



**YEAR END REPORT  
OCTOBER - DECEMBER 2022**

**Q4**

**WESTPAY**

**WE ENABLE PAYMENTS - GLOBALLY**

## YEAR-END REPORT 2022

7TH CONSECUTIVE QUARTER OF GROWTH YOY,  
REVENUES UP 31 % FOR 2022

## FOURTH QUARTER 2022

- Net sales totalled MSEK 17,4 (15,8), a change of MSEK +1,6 / +10 %
- EBITDA was MSEK 0,1 (-7,9), a change of MSEK +7,8
- EBIT was MSEK -2,3 (-10,1), a change of MSEK +7,8
- Net earnings were MSEK -2,6 (-10,3), a change of MSEK +7,7
- Net earnings per share amounted to SEK -0,06 (-0,27)

**Adjusted \***

- EBITDA was MSEK 0,1 (-1,2), a change of MSEK +1,3
- EBIT was MSEK -2,3 (-3,4), a change of MSEK +1,1
- Net earnings were MSEK -2,6 (-3,6), a change of MSEK +1,0
- Net earnings per share amounted to SEK -0,06 (-0,09)

## JANUARY – DECEMBER 2022

- Net sales totalled MSEK 70,4 (53,7), a change of MSEK +16,7 / +31 %
- EBITDA was MSEK 0,6 (-11,5), a change of MSEK +10,9
- EBIT was MSEK -8,1 (-18,6), a change of MSEK +10,5
- Net earnings were MSEK -8,8 (-19,1), a change of MSEK +10,3
- Net earnings per share amounted to SEK -0,22 (-0,54)

**Adjusted \***

- EBITDA was MSEK 0,6 (-4,8), a change of MSEK +5,4
- EBIT was MSEK -8,1 (-11,9), a change of MSEK +3,8
- Net earnings were MSEK -8,8 (-12,4), a change of MSEK +3,6
- Net earnings per share amounted to SEK -0,22 (-0,35)

|   | Oct-Dec<br>2022 | Oct-Dec<br>2021 | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Net sales, kSEK</b>                        | 17 358          | 15 799          | 70 416          | 53 706          |
| <b>EBITDA, kSEK</b>                           | 91              | -7 898          | 621             | -11 450         |
| <b>Adjusted EBITDA, kSEK *</b>                | -               | -1 236          | -               | -4 787          |
| <b>EBIT, kSEK</b>                             | -2 330          | -10 101         | -8 140          | -18 557         |
| <b>Adjusted EBIT, kSEK *</b>                  | -               | -3 438          | -               | -11 895         |
| <b>Net earnings, kSEK</b>                     | -2 562          | -10 260         | -8 768          | -19 057         |
| <b>Adjusted net earnings, kSEK *</b>          | -               | -3 598          | -               | -12 395         |
| <b>Net earnings per share, SEK</b>            | -0,06           | -0,27           | -0,22           | -0,54           |
| <b>Adjusted net earnings per share, SEK *</b> | -               | -0,09           | -               | -0,35           |

\* Adjusted figures have been recalculated by adjusting for items affecting the comparability of the company's figures. The adjustments amount to kSEK 0 (6 662) during the fourth quarter of 2022. For more information, refer to note *Items affecting comparability* on page 9.

**EVENTS DURING THE QUARTER**

- Westpay releases the next-generation payment terminal, a wireless so-called pin-on-glass device.
- Additional order from Absa Bank in South Africa, value MSEK 4,7.

**EVENTS AFTER THE END OF THE QUARTER**

- Westpay boosts financial capability through strategic partnership with XAC Automation Corp.
- Westpay has resolved, subject to the approval of the general meeting, to carry out a directed share issue of 5 319 148 shares at a subscription price of SEK 1.41.

For more information about news and events: <https://investor.westpay.se/financial-reports/>



## FROM THE CEO

**Growth continues at Westpay and with that we are closing 2022 in a positive way. We continue to retain and grow our client base and to develop our business on all levels. Expectations were high as we entered Q4, following a strong trend from the past year and a half. Looking back I can conclude that we managed to keep this momentum. Our full-service offering, Integrated Commerce, is gaining attention, and our effort to simplify the overall process of consuming our services is paying off. I am also glad that we are strengthening our balance sheet and our financial strength.**

My team is doing amazing work taking care of our customers. Thanks to this effort, we managed to increase sales for the 7<sup>th</sup> consecutive quarter. We finished the quarter with revenues coming in at MSEK 17,4. This is an increase of 10 % compared to the same period last year. For the full year the revenues amount to MSEK 70,4, an increase of 31 %.

There are also other vital KPIs indicating that we are on the right track executing on our long-term strategy. Our recurring revenues keep increasing. Recurring revenues for 2022 amounted to MSEK 32,7, an increase of 22 % compared to 2021. Our gross margin is well above 70% for 2022. EBITDA increases with MSEK 5,4 and is positive for the full year. This is the first time since 2017.

Despite this positive development, there are some clouds in the sky. The extraordinary situation in our world is impacting our industry. The Nordic restaurant market experience a down-turn which impacts investments, somewhat similar to the pandemic period. The Swedish krona is still weak compared to the US dollar which puts a pressure on our gross margin. It is further impacted by external cost drivers on the global market, such as a lack of electronic components and increasing freight costs. I believe that this situation will remain well into this year. These external factors also impact our cash flow in the near term.

We monitor this situation very closely and are taking actions to counter the negative impact from these challenges. As a first step, we have extended our partnership with XAC, our payment terminal supplier. They will support us with working capital in order to boost our capability to meet increasing customer demand for a rental business model.

A second step has been taken in order to strengthen our balance sheet, where we will reduce our long-term loans and improve the equity to shareholder

ratio. The convertible loans will be converted into equity, given approval from an extra shareholder's meeting. This is a strong sign of trust from the holders of the convertibles, in Westpay's business now and in the future.

Furthermore, I together with the Board are reviewing strategic options for additional capital injection. In such a case, it will even further extend our capabilities to protect and increase our business on addressed markets.

Our business efforts moving into 2023, can be divided into two main focus areas. The first one is to expand our offering to existing customers and partners. Integrated Commerce, our full-service solution, is important in this aspect. We are now in a position where we deliver payment solutions for all channels. The way we manage to combine in-store payments and eCommerce payments is one of a kind.

Our other business focus is to expand our customer and POS partner portfolio. During the past year, our main focus has been taking care of the signed POS Partners in the best way. Our search for even more qualified POS Suppliers will level up going forward. Also on the merchant side we continue to expand our business. As a consequence, our rental portfolio is growing nicely. Important, since rental supports our recurring revenues for years to come.

