profit/loss. The estimates and assumptions involving a considerable risk of significant adjustments to the recognised value of assets and liabilities in the next financial year are outlined below.

### Impairments of intangible fixed assets

Nilar capitalises expenditure relating to product development, production process development and Battery Management System (BMS) to the extent that they are deemed to meet the criteria of IAS 38 paragraph 57 as set out on page 56 of the 2020 Annual Report. The board of directors assessed in autumn 2018 that the developed product had reached such maturity and that sales of the products had started to take place, so that the amortisation of capitalised development costs for the V1 and V2 generations with associated BMS started in the fourth quarter of 2018. Subsequently, depreciation has also started for completed projects, including production process development and further product development of generation V2 to optimise product robustness, quality, and performance.

Development costs for uncompleted projects that have been recognised amount to MSEK 38.7 and are related to the development of a new oxygen filling product and the development of a new BMS (Battery Management System).

The company continuously assesses whether there is a need to write down the value of its assets. At the end of the fourth quarter, the board of directors considers that the company's revised strategy requires

impairments of legacy development work related to system design and production methods. Impairment of capitalised development expenditure during the period amounted to MSEK 137.5. The board considers that there is no need for impairment for uncompleted projects. This, because impairment testing of fixed assets shows that the recoverable amount exceeds the carrying amount.

### Valuation of loss carry-forwards

Deferred tax assets are valued at no more than the amount likely to be recovered based on the current and future taxable income. The portion of the tax asset relating to loss carry-forwards that exceeds the tax liability relating to temporary differences is not recognised due to uncertainty as to when in the future sufficient taxable profits will be generated. The Group has unused tax losses of MSEK 1,329 (880.4), of which MSEK 1,330 (880.4) relates to unrecognised loss carry-forwards. These relate to unused loss carry-forwards for the parent company and the Swedish subsidiary. When the temporary difference will give rise to current tax, the corresponding loss carry-forwards will be utilised, so that there will be no actual tax payment. Deferred tax assets and liabilities are therefore recorded net, at 0.

### BREAKDOWN OF NET SALES (NOTE 1)

MSEK	Q4		Period	
	2021	2020	2021	2020
Revenue	oct-dec	oct-dec	jan-dec	jan-dec
Sweden	1,3	2,7	12,6	13,3
EU	-1,4	3,3	5,3	8,1
Outside EU	-	-0,4	-	3,8
<b>Total</b>	<b>-0,1</b>	<b>5,7</b>	<b>17,8</b>	<b>25,2</b>

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

Nilar's revenue consists 100% of product sales of systems. Revenue recognition currently takes place upon delivery and when control has been transferred to the customer. The company has no contract assets, contract liabilities or outstanding performance commitments.

### FINANCIAL EXPENSES (NOTE 2)

MSEK	Q4		Period	
	2021	2020	2021	2020
Financial expenses	okt-dec	okt-dec	jan-dec	jan-dec
Interest expenses to shareholders	-	-7,1	-10,1	-27,5
Interest expenses EIB	-3,6	-0,7	-13,6	-0,7
Interest expenses leasing	-0,5	-0,4	-1,7	-1,6
Other interest expenses	-0,4	-0,1	-1,1	-0,2
Changes in value of derivatives	-0,4	-5,1	-15,1	-0,8
Other financial expenses	-1,8	-0,8	-6,8	-30,7
<b>Total</b>	<b>-6,7</b>	<b>-14,2</b>	<b>-48,4</b>	<b>-61,5</b>

Financial expenses for the quarter consist of interest expenses of MSEK -3.6 related to the EIB loan, interest expenses for leasing of MSEK -0.5 and accrual of fees related to the EIB loan of MSEK -1.8.

## BORROWINGS (NOTE 3)

MSEK	21-12-31	20-12-31
Convertible loan	-	204,4
EIB	135,1	84,6
<b>Total</b>	<b>135,1</b>	<b>288,9</b>

### Convertible loans

Following the listing of the company's shares on the Nasdaq First North Premier Growth Market on 30 April 2021, the previous convertible loan, which matured from the fourth quarter 2019, has been converted into equity and shares have been issued. The convertible loan was valued at fair value amounting to MSEK 240.0 at the conversion date.

This convertible loan was issued in the fourth quarter of 2019 for a nominal amount of MSEK 175. The loan matured from 20 December 2019 until 30 June 2020 with an annual interest rate of 10% and from 1 July 2020 until 31 December 2020 with an annual interest rate of 12.5% and from 1 January 2021 until 31 December 2021 (the final maturity date) with an annual interest rate of 15%. Repayment of the loan, including accrued interest, were to be made no later than 31 December 2021 unless conversion took place before that date. The convertible bond could be converted into shares at a floating rate during the term and, if not converted, it could be repaid at 130% of the amount of the debt at maturity.

