



# NANOLOGICA

INTERIM REPORT Q1 2023  
NANOLOGICA AB (PUBL)

# PERIOD IN BRIEF

## FINANCIAL SUMMARY

- Net sales for the first quarter amounted to TSEK 355 (270)
- The operating loss for the quarter amounted to TSEK -10,720 (-15,592)
- Loss after tax for the quarter amounted to TSEK -12,094 (-15,915)
- Earnings per share before and after dilution were SEK -0.33 (-0.57) for the quarter
- Cash and cash equivalents amounted to TSEK 56,091 (3,939) as per March 31, 2023

Key Figures (group)	2023	2022	2022
	Jan - Mar	Jan - Mar	Jan - Dec
Net sales (TSEK)	355	270	1 555
Operating profit/loss (TSEK) *	-10 720	-15 592	-50 850
Profit/loss before income tax (TSEK)	-12 094	-15 915	-55 231
Cash flow from operating activities (TSEK)	-3 977	-14 744	-45 219
Cash and cash equivalents (TSEK)	56 091	3 969	70 322
Total equity (TSEK)	61 064	35 681	73 158
Average number of shares	36 146 142	28 165 826	30 024 392
Number of shares, end of period	36 146 142	28 165 826	36 146 142
Earnings per share (basic and diluted) (SEK)	-0,33	-0,57	-1,84
Equity per share (SEK) *	1,69	1,27	2,02
Equity/asset ratio (%) *	42	39	47
Average number of employees	20	17	18
Number of employees, end of period	20	18	20

\* Alternative key figures that are not defined by IFRS. For definition, please see note 10.

The quarter refers to January – March 2023. Amounts in brackets refer to comparative figures for the corresponding period of the previous year. Unless otherwise stated, this interim report refers to the group.

This report in English is a translation of the original report in Swedish. In case of any discrepancies, the report in Swedish has precedence.

# CEO COMMENT

## FINE-TUNING PRODUCTION

The company's absolute top priority in the beginning of the year has continued to be production. We have implemented fine-tunings in one of the process steps and evaluation of these is ongoing. We remain committed to ensuring that our product within preparative chromatography, NLAB Saga®, maintains the highest quality over time, and we will not deliver to customers until we are completely satisfied with the product. Even though it is taking more time than anyone would like, we are getting closer every day.



We are continuing our long-term and restrained strategy with a strong focus on cost control, which among other things means that development in drug development is held back. Most of our resources are focused on preparative chromatography in order to deliver products to waiting customers as quickly as possible.

During the spring and early summer, we will continue the launch and marketing of NLAB Saga®. During May and June, we will participate in two major conferences within chromatography, TIDES USA and CPhI in China. During the first quarter, we were also able to visit China again and meet customers for the first time since the start of the COVID-19 pandemic. We could see that the activity in the peptide market in China has exploded and the interest in our silica (which is used in the purification of several types of peptides) is great. The customers who have previously evaluated our silica showed buying interest and those who have not yet tried the silica asked for samples to evaluate. This well reflects our view of the market and the need for additional producers of the type of high-quality silica that we produce.

Both as the company's CEO and as the third largest owner, I share the frustration that exists regarding it taking so long to deliver product to our customers, but I want to reiterate that we are getting closer every day. Once again, thank you for your patience – hang in there.

*Södertälje in April*  
/Andreas Bhagwani, CEO

# THIS IS NANOLOGICA

## ***Better and cheaper medicine through porous silica***

Nanologica develops, manufactures, and sells nanoporous silica particles for life science applications. A proprietary production method enables the company to create world-class products by precisely controlling the shape, size, porosity, and surface properties of silica particles.

Through the two business areas, Chromatography and Drug Development, the company strives to increase the availability of cost-effective drugs and innovative treatments in healthcare, for the benefit of patients around the world.

## ***Five reasons to invest in Nanologica:***

### **1. A rapidly growing market**

In Chromatography, Nanologica operates in a large and growing market for the purification of protein and peptide drugs. The growth is driven by both an increased prevalence of diabetes and obesity and the launch of new drugs for these diseases.