Coming to an end of this year-end report, I'd like to summarize a few things. Firstly, I want to highlight how we managed to grow the numbers compared to last year. Secondly, growth is a natural component and priority in our everyday effort. But it is growth in combination with profitability that matters and where we have all our focus.

**Best regards/ Sten Karlsson, CEO at Westpay AB**

## BUSINESS INSIGHTS

**The Nordic payment market is an ever-evolving sector. Key factors driving the market evolution are convenience and innovation. The market evolution is enabled by region's strong focus on digitalization and technological advancement. The Nordic region having a culture of early adoption of digital payments and services, the market has seen an influx of new players, innovative technologies, and trends that are shaping the future of payments. In this development Westpay are well positioned for the future, as we continue to stick to our strategy of being independent.**

The payment industry has seen a dramatic shift in the past few years. With the emergence of new technologies and increased customer demands, the industry has had to adapt to meet changing needs.

Card payments have been the most popular payment option in the Nordics for a long time. This is in part due to the prevalence of debit and credit cards in the region. These cards are widely accepted by merchants and offer a convenient and secure way to pay. As a result, card payments remain the number one choice for consumers. Mobile payments have also seen a surge in popularity in the Nordics. This is due to the increasing number of smartphone users in the region.

Mobile payments are often seen as a more secure and convenient option than traditional payment methods. This has allowed for the emergence of several mobile payment solutions, such as Apple Pay, Google Pay, and Samsung Pay. Mobile payments are quickly becoming one of the most important trends in the payment industry. Mobile payments allow customers to use their phones to make payments both online and in-store. This makes it easier for customers to make payments without having to carry cash or cards. In addition, it enables merchants to accept payments from customers regardless of their location. Mobile payments are becoming increasingly popular, and the technology is being used by many businesses, from small local stores to large retailers.

Contactless payments have also seen a surge in popularity in the Nordics. This is due to the widespread adoption of contactless technology in the region. Contactless payments allow consumers to pay with a single tap of their card or phone. This has made it easier than ever to make payments without having to enter a PIN or sign a receipt.

E-commerce is another major category in the Nordic payment market. This has been driven by the increasing number of online shoppers in the region. Many merchants offer consumers the option to pay with their credit card or a digital wallet, such as PayPal or Amazon Pay. This has made it easier than ever for consumers to shop online and make payments quickly and securely. Overall, the Nordic payment market is undergoing a significant transformation. With a focus on convenience,

security, and innovation, the market is becoming increasingly competitive. New players, technologies, and trends are emerging that are all helping to shape the future of payments in the Nordics.

Alternative payment methods are also becoming increasingly popular in the payment industry. These include e-wallets, digital wallets, and other digital payment systems. These payment systems provide customers with an alternative to traditional payment methods such as cash and cards. They are becoming more popular due to their convenience and security. In addition, they allow customers to make payments and transfers quickly and securely, making them a preferred choice for many customers.

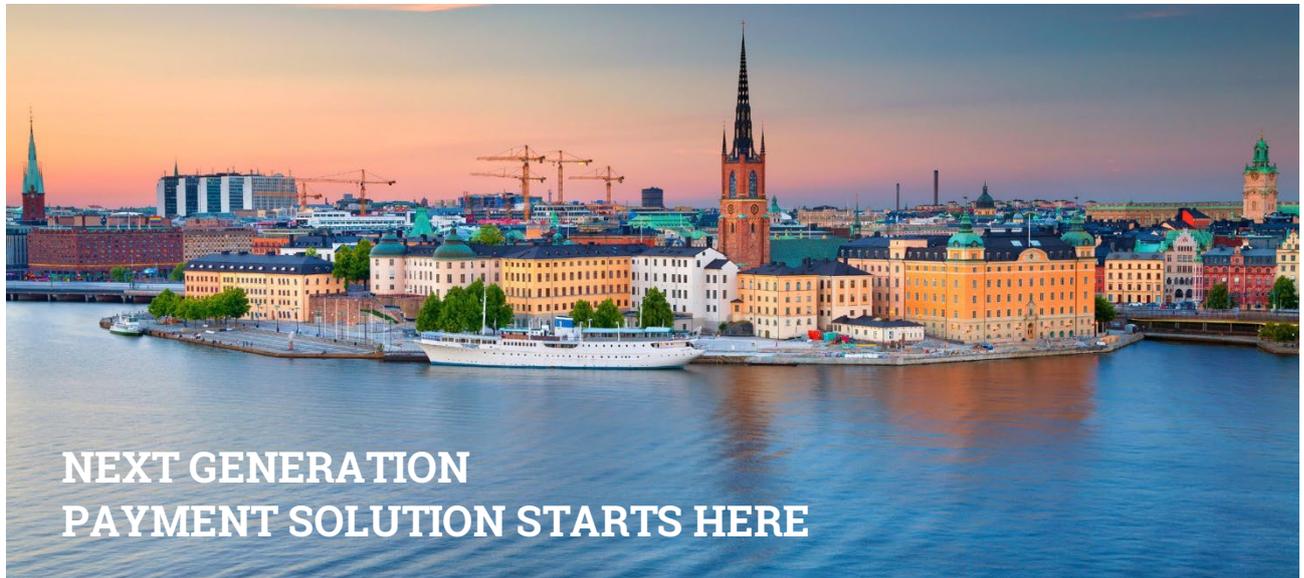
The conclusion is clearly that the payment industry continue to undergo significant changes and developments. The most important trends in the payment industry include mobile payments, alternative payment methods, and further digitalisation. These trends are becoming increasingly popular and are changing the way customers make payments and how businesses accept payments.

At Westpay we are confident about our ability to continue to really make a difference in the payment industry. We have a unique industry position enabling us to provide a strong value proposition to key stakeholders. On the one hand, our independence to card acquirers and alternative payments methods, gives real benefits to merchants and POS Partners. They feel comfortable knowing that they can change acquiring bank whenever they want, and save money doing that.

On the other hand, several card acquirers and providers of alternative payment methods, truly value our instore payment solution and POS Partner reach. Or put in another way – a true win-win solution for all of Westpay's stakeholders!

## WESTPAY IN BRIEF

Westpay is a full-service fintech and payment solution provider that offers solutions that simplify payments and amplifies the overall customer experience. If you represent a restaurant, hotel, retail, in-store, or e-commerce, and looking for a payment solution that adds value, we can help you all the way.