### EIB

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

Payment of MEUR 8.75 (MSEK 91.0) of the first partial tranche of MEUR 17.5 (tranche A) was received in the fourth quarter of 2020. The second and final payment of MEUR 8.75 (MSEK 87.8) of the first partial tranche of MEUR 17.5 (tranche A) was received in the first quarter of 2021. Disbursement of tranches under the facility is conditional upon, inter alia, the raising of additional equity capital and the achievement of sales and/or profitability targets. For the disbursement of the initial MEUR 17.5 (tranche A), such targets had been achieved with the capital raising completed in H2 2020 of MSEK 178 before fees. For the disbursement of further tranches, contractual conditions remained to be met.

Tranche A runs from 24 November 2020 to 31 December 2025 with an annual interest rate of 7.5%, and the EIB has received 160,633 warrants in Nilar International AB entitling the lender to purchase shares at a fixed price during the term of the option. The debt is recognised at amortised cost while the options are recognised at fair value.

Following the listing of the company's shares on the Nasdaq First North Premier Growth Market on 30 April 2021, the company had met the requirements for additional equity infusion under Tranche B and C. Tranche B could be used until 30 June 2022. Payment under Tranche B was conditional on the company's sales during the period 1 July 2021 to 31 December 2021 reaching or exceeding MSEK 77 (excluding intra-group sales and sales of filling services). The condition relating to the sales of the company has not been met, which means that tranche B has lapsed.

### Fair value

The company's convertible loan was valued by discounting the future cash flows. The discount rate reflects credit risk and maturity. The market value of the convertible loan was valued at MSEK 240.0 at the conversion date of 30 April 2021. For the option part and the convertible, as well as in the option agreement with the EIB, the key parameters for valuation are the date of exercise, the exercise price

and the probability of exercise before the expiry of the agreement. The rating is in level 3.

The options to the EIB were recognised at fair value through the income statement. On 27 October 2021, the lock-up commitments for the company's shares expired, with the result that the conditions for debt classification of the options no longer apply. The option was valued using Black-Scholes with volatility assumptions and the market value of the option at maturity was MSEK 13.9. The value at maturity has had an impact on the company's equity during the quarter. The share price has a significant impact on the valuation. A 10% increase in the share price results in a 10% increase in the market value.

## INVENTORIES (NOTE 4)

TSEK	21-12-31	20-12-31
<b>INVENTORIES</b>		
Raw materials	92 514	36 922
Stock of semi-finished products	39 714	535
Finished products	4 624	200
Advance suppliers	22 147	10 819
<b>IMPAIRMENT TO NET SALES VALUE</b>		
Raw materials	-34 217	-6 223
Stock of semi-finished products	-22 869	-167
Advance suppliers	-2 662	-73
<b>Summa varulager</b>	<b>99 251</b>	<b>42 013</b>

Inventories have been written down to net realisable value as this is deemed to be less than cost.

## TRANSACTIONS WITH RELATED PARTIES

There have been no significant related party transactions during the reporting period. More information is available in Note 25 in the 2020 Annual Report.

## PARENT COMPANY

### OCTOBER – DECEMBER 2021

The parent company's net sales amounted to MSEK 0 (0). Intergroup purchases amounted to MSEK 23.4 (97.5) and consisted of the acquisition of intangible assets from the subsidiary Nilar AB. Research and development expenses amounted to MSEK -146.3 (9.3) and consisted mainly of the December impairment of MSEK -137,5 (0) and amortisation of capitalised development expenses during the quarter. Net financial income amounted to MSEK -129.5 (-61,0), which is explained by financial expenses of MSEK -5.8 (-13.7), of which MSEK -3.6 is interest on loans to the EIB and write downs of stocks in subsidiary company -502,5 MSEK (-208,1). The result after tax was MSEK -280.4 (-52.3).

Cash flow for the period was MSEK 157.7 (-81.7). Cash and cash equivalents at the end of the period amounted to MSEK 225.3 (67.6).

The equity ratio was 72 (16) %. Equity capital amounted to MSEK 369.7 (65.1).

## SIGNIFICANT RISKS AND UNCERTAINTIES

Nilar is affected by a number of external and internal factors that may result in an outcome that differs from forecasts, past performance and expectations. The following list represents a selection of the risks that the company considers significant but is not an exhaustive list of possible risks.

- Financial risks
- Economic, market and environmental risks
- Operating risks
- Sustainability risks

COVID-19 had a hugely negative affect due to customers' shortage of electronics and higher costs for raw material and other components, as well as increased delivery times. Nilar has worked closely with our supplier to increase the stock of vital materials and components to reduce future risks. The company also has temporarily reduced volumes produced.

Impairment testing of fixed assets shows that the recoverable amount exceeds the carrying amount. However, the outcome is sensitive to changes in key assumptions. The estimated recoverable amount for Nilar has no room for changes in the key assumptions.

Risk management is described in more detail in the Annual Report 2020, Note 4 'risks and risk management'. All forward-looking statements in this report are based on the company's best estimates as of the date of the report. Such statements, like all forward-looking

statements, involve risks and uncertainties that could cause actual results to differ.

## ASSETS PLEDGED AS SECURITY AND CONTINGENT LIABILITIES

All of the company's floating charges, totalling MSEK 30, are unused.

## SHARE-BASED INCENTIVE PLANS

The extraordinary general meeting of 12 March 2021 resolved to adopt a long-term incentive plan for senior executives and other key employees of the company (LTIP) (2021:1) and an incentive plan for the board of directors of the company (2021:2). A maximum of 95,000 option rights can be issued under the incentive plans.