### **2. Oligopoly market with capacity shortage**

The market for high-quality silica for chromatography is an oligopoly market with only a few producers, where only one produces the same type of high-quality silica as Nanologica. The growth of demand in the underlying market has resulted in a lack of supply capacity in the manufacture of high-quality silica.

### **3. Medicines for more**

By providing high-quality silica, Nanologica contributes to lowered costs and increased production at pharmaceutical manufacturers, giving more people access to vital treatments for diabetes and obesity.

### **4. Manufacturing with good margins**

Nanologica is expected to be able to achieve good and gradually further improved production economy in its large-scale silica production. This will lay the foundation for a business with good profitability.

### **5. Innovative platform for administering drugs to the lung**

In Drug Development, Nanologica is developing a platform technology with a unique carrier particle for the delivery of drugs to the lungs. The aim is to create improved or completely new opportunities for drug treatment of diseases in the lung.

Nanologica has a pilot plant in Södertälje to produce silica on a small scale and for research and development of new products, while large-scale production of silica takes place at a contract manufacturer in the UK.

Nanologica's share (NICA) is listed on Nasdaq Stockholm Main Market since 2022. For further information, please visit [www.nanologica.com](http://www.nanologica.com).





## BUSINESS AREA CHROMATOGRAPHY

The highest priority during the quarter continued to be production in order to be able to deliver products as quickly as possible against the orders taken. Further fine-tuning has been made in one of the process steps to ensure the highest quality of the product over time, and evaluations are ongoing.

During the quarter, silica was delivered to a customer in the South American market against a smaller order that was taken at the end of 2022. In 2022, Nanologica performed a successful method development, and the customer will verify the results in their laboratory with the silica delivered before proceeding to evaluation on a production scale.

After several years of travel restrictions, Nanologica was able to travel to China and visit

customers during the quarter. The activity in the peptide market in China is very high and the interest in Nanologica's silica is great.

During the quarter, investments of TSEK 7,899 were made, mainly in large-scale production of silica, and minor investments in equipment in the application laboratory in Södertälje.

Net sales for the business area for the first quarter amounted to TSEK 355 (270). Sales during the quarter consisted mainly of analytical columns, while a smaller part was related to silica for preparative chromatography. Operating profit for the first quarter amounted to TSEK -5,605 (-6,726). Depreciation in the group linked to large-scale production amounted to TSEK 1,847 during the first quarter.

### Chromatography

	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Net sales, TSEK	355	270	1 555
Raw materials, consumables and change in inventories TSEK	-332	-1 350	-2 528
Gross profit, TSEK	23	-1 080	-973
Operating profit/loss, TSEK	-5 605	-6 726	-23 656
Average number of employees	10	7	9



# BUSINESS AREA DRUG DEVELOPMENT

As Drug Development has continued to be deprioritized in favor of Chromatography, the development within Drug Development has been held back. Internal development of the NAP™ (nanoporous amorphous particles) platform technology for inhalation continued at a low pace during the first quarter.

Net sales for the business area amounted to TSEK 0 (0) for the first quarter. Operating loss for the quarter amounted to TSEK -2,186 (-3,031).

Drug Development	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Net sales, TSEK	0	0	0
Raw materials, consumables and change in inventories TSEK	-2	-7	-64
Gross profit, TSEK	-2	-7	-64
Operating profit/loss, TSEK	-2 186	-3 031	-11 065
Average number of employees	5	5	5



## OPERATING INCOME AND RESULT

Net sales for the first quarter amounted to TSEK 355 (270). Net sales are mainly related to revenues from sales of analytical columns within the Chromatography business area.

The operating loss for the quarter amounted to TSEK -10,720 (-15,592). The operating result was affected positively by decreased other external costs as a result of strict cost control as well as the development within Drug Development being held back. The comparison year also includes costs of non-recurring nature for the listing of the company at Nasdaq Main Market and write-down of obsolete inventories.

Net financial items for the quarter amounted to TSEK -1,373 (-323), which reflects the company's current financing through loans. The loss after tax for the quarter amounted to TSEK -12,094 (-15,915) and earnings per share before and after dilution were SEK -0.33 (-0.57).