### POWERED BY WESTPAY

Focusing on smart transaction and payment solutions for merchant in-store as well as for the e-commerce and self-service markets, Westpay offers a complete solution for all types of payments working with a broad range of POS Partners and Merchants within various industries, such as retail, hotels and restaurants, and the retail banking sector.

Westpay has unique capabilities for both fast time-to-market and customization, with full range payment competencies and proven scalable payment system solutions.

Our vision is to be a global payment enabler. Westpay acts as an independent supplier of products and services for merchant payment solutions demanded by the market.

Westpay was founded in 1988 and is listed on Nasdaq First North Stockholm since 2007. The company is active in five main market areas: The Nordic countries, Europe, Africa, and South- and South East Asia. The head office is located just outside of Stockholm, Sweden.

### BUSINESS MODEL

Westpay's business offering is based on close collaboration with contracted POS Partners and end-users, e.g. Axfood, Paytrim, Kicks, Trivec, Open and ABSA Bank.

Westpay provides payment infrastructure for merchant payments. The revenue mix is based on system sales and increasing share of recurring revenue. In addition, Westpay incurs processing and acquiring revenue streams.

With our Payment Gateway, Westpay handles most merchant payments without third party involvement. It increases our own as well as our customers' independence, which is a great advantage in this industry. At Westpay we don't compete with our partners. They are guaranteed a strong and neutral partnership, safe in the knowledge that their business is never challenged by us. Our payment solution is fully certified and approved by the payment industry (PCI), ensuring the highest possible level of security. It further handles all leading credit card brands and several acquiring bank networks around the world.

The Payment Gateway also shortens lead time and simplifies the launch process in new markets. Moreover, it is a vital part of Westpay's strategy, which aims at increasing the portion of transaction based revenues.

## PAYMENT SOLUTIONS

### *INTEGRATED COMMERCE*

Today, merchants are looking for a solution that aggregates all the administration, overview, and transaction data into one system. As a result, their consumers can benefit from a cross-channel experience no matter what payment method they prefer.

Westpay has a full-service solution that enables all the features you expect in a modern payment solution. Our proven in-store concept is aligned with a powerful e-commerce solution that lets the customer consume the best of two worlds. Our way to collect, visualize and correlate any payment method thanks to our payment gateway facilitates numerous benefits that every modern payment solution should offer. Simplicity, following the customer, transaction data, and security are just a few examples of our position in this area.

### *E-COMMERCE*

Westpay handles card payments in all channels. Westpay has the tools that let the merchant, and their customers experience eCom as it is supposed to be. Secure, flexible, and intuitive. And in tight combination with their in-store solution.

### *IN-STORE*

Westpay provides state of the art payment solutions for In-store and Card Present transactions. There are terminals for all markets and applications, ranging from countertop to mobile devices as well as self-service applications.



## OCTOBER - DECEMBER

### NET SALES

Net sales during the quarter totalled MSEK 17,4 (15,8), an increase of 10 % compared to the same period last year.

Recurring revenues for the quarter amounted to MSEK 7,3 (7,2), an increase of 1 % compared to the same period last year. The recurring revenues for the quarter were negatively affected by an accounting adjustment that has a one-time effect, which explains the small difference compared to last year.



### RESULT

Cost of goods sold for the quarter amounted to MSEK 3,4 (11,1), of which MSEK 0,0 (6,7) is related to additional write-down of stock. Adjusted cost of goods sold for the quarter amounted to MSEK 3,4 (4,5). Gross profit totalled MSEK 14,0 (4,7), 80 % (30) of net sales. Adjusted gross profit totalled MSEK 14,0 (11,3), 80% (72) of net sales.\* The gross margin for the quarter was positively affected by a one-time adjustment on warranties due to a lower need for warranty provisions during the year 2022.



Total amount capitalized during the quarter was MSEK 4,2 (2,7) in the form of capitalized development costs.

Other operating income for the quarter amounted to MSEK 0,0 (0,2), consisting of government grants of MSEK 0,0 (0,0) and other income of MSEK 0,0 (0,2).

Other external costs for the fourth quarter amounted to MSEK 5,1 (5,4). Personnel costs for the quarter were MSEK 12,0 (10,0), 69 % (64) of net sales. Depreciation for the quarter amounted to MSEK 2,4 (2,2).

Considering all the aforementioned costs and revenues, EBITDA for the quarter was MSEK 0,1 (-7,9), an increase of MSEK 7,8. Adjusted EBITDA for the quarter was MSEK 0,1 (-1,2), an increase of MSEK 1,3. \* EBIT for the quarter was MSEK -2,3 (-10,1), an increase of MSEK 7,8. Adjusted EBIT for the quarter was MSEK -2,3 (-3,4), an increase of MSEK 1,1.\*



### CASH FLOW

Cash flow from operating activities for the quarter amounted to MSEK -5,1 (1,5) and is attributable to operating related changes in inventories, accounts receivable, and accounts payable.

Cash flow from investing activities amounted to MSEK -3,9 (-2,8). Investments consisted of acquisition of intangible assets in the form of capitalized development costs MSEK -3,2 (-2,4) and acquisition of tangible assets of MSEK -1,0 (-0,3) of which 91 % (66 %) are related to customer rented payment solutions creating revenues for the future.

Cash flow from financing activities amounted to MSEK 11,1 (10,9) due to a increase in the utilization of bank overdraft facility of MSEK 11,1 (-8,1), share issue of MSEK 0,0 (14,1) and issued convertible loans of MSEK 0,0 (5,0).

Total cash flow after investment and financing activities reached MSEK 2,2 (9,7).

\* For items affecting the comparability of the company's figures, refer to note *Items affecting comparability* on page 9.

## JANUARY – DECEMBER

### NET SALES

Net sales during the year totalled MSEK 70,4 (53,7), an increase of 31 % compared to the same year last year.

Recurring revenues for the year amounted to MSEK 32,7 (26,5), an increase with 23 % compared to last year.



### RESULT

Cost of goods sold for the year amounted to MSEK 20,0 (22,2), of which MSEK 0,0 (6,7) is related to additional write-down of stock. Adjusted cost of goods for the year amounted to MSEK 20,0 (15,6). Gross profit totalled MSEK 50,4 (31,5), 72 % (59) of net sales, during the year. Adjusted gross profit totalled MSEK 50,4 (38,1), 72 % (71) of net sales, during the year.