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

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

Täby, 28 February 2022  
The Board of Directors



## KEY FIGURES PER QUARTER

GROUP	2021				2020				2019
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
MSEK									
Delivered energy storages, number	48	196	220	73	94	159	136	53	128
Average size per energy storage, kWh	5	7	7	19	16	9	12	15	8
Production lines, commissioned, at end of quarter	6	4	4	4	3	3	2	2	2
Shifts, at end of quarter	2	4	4	4	3	2	2	2	2
<b>Income statement</b>									
Revenue	-0,1	5,4	7,2	5,4	5,7	7,5	7,5	4,6	4,6
Gross profit	-237,7	-87,4	-84,8	-69,6	-78,1	-39,9	-39,7	-41,6	-61,7
EBITDA	-110,6	-93,0	-100,6	-78,0	-77,3	-42,6	-48,5	-48,3	-70,8
Operating profit (EBIT)	-269,5	-112,2	-118,7	-96,0	-101,8	-58,3	-63,1	-60,9	-81,4
Profit/loss before tax	-251,5	-100,0	-134,7	-114,4	-113,2	-75,6	-86,0	-68,0	-83,0
Profit/loss after tax	-251,5	-100,0	-134,7	-114,4	-113,2	-75,6	-86,0	-68,0	-83,0
Depreciation	-21,4	-19,2	-18,2	-18,0	-17,8	-15,7	-14,5	-12,6	-10,6
intangible assets	-8,3	-7,9	-7,7	-7,7	-8,0	-8,0	-8,0	-7,1	-7,0
tangible assets	-11,6	-10,1	-9,2	-9,0	-8,7	-6,5	-5,4	-4,4	-2,6
Capitalized expenses for development work	6,1	5,1	5,5	6,6	5,2	6,7	5,4	5,3	11,0
Average employed and contracted personnel	253	227	224	198	190	143	155	174	158
Employed and contracted personnel, end of period	265	276	251	234	223	175	184	173	178
<b>Cash flow</b>									
operating activities	-131,9	-110,5	-120,7	-83,5	-67,8	-42,6	-41,3	-59,9	-36,5
investing activities	-61,8	-65,6	-51,2	-36,5	-60,6	-17,5	-14,7	-18,7	-28,2
financing activities	-1,0	-2,7	715,4	106,9	131,5	123,1	-1,0	-19,9	183,3
Cash flow for the period	-194,8	-178,8	543,5	-13,1	3,2	63,0	-57,0	-98,5	118,6
<b>Balance sheet</b>									
Fixed assets	440,9	522,3	476,2	442,2	421,0	384,4	382,6	382,0	370,4
Current assets	374,3	545,8	694,2	137,1	155,3	118,4	53,0	104,1	195,5
Total assets	815,2	1 068,0	1 170,4	579,2	576,4	502,8	435,7	486,1	565,9
Equity	491,5	729,1	829,2	7,3	103,1	170,3	121,8	207,8	275,8
Non-current liabilities	181,2	201,5	218,9	212,9	119,1	35,0	35,8	36,4	33,0
Current liabilities	142,5	137,4	122,4	359,0	354,1	297,5	278,1	241,9	257,1
Total equity and liabilities	815,2	1 068,0	1 170,4	579,2	576,4	502,8	435,7	486,1	565,9
Capitalised expenses for patents	1,1	0,8	0,7	0,5	0,5	1,0	1,0	1,1	1,2
Capitalized expenditure for development work	38,7	178,4	181,1	183,2	184,3	185,3	186,6	189,1	190,8
Property, plant and equipment	193,2	169,7	138,1	137,3	146,4	142,6	88,9	86,8	60,5
Fixed assets under construction	155,1	134,6	116,2	80,3	50,6	15,6	65,0	63,2	80,4
Inventories	99,3	91,5	60,2	42,0	42,0	26,1	27,8	24,2	17,6
Cash and cash equivalents	230,7	425,5	604,3	60,8	73,9	70,8	7,8	64,9	163,4
Equity/debt ratio, % <sup>1)</sup>	60%	68%	71%	1%	18%	34%	28%	43%	49%
Debt ratio, times <sup>1)</sup>	0,7	0,5	0,4	78,2	4,6	2,0	2,6	1,3	1,1

## SHARE DATA

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

<sup>1)</sup> Alternative key ratios. See page 18 for further explanations.

## ALTERNATIVE KEY RATIOS

The interim report refers to a number of non-IFRS performance measures that are used to help investors and management analyse the company's activities. The measures presented in this report may differ from similarly named measures in other companies.

### Definitions of alternative key ratios that are not calculated according to IFRS

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

## GLOSSARY

The interim report refers to a number of concepts that are used to help investors and management analyse the company's activities.

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

## MISCELLANEOUS

### Financial calendar

Interim report January-March 2022: 21 May 2022

Interim report January-June 2022: 18 August 2022

Interim report January-September 2022: 17 November 2022

Year-end report and report for the fourth quarter of 2022: 16 February 2018

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