## TAX

The company pays taxes and fees in accordance with applicable legislation. As regards to tax on profit or loss, the company does currently not pay any tax due to negative earnings. As of December 31, 2022, the group had tax loss deductions amounting to TSEK 261,664 and the parent company had tax loss deduction amounting to TSEK 265,981. The tax loss deductions may be activated when the requirements for activation of the deferred tax asset are met. The tax loss deductions are not time limited.

## INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On March 31, 2023, capitalized expenditure for development amounted to TSEK 21,227, compared to TSEK 14,724 at the beginning of the year. The increase mainly relates to development costs for upscaling to large-scale production of silica. The patent portfolio amounted to TSEK 1,516 compared to TSEK 1,407 at the beginning of the year.

The book value of right-of-use assets amounted to TSEK 16,912 compared to TSEK 18,547 at the beginning of the year, mainly relating to dedicated

equipment for large-scale production of silica at the contract manufacturer Sterling Pharma Solutions. The book value of tangible fixed assets amounted to TSEK 3,643 compared to TSEK 3,181 at the beginning of the year. During the quarter, investments in equipment in the application laboratory in Södertälje and in the large-scale production line at Sterling Pharma Solutions were made.

Prepaid production costs amounted to TSEK 42,974 on the balance sheet date, compared to TSEK 41,623 at the beginning of the year. This relates to advance payments to Sterling Pharma Solutions for ongoing production of the first ton scale campaign of Nanologica's silica. During the quarter, the prepaid production costs increased by TSEK 8,197 and settlements for delivered goods amounting to TSEK 6,846, mainly relating to investments in large-scale production, have been made.

Total cash flow for the quarter amounted to TSEK 14,208 (-7,040).

Cash flow for operating activities for the quarter amounted to TSEK -3,977 (-14,744). Cash flow from operating activities has been positively affected by an improved operating result and by an increase in operating liabilities that will be paid during the second quarter.

Cash flow from investment activities for the quarter amounted to TSEK -9,018 (-942). The investments are mainly related to capitalized expenditure for development connected to upscaling of the company's silica production and to a lesser extent to the development of the company's inhalation platform, as well as patents and patent applications.

Cash flow from financial activities amounted to TSEK -1,213 (8,646). During the comparison period, a loan of TSEK 10,000 was taken.

As per March 31, 2023, cash and cash equivalents amounted to TSEK 56,091 (3,969). The group's reported equity amounted to TSEK 61,064 on the balance sheet date compared to TSEK 73,158 at the beginning of the year. The equity/assets ratio as of March 31 was 42 percent compared with 47 percent at the beginning of the year.

## FLUCTUATIONS IN REVENUE GENERATION

Nanologica has two business areas.

Chromatography generates revenue through the sales of products for analytical and preparative chromatography. Sales of products for preparative chromatography are from the first half of 2023 expected to constitute the majority of the net sales for the company.

Drug Development has historically from time-to-time generated revenues from partner collaborations and licensing agreements. The business area is currently in a phase with a focus on in-house research and development and is not expected to have any revenues during 2023.

Nanologica lacks significant seasonal variations.

## EXTERNAL FACTORS

The war in Ukraine did not have a direct impact on Nanologica during the quarter. The company does not conduct any business linked to Ukraine or Russia. However, there is still a great uncertainty regarding how the world economy and the global supply chain is affected as a result of the war. An indirect impact of the war is noticeable in the form of longer delivery times for specific components, as well as a significant increase in freight rates.

On a number of occasions during the last year, a shortage of chemicals has arisen, which has had an impact on production with longer lead times. The high energy prices and the prevailing inflation do not currently affect the company significantly in the current production campaign where the large-scale production of the company's silica runs according to agreement. If high energy prices and high inflation persist for a longer period of time, this may have effects when renegotiation, for example, production agreements, which may affect the cost picture and profitability.

The company's loans run at fixed interest rates which means that the cost for these is not affected by a higher interest rate situation during the term of the loans. Regarding fluctuations in exchange rates, the company has manufacturing and commitments mainly in British pounds and sales mainly in US dollars. Nanologica has not currently secured any exchange rates.

Previous travel restrictions in China due to COVID-19 were eased in the beginning of 2023, allowing the company to visit customers in China again.