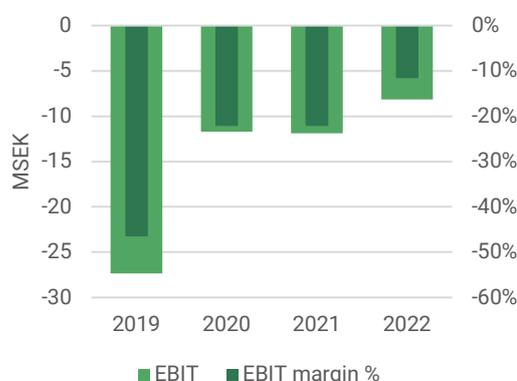


Total amount capitalized during the year was MSEK 12,0 (6,6) in the form of capitalized development costs.

Other operating income for the year amounted to MSEK 0,13 (2,7), consisting of government grants of MSEK 0,0 (2,5) and other income of MSEK 0,1 (0,2).

Other external costs for the year 2022 amounted to MSEK 20,1 (17,4). Personnel costs for the same year were MSEK 41,2 (34,8), 58% (65) of net sales. Depreciation for the year amounted to MSEK 8,8 (7,1).

Considering all the aforementioned costs and revenues, EBITDA for the year was MSEK 0,6 (-11,5), an increase of MSEK 12,1. Adjusted EBITDA for the year was MSEK 0,6 (-4,8), an improvement of MSEK 5,4. \* EBIT in the same year was MSEK -8,1 (-18,6), an increase of 10,5 MSEK. Adjusted EBIT in the same year was MSEK -8,1 (-11,9), an increase of 3,8 MSEK . \*



### CASH FLOW

Cash flow from operating activities for the year amounted to MSEK -2,6 (2,1) and is attributable to operating related changes in inventories, accounts receivable, and accounts payable.

Cash flow from investing activities amounted to MSEK -16,4 (-7,1). These investments consisted of acquisitions of intangible assets in the form of capitalized development costs MSEK -12,0 (-6,6) and acquisitions of tangible assets amounting to MSEK -4,6 (-0,5) of which 94 % (34 %) are related to customer rented payment solutions creating revenues for the future.

Cash flow from financing activities amounted to MSEK 11,2 (16,5) due to an increase in the utilization of bank overdraft facility of MSEK 11,2 (-5,0), share issue of MSEK 0,0 (14,1) and issued convertible loans of MSEK 0,0 (7,5).

Total cash flow after investment and financing activities reached MSEK -7,8 (11,5).

\* For items affecting the comparability of the company's figures, refer to note *Items affecting comparability* on page 9.

## CASH POSITION

As of December 31, 2022, the company's cash equivalents amounted to MSEK 4,7 (12,5). Bank overdraft facility not utilized was MSEK 0.8 (12,0). The company has MSEK 7,5 (7,5) of long-term loans. The equity ratio was 10% (29).

## INVENTORY

Inventory at reporting date totalled MSEK 11,7 (4,4), of which MSEK 9,1 are goods in transit.

## COVID-19 EFFECTS

As of July 1, 2021, Westpay is no longer applying for short-time work allowance and is not expecting any additional government grants in relation to Corona.

During the first two quarters of 2021 Westpay has received grants related to COVID-19 of MSEK 2,5. Westpay has accounted for these government grants as other operating income. The accounting is made in the period to which it relates and when it is reasonably certain that the grants will be received.

In 2020, for quarter 2, 3 and 4 Westpay received government grants amounting to MSEK 5,3, whereof MSEK 4,7 was related to short-term allowances of employees due to COVID-19.

## ITEMS AFFECTING COMPARABILITY

During the fourth quarter of year 2021, a write-down of the stock of the previous generation terminals amounting to kSEK 6 662 has been made. This is an item that is not expected to reoccur in the future and, therefore, affects the comparability of the financials between periods.

## CURRENCY RISK

In order to reduce exchange rate risk, Westpay hedges major contracted net cash flows in foreign currency. The total exchange rate difference influencing the financial result during the fourth quarter amounted to MSEK 0,86 (-0,43). For the year 2022 it amounted to MSEK 0,08 (-0,26).

## PERSONNEL AND ORGANIZATION

The average number of employees during the fourth quarter amounted to 49 (34), of which 30,5 % women and 69,5 % men. At year-end 2022, the number of employees amounted to 49 (35). Personnel costs in the fourth quarter of 2022 totalled 69 % (64) of Net sales. The increase in number of employees derives from the new group set-up with two subsidiaries in Sri Lanka and Norway.

## RELATED PARTY TRANSACTIONS

No related party transactions during the quarter.

## WORKING CAPITAL

The company can confirm that as of the publishing of this report it has enough working capital to cover at least three months of operations. The significant increase in the company's current liabilities during the fourth quarter of 2022 can be attributed to high accounts payable for the goods in transit that amounted to MSEK 9,1. These goods will be delivered and, thus, the payments will be made throughout the first half of 2023. Additionally, a part of the accounts payable will be covered through the partnership with XAC and, therefore, will not affect the company's cashflow.

## THE SHARE

As of December 31, 2022, the registered share capital comprised 39 694 231 (39 694 231) shares. The company's share has been listed on Nasdaq First North since October 26, 2007 under the short name "WPAY". The number of shareholders was 1,535 (1,706) and the largest shareholder is Nordnet Pensionsförsäkring AB with 10,03 % of holdings and votes, respectfully. No other individual shareholder owns more than 10% of holdings and votes. The ten largest owners together accounted for 51,17 % of holdings and votes. The share price was SEK 1,39 (3,10), corresponding to a market capitalization of approximately MSEK 55,2 (123,1).

## LONG-TERM FINANCIAL GOAL

The company's long-term financial goal is to achieve an average annual increase in sales of 20 % and have an overall EBITDA margin of at least 10 %.

## ACCOUNTING PRINCIPLES

This year-end report is prepared in accordance with generally accepted accounting principles. The same accounting principles and calculation methods have been used in the year-end report as in the latest annual report.

## MATERIAL RISKS AND FACTORS OF UNCERTAINTY

Material financial risks and uncertainties of the company include market risks related to agreements with customers and suppliers, liquidity and financing risks and credit and counterparty risks. A detailed presentation of the company's material financial risks is found in the directors' report in the annual report for 2021.

## REVIEW

This report has not been reviewed by the auditors of the company.

## UPCOMING REPORTS

Westpay issues financial results on a quarterly basis. All reports are available at the company's website:  
[investor.westpay.se/financial-reports/](https://investor.westpay.se/financial-reports/)

4 May 2023  
4 May 2023  
18 August 2023  
26 October 2023  
16 February 2024

Interim Report 1Q23  
Annual General Meeting  
Interim Report 2Q23  
Interim Report 3Q23  
Year-End Report 2023

## Further information about this Year-End Report:

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UPPLANDS VÄSBY 17 FEBRUARY 2023

Westpay AB, the Board and the CEO

## INCOME STATEMENT

| kSEK  | Oct-Dec 2022  | Oct-Dec 2021   | Jan-Dec 2022  | Jan-Dec 2021   |
|---|---------------|----------------|---------------|----------------|
| Net sales   | 17 358        | 15 799         | 70 416        | 53 706         |
| Capitalised work for own account                              | 3 229         | 2 669          | 12 022        | 6 600          |
| Other operating income  | 0             | 182            | 133           | 2 723          |
| <b>Operating expenses</b>                                     |               |                |               |                |
| Cost of goods sold  | -3 391        | -4 455         | -19 978       | -15 577        |
| <i>Items affecting the comparability *</i>                    | 0             | -6 662         | 0             | -6 662         |
| Other external expenses                                       | -5 128        | -5 397         | -20 788       | -17 408        |
| Personnel expenses  | -11 977       | -10 034        | -41 183       | -34 832        |
| Depreciation and amortization                                 | -2 421        | -2 202         | -8 761        | -7 107         |
| <b>Earnings before interest and taxes</b>                     | <b>-2 330</b> | <b>-10 101</b> | <b>-8 140</b> | <b>-18 557</b> |
| <b>Adjusted EBIT*</b>   | <b>-2 330</b> | <b>-3 438</b>  | <b>-8 140</b> | <b>-11 895</b> |
| <b>Profit/loss from financial items</b>                       |               |                |               |                |
| Interest income and other financial items                     | 31            | 0              | 31            | 1              |
| Interest expenses and other financial items                   | -263          | -160           | -659          | -501           |
| <b>Earnings before taxes</b>                                  | <b>-2 562</b> | <b>-10 260</b> | <b>-8 768</b> | <b>-19 057</b> |
| <b>Adjusted EBT*</b>  | <b>-2 562</b> | <b>-3 598</b>  | <b>-8 768</b> | <b>-12 395</b> |
| Tax   | 0             | 0              | 0             | 0              |
| <b>Net earnings</b>   | <b>-2 562</b> | <b>-10 260</b> | <b>-8 768</b> | <b>-19 057</b> |
| <b>Adjusted net earnings *</b>                                | <b>-2 562</b> | <b>-3 598</b>  | <b>-8 768</b> | <b>-12 395</b> |
| <b>Net earnings per share</b>                                 |               |                |               |                |
| Net earnings per share, before dilution, SEK                  | -0,06         | -0,27          | -0,22         | -0,54          |
| <i>Adjusted net earnings per share before dilution, SEK *</i> | -0,06         | -0,09          | -0,22         | -0,35          |
| Net earnings per share, after dilution, SEK                   | -0,06         | -0,27          | -0,22         | -0,54          |
| <i>Adjusted net earnings per share after dilution, SEK *</i>  | -0,06         | -0,09          | -0,22         | -0,35          |

\* For items affecting the comparability of the company's figures, refer to note *Items affecting comparability* on page 9.

**BALANCE SHEET**

| kSEK                                   | 31-Dec-22     | 31-Dec-21     |
|--|---------------|---------------|
| <b>ASSETS</b>                          |               |               |
| Intangible assets                      | 15 858        | 10 969        |
| Tangible assets                        | 3 888         | 914           |
| Financial assets                       | 6 625         | 6 846         |
| <b>Total fixed assets</b>              | <b>26 371</b> | <b>18 729</b> |
| Inventories including work in progress | 11 718        | 4 406         |
| Accounts receivables                   | 14 181        | 7 751         |
| Other receivables                      | 4 726         | 3 969         |
| Cash and cash equivalents              | 4 665         | 12 481        |
| <b>Total current assets</b>            | <b>35 290</b> | <b>28 607</b> |
| <b>TOTAL ASSETS</b>                    | <b>61 661</b> | <b>47 336</b> |
| <b>EQUITY AND LIABILITIES</b>          |               |               |
| Non-restricted equity                  | -17 803       | -3 341        |
| Restricted equity                      | 23 670        | 17 975        |
| <b>Total equity</b>                    | <b>5 867</b>  | <b>14 635</b> |
| Borrowings                             | 7 500         | 7 500         |
| Other provisions                       | 1 811         | 2 095         |
| <b>Non-current liabilities</b>         | <b>9 311</b>  | <b>9 595</b>  |
| Advance payments from customers        | 0             | 0             |
| Accounts payable                       | 17 565        | 6 823         |
| Other current liabilities              | 28 917        | 16 284        |
| <b>Current liabilities</b>             | <b>46 483</b> | <b>23 106</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>    | <b>61 661</b> | <b>47 336</b> |

**CONSOLIDATED CHANGES IN TOTAL EQUITY**

| kSEK  | Share capital | Other restricted equity | Other non restricted equity | Profit/loss for the year | Total non-restricted equity |
|---|---------------|-------------------------|-----------------------------|--------------------------|-----------------------------|
| <b>Total equity at 2021-01-01</b>   | <b>6 750</b>  | <b>9 328</b>            | <b>17 414</b>               | <b>-13 853</b>           | <b>3 561</b>                |
| Disposition of last year's profit/loss as decided by annual general meeting |               |                         |                             | 13 853                   |                             |
| Profit/loss for the period  |               |                         |                             | -19 057                  |                             |
| Reserve for development cost  |               | 709                     | -709                        |                          |                             |
| Share issue   | 1 189         |                         | 14 266                      |                          |                             |
| Share issue expenses  |               |                         | -1 402                      |                          |                             |
| <b>Total equity at 2021-12-31</b>   | <b>7 939</b>  | <b>10 036</b>           | <b>15 717</b>               | <b>-19 057</b>           | <b>-3 341</b>               |
| <b>Total equity at 2022-01-01</b>   | <b>7 939</b>  | <b>10 036</b>           | <b>15 717</b>               | <b>-19 057</b>           | <b>-3 341</b>               |
| Disposition of last year's profit/loss                                      |               |                         | -19 057                     | 19 057                   |                             |
| Profit/loss for the period  |               |                         |                             | -8 768                   |                             |
| Reserve for development cost  |               | 5 694                   | -5 694                      |                          |                             |
| <b>Total equity at 2022-12-31</b>   | <b>7 939</b>  | <b>15 731</b>           | <b>-9 035</b>               | <b>-8 768</b>            | <b>-17 803</b>              |

## CASH FLOW STATEMENT

| kSEK  | Oct-Dec<br>2022 | Oct-Dec<br>2021 | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>OPERATING ACTIVITIES</b>   |                 |                 |                 |                 |
| Operating profit  | -2 330          | -10 101         | -8 140          | -18 557         |
| Adjustments for non-cash items  | 1 024           | 2 194           | 8 478           | 7 067           |
| Interest received   | 31              | 0               | 31              | 1               |
| Interest paid   | -263            | -160            | -659            | -501            |
| Income tax paid   | -316            | 0               | -316            | 0               |
| <b>Cash flow from operating activities before working capital changes</b> | <b>-1 854</b>   | <b>-8 066</b>   | <b>-606</b>     | <b>-11 991</b>  |
| <b>Change in working capital</b>  |                 |                 |                 |                 |
| Increase (-) / decrease (+) in inventory                                  | -6 222          | 8 966           | -7 311          | 10 405          |
| Increase (-) / decrease (+) in accounts receivables                       | -5 276          | 1 266           | -6 431          | 1 332           |
| Increase (-) / decrease (+) of other receivables                          | -663            | -1 937          | -823            | -2 108          |
| Increase (+) / decrease (-) of current liabilities                        | 8 921           | 1 317           | 12 599          | 4 491           |
| <b>Cash flow from changes in working capital</b>                          | <b>-3 240</b>   | <b>9 611</b>    | <b>-1 966</b>   | <b>14 120</b>   |
| <b>Cash flow from operating activities</b>                                | <b>-5 093</b>   | <b>1 545</b>    | <b>-2 572</b>   | <b>2 130</b>    |
| <b>INVESTING ACTIVITIES</b>   |                 |                 |                 |                 |
| Investments in intangible assets  | -3 227          | -2 431          | -12 020         | -6 600          |
| Investments in tangible assets  | -983            | -335            | -4 604          | -523            |
| Investments in financial assets   | 328             | 0               | 221             | 0               |
| <b>Cash flow from investing activities</b>                                | <b>-3 882</b>   | <b>-2 766</b>   | <b>-16 403</b>  | <b>-7 123</b>   |
| <b>Cash flow after investing activities</b>                               | <b>-8 976</b>   | <b>-1 220</b>   | <b>-18 975</b>  | <b>-4 993</b>   |
| <b>FINANCING ACTIVITIES</b>   |                 |                 |                 |                 |
| Raise of short-term debt  | 0               | 0               | 0               | 0               |
| Raise of long-term debt   | 0               | 5 000           | 0               | 7 500           |
| Utilized bank overdraft facility  | 11 159          | -8 153          | 11 159          | -5 031          |
| Share issue   | 0               | 14 053          | 0               | 14 053          |
| <b>Cash flow from financing activities</b>                                | <b>11 159</b>   | <b>10 900</b>   | <b>11 159</b>   | <b>16 522</b>   |
| <b>Cash flow for the period</b>   | <b>2 183</b>    | <b>9 680</b>    | <b>-7 816</b>   | <b>11 529</b>   |
| Cash and cash equivalents at the beginning of the period                  | 2 481           | 2 801           | 12 481          | 952             |
| <b>Cash and cash equivalents at the end of the period</b>                 | <b>4 665</b>    | <b>12 481</b>   | <b>4 665</b>    | <b>12 481</b>   |

## FINANCIAL RATIOS

|  | Oct-Dec<br>2022 | Oct-Dec<br>2021 | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
|--|-----------------|-----------------|-----------------|-----------------|
| Net sales, kSEK                          | 17 358          | 15 799          | 70 416          | 53 706          |
| Net sales growth,%                       | 10 %            | 13 %            | 31 %            | 2 %             |
| Gross margin,%                           | 80 %            | 30 %            | 72 %            | 59 %            |
| Adjusted gross margin,% *                | 80 %            | 72 %            | 72 %            | 71 %            |
| EBITDA margin, %                         | 1 %             | -50 %           | 1 %             | -21 %           |
| Adjusted EBITDA margin, % *              | 1 %             | -8 %            | 1 %             | -9 %            |
| EBIT margin,%                            | -13 %           | -64 %           | -12 %           | -35 %           |
| Adjusted EBIT margin,% *                 | -13 %           | -22 %           | -12 %           | -22 %           |
| Net earnings, kSEK                       | -2 562          | -10 260         | -8 768          | -19 057         |
| Adjusted net earnings, kSEK *            | -2 562          | -3 598          | -8 768          | -12 395         |
| Equity ratio, %                          | 10 %            | 31 %            | 10 %            | 31 %            |
| Debt ratio, times                        | 1,3             | 0,5             | 1,3             | 0,5             |
| Investments in tangible assets, kSEK     | 983             | 335             | 4 604           | 523             |
| Investments in intangible assets, kSEK   | 3 227           | 2 431           | 12 020          | 6 600           |
| Shareholders ' equity per share, SEK     | 0,15            | 0,37            | 0,15            | 0,37            |
| Cash and cash equivalents per share, SEK | 0,12            | 0,31            | 0,12            | 0,31            |
| Quick ratio,%                            | 51 %            | 105 %           | 51 %            | 105 %           |
| Average number of shares                 | 39 694 231      | 38 660 452      | 39 694 231      | 34 987 703      |
| Number of shares at end of period        | 39 694 231      | 39 694 231      | 39 694 231      | 39 694 231      |
| Net earnings per share, SEK              | -0,06           | -0,26           | -0,22           | -0,48           |
| Adjusted net earnings per share, SEK *   | -0,06           | -0,09           | -0,22           | -0,31           |
| Profit per employee, kSEK                | -52             | -293            | -179            | -544            |
| Number of employees at end of period     | 49              | 35              | 49              | 35              |

**Gross margin**

Net sales minus cost of goods sold, in relation to turnover.

**Operating margin**

Operating profit in relation to turnover.

**EBITDA**

Operating income before interest, taxes, depreciation and amortization.

**EBITDA margin**

EBITDA divided by net sales.

**Equity ratio**

Adjusted equity in relation to total assets.

**Debt ratio**

Long-term interest-bearing liabilities divided by adjusted equity.

**Earnings per share**

Profit after tax in relation to the average number of shares.

**Shareholders' equity per share**

Equity in relation to the number of shares outstanding.

**Cash and cash equivalents per share**

Cash and cash equivalents in relation to the number of shares outstanding.

**Quick ratio**

Current assets less inventories divided by current liabilities.

**Profit per employee**

Net income in relation to the number of employees at the end of the period.

\* For items affecting the comparability of the company's figures, refer to note *Items affecting comparability* on page 9.

## QUARTERLY FIGURES

| INCOME STATEMENT   | 2022        | 2022        | 2022        | 2022        | 2021         | 2021        | 2021        | 2021        | 2020        |
|--|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| MSEK   | Q4          | Q3          | Q2          | Q1          | Q4           | Q3          | Q2          | Q1          | Q4          |
| Net sales  | 17,4        | 19,0        | 17,2        | 16,8        | 15,8         | 14,8        | 11,6        | 11,5        | 13,9        |
| Capitalised work for own account                               | 3,2         | 4,1         | 2,9         | 1,7         | 2,7          | 1,4         | 1,3         | 1,2         | 1,4         |
| Other operating income   | 0,0         | 0,0         | 0,1         | 0,0         | 0,2          | 0,2         | 0,9         | 1,5         | 2,4         |
| <b>Operating expenses</b>                                      |             |             |             |             |              |             |             |             |             |
| Cost of goods sold   | -3,4        | -7,1        | -4,9        | -4,7        | -4,5         | -4,8        | -3,3        | -3,1        | -4,2        |
| <i>Items affecting the comparability *</i>                     | 0,0         | 0,0         | 0,0         | 0,0         | -6,7         | 0,0         | 0,0         | 0,0         | 0,0         |
| Other external expenses  | -5,1        | -5,1        | -5,9        | -4,7        | -5,4         | -4,3        | -3,9        | -3,8        | -4,0        |
| Personnel expenses   | -12,0       | -10,7       | -9,4        | -9,1        | -10,0        | -7,2        | -8,8        | -8,8        | -9,1        |
| Depreciation and amortization                                  | -2,4        | -2,2        | -2,1        | -2,0        | -2,2         | -1,8        | -1,6        | -1,5        | -1,8        |
| <b>Earnings before interest and taxes</b>                      | <b>-2,3</b> | <b>-1,9</b> | <b>-2,0</b> | <b>-1,9</b> | <b>-10,1</b> | <b>-1,6</b> | <b>-3,8</b> | <b>-3,0</b> | <b>-1,5</b> |
| <b>Adjusted EBIT*</b>  | <b>-2,3</b> | <b>-1,9</b> | <b>-2,0</b> | <b>-1,9</b> | <b>-3,4</b>  | <b>-1,6</b> | <b>-3,8</b> | <b>-3,0</b> | <b>-1,5</b> |
| <b>Profit/loss from financial items</b>                        |             |             |             |             |              |             |             |             |             |
| Interest income and other financial items                      | 0,0         | 0,0         | 0,0         | 0,0         | 0,0          | 0,0         | 0,0         | 0,0         | 0,0         |
| Interest expenses and other financial items                    | -0,3        | -0,1        | -0,1        | -0,2        | -0,2         | -0,1        | -0,1        | -0,1        | 0,0         |
| <b>Earnings before taxes</b>                                   | <b>-2,6</b> | <b>-2,0</b> | <b>-2,1</b> | <b>-2,1</b> | <b>-10,3</b> | <b>-1,7</b> | <b>-4,0</b> | <b>-3,1</b> | <b>-1,5</b> |
| <b>Adjusted EBT*</b>   | <b>-2,6</b> | <b>-2,0</b> | <b>-2,1</b> | <b>-2,1</b> | <b>-3,6</b>  | <b>-1,7</b> | <b>-4,0</b> | <b>-3,1</b> | <b>-1,5</b> |
| Tax  | 0,0         | 0,0         | 0,0         | 0,0         | 0,0          | 0,0         | 0,0         | 0,0         | -4,8        |
| <b>Net earnings</b>  | <b>-2,6</b> | <b>-2,0</b> | <b>-2,1</b> | <b>-2,1</b> | <b>-10,3</b> | <b>-1,7</b> | <b>-4,0</b> | <b>-3,1</b> | <b>-6,3</b> |
| <b>Adjusted net earnings *</b>                                 | <b>-2,6</b> | <b>-2,0</b> | <b>-2,1</b> | <b>-2,1</b> | <b>-3,6</b>  | <b>-1,7</b> | <b>-4,0</b> | <b>-3,1</b> | <b>-6,3</b> |
| <b>Net earnings per share</b>                                  |             |             |             |             |              |             |             |             |             |
| Net earnings per share, before dilution, SEK                   | -0,06       | -0,05       | -0,05       | -0,05       | -0,27        | -0,05       | -0,12       | -0,09       | -0,19       |
| <i>Adjusted net earnings per share, before dilution, SEK *</i> | -0,06       | -0,05       | -0,05       | -0,05       | -0,09        | -0,05       | -0,12       | -0,09       | -0,19       |
| Net earnings per share, after dilution, SEK                    | -0,06       | -0,05       | -0,05       | -0,05       | -0,27        | -0,05       | -0,12       | -0,09       | -0,19       |
| <i>Adjusted net earnings per share, after dilution, SEK *</i>  | -0,06       | -0,05       | -0,05       | -0,05       | -0,09        | -0,05       | -0,12       | -0,09       | -0,19       |

\* For items affecting the comparability of the company's figures, refer to note *Items affecting comparability* on page 9.

| <b>BALANCE SHEET</b>  | <b>2022</b> | <b>2022</b> | <b>2022</b> | <b>2022</b> | <b>2021</b>  | <b>2021</b> | <b>2021</b> | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| MSEK  | <b>Q4</b>   | <b>Q3</b>   | <b>Q2</b>   | <b>Q1</b>   | <b>Q4</b>    | <b>Q3</b>   | <b>Q2</b>   | <b>Q1</b>   | <b>Q4</b>   |
| <b>ASSETS</b>   |             |             |             |             |              |             |             |             |             |
| Intangible assets   | 15,9        | 14,4        | 12,0        | 10,9        | 11,0         | 10,5        | 10,7        | 11,0        | 11,0        |
| Tangible assets   | 3,9         | 3,5         | 2,7         | 1,7         | 0,9          | 0,8         | 0,9         | 1,0         | 0,8         |
| Financial assets  | 6,6         | 7,0         | 6,8         | 6,9         | 6,8          | 6,8         | 6,8         | 6,8         | 6,8         |
| <b>Total fixed assets</b>   | <b>26,4</b> | <b>24,9</b> | <b>21,5</b> | <b>19,4</b> | <b>18,7</b>  | <b>18,2</b> | <b>18,4</b> | <b>18,8</b> | <b>18,7</b> |
| Inventories including work in progress                                    | 11,7        | 5,5         | 3,2         | 1,4         | 4,4          | 13,4        | 13,8        | 12,9        | 14,8        |
| Accounts receivables  | 14,2        | 8,9         | 3,8         | 4,2         | 7,8          | 9,0         | 5,3         | 5,5         | 9,1         |
| Other receivables   | 4,7         | 4,1         | 5,0         | 5,0         | 4,0          | 2,0         | 2,5         | 2,5         | 1,9         |
| Cash and cash equivalents   | 4,7         | 2,5         | 8,6         | 10,3        | 12,5         | 2,8         | 0,3         | 1,0         | 1,0         |
| <b>Total current assets</b>   | <b>35,3</b> | <b>20,9</b> | <b>20,6</b> | <b>20,9</b> | <b>28,6</b>  | <b>27,2</b> | <b>21,8</b> | <b>22,0</b> | <b>26,7</b> |
| <b>TOTAL ASSETS</b>   | <b>61,7</b> | <b>45,9</b> | <b>42,1</b> | <b>40,3</b> | <b>47,3</b>  | <b>45,4</b> | <b>40,3</b> | <b>40,8</b> | <b>45,4</b> |
| <b>EQUITY AND LIABILITIES</b>   |             |             |             |             |              |             |             |             |             |
| Non-restricted equity   | -17,8       | -9,5        | -7,5        | -5,4        | -3,3         | -5,2        | -3,5        | 0,5         | 3,6         |
| Restricted equity   | 23,7        | 18,0        | 18,0        | 18,0        | 18,0         | 16,1        | 16,1        | 16,1        | 16,1        |
| <b>Total equity</b>   | <b>5,9</b>  | <b>8,4</b>  | <b>10,5</b> | <b>12,5</b> | <b>14,6</b>  | <b>10,8</b> | <b>12,6</b> | <b>16,5</b> | <b>19,6</b> |
| Borrowings  | 7,5         | 7,5         | 7,5         | 7,5         | 7,5          | 2,5         | 0,0         | 0,0         | 0,0         |
| Other provisions  | 1,8         | 3,2         | 2,9         | 2,5         | 2,1          | 2,1         | 2,4         | 2,2         | 2,1         |
| <b>Non-current liabilities</b>  | <b>9,3</b>  | <b>10,7</b> | <b>10,4</b> | <b>10,0</b> | <b>9,6</b>   | <b>4,6</b>  | <b>2,4</b>  | <b>2,2</b>  | <b>2,1</b>  |
| Advance payments from customers   | 0,0         | 0,0         | 0,0         | 0,0         | 0,0          | 0,0         | 0,0         | 0,0         | 0,0         |
| Accounts payable  | 17,6        | 13,2        | 7,2         | 4,0         | 6,8          | 7,0         | 5,7         | 3,6         | 6,8         |
| Other current liabilities   | 28,9        | 13,5        | 14,0        | 13,8        | 16,3         | 23,0        | 19,6        | 18,5        | 16,9        |
| <b>Current liabilities</b>  | <b>46,5</b> | <b>26,7</b> | <b>21,2</b> | <b>17,8</b> | <b>23,1</b>  | <b>29,9</b> | <b>25,3</b> | <b>22,1</b> | <b>23,6</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                       | <b>61,7</b> | <b>45,9</b> | <b>42,1</b> | <b>40,3</b> | <b>47,3</b>  | <b>45,4</b> | <b>40,3</b> | <b>40,8</b> | <b>45,4</b> |
| <b>CASH FLOW STATEMENT</b>  |             |             |             |             |              |             |             |             |             |
| MSEK  | <b>Q4</b>   | <b>Q3</b>   | <b>Q2</b>   | <b>Q1</b>   | <b>Q4</b>    | <b>Q3</b>   | <b>Q2</b>   | <b>Q1</b>   | <b>Q4</b>   |
| <b>Cash flow from operating activities before working capital changes</b> | <b>-1,9</b> | <b>0,4</b>  | <b>0,5</b>  | <b>0,3</b>  | <b>-8,1*</b> | <b>-0,3</b> | <b>-2,2</b> | <b>-1,5</b> | <b>0,2</b>  |
| Changes in working capital  | -3,2        | -1,0        | 2,1         | 0,2         | 9,6*         | 3,0         | 0,3         | 1,2         | 5,5         |
| <b>Cash flow from operating activities</b>                                | <b>-5,1</b> | <b>-0,5</b> | <b>2,6</b>  | <b>0,5</b>  | <b>1,5</b>   | <b>2,8</b>  | <b>-1,9</b> | <b>-0,3</b> | <b>5,7</b>  |
| Investing activities  | -3,9        | -5,6        | -4,2        | -2,7        | -2,8         | -1,5        | -1,2        | -1,7        | -1,4        |
| <b>Cash flow after investing activities</b>                               | <b>-9,0</b> | <b>-6,1</b> | <b>-1,6</b> | <b>-2,2</b> | <b>-1,2</b>  | <b>1,3</b>  | <b>-3,1</b> | <b>-1,9</b> | <b>4,3</b>  |
| Financing activities  | 11,2        | 0,0         | 0,0         | 0,0         | 10,9         | 1,3         | 2,4         | 2,0         | -3,5        |
| <b>Cash flow for the period</b>   | <b>2,2</b>  | <b>-6,1</b> | <b>-1,6</b> | <b>-2,2</b> | <b>9,7</b>   | <b>2,5</b>  | <b>-0,7</b> | <b>0,0</b>  | <b>0,8</b>  |
| Cash and cash equivalents at the beginning of the period                  | 2,5         | 8,6         | 10,3        | 12,5        | 2,8          | 0,3         | 1,0         | 1,0         | 0,2         |
| <b>Cash and cash equivalents at the end of the period</b>                 | <b>4,7</b>  | <b>2,5</b>  | <b>8,6</b>  | <b>10,3</b> | <b>12,5</b>  | <b>2,8</b>  | <b>0,3</b>  | <b>1,0</b>  | <b>1,0</b>  |

\* For items affecting the comparability of the company's figures, refer to note *Items affecting comparability* on page 9.



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