Climate change poses a major risk to humanity from a global perspective, with financial risks as a consequence. At present, however, Nanologica assesses that climate risks do not have or will in the near future have a material impact on the company's financial development.

The company's management team works continuously on identifying, evaluating, and managing external factors that have an impact on operational activities.

## EMPLOYEES AND ORGANIZATION

As per March 31, 2023, the number of permanent employees was 20 (20), whereof 10 in Chromatography, 5 in Drug Development and 5 in Business Support. 11 (11) were women and 9 (9) were men. 4 persons work in R&D, and out of the total number of employees 7 are PhDs.

To conduct an efficient business with a cost-effective organization, Nanologica hires consultants, advisors and project employees for specific assignments and tasks in areas of competence that the company lacks or only periodically needs. As per March 31, 2023, the number of consultants and project employees corresponds to 1 (3) full-time equivalents.

## PATENTS

At the end of the quarter, the patent portfolio consisted of three patent families with 45 granted patents and over 10 pending patent applications. No changes within the patent portfolio were registered during the quarter.

## PARTNERSHIPS, COLLABORATIONS AND ESSENTIAL AGREEMENTS

No new partnerships, collaborations or essential agreements were entered into during the first quarter.



## THE SHARE AND SHAREHOLDERS

Nanologica's share is listed on Nasdaq Stockholm Main Market since March 29, 2022 under the ticker NICA. As per March 31, 2023, the number of registered outstanding shares amounted to 36,146,142 and the registered share capital amounted to approximately SEK 14,820,923. The share price was SEK 9.32.

Owners as of March 31, 2023	Shares	Share %
Flerie Invest AB	14,901,635	41.2
Swedbank Robur Microcap	2,393,040	6.6
Vega Bianca AB	2,017,264	5.6
Konstakademien	1,732,000	4.8
Avanza Pension	1,531,825	4.2
Niklas Sjöblom	594,260	1.6
Fredrik Palmstierna	588,061	1.6
SEB Life International Assurance	529,446	1.5
Kronprinsessan Lovisas förening för barnsjukvård	518,333	1.4
Andre Oscar o Anna Wallenbergs stiftelse	512,000	1.4
<b>The ten largest shareholders</b>	<b>25,317,864</b>	<b>69.9</b>
<b>Other shareholders (2,333)</b>	<b>10,828,278</b>	<b>30.1</b>
<b>Total</b>	<b>36,146,142</b>	<b>100.0</b>

### Share-based incentive programs

At the end of the first quarter, Nanologica had one active share-based incentive program.

In the program 2021/2024 for the management team and employees, all of the 800,000 warrants have been subscribed for. Each warrant entitles the holder to subscribe for one share in the company at a subscription price corresponding to SEK 45, during the period 1 April 2024 to 1 July 2024. Based on the existing number of shares, the dilution will be a maximum of approximately 2.2 percent if all warrants are exercised.

## FINANCIAL CALENDAR

Interim report Q2 2023	Jul 7, 2023
Interim report Q3 2023	Oct 27, 2023
Year-end report 2023	Feb 9, 2024

## FUTURE PROSPECTS

This report contains forward-looking statements. Actual outcomes may differ from these

statements. Internal and external factors can affect Nanologica's results.

When large-scale production of silica has been established, sales in preparative chromatography are expected to increase and make up the majority of Nanologica's revenue. The company considers it reasonable to achieve sales in preparative chromatography exceeding MSEK 100 in 2024.

## RISKS AND UNCERTAINTIES

The company makes assumptions, assessments and estimates that affect the content of the financial statements. Actual outcomes may differ from these assessments and estimates, as stated in the accounting principles. The goal of the group's risk management is to identify, prevent, measure, control and limit the risks in the business. Significant risks are the same for the parent company and the group.

The risks in Nanologica's operations include strategic risks related to, among other things, the company's operations, industry, legal and regulatory risks, such as financing of upscaling projects, commercialization, dependence on partners, research, trademarks, patents and external requirements, and operational risks such as production risks, price changes on raw materials and inputs, and currency fluctuations. A detailed description of risk exposure and risk management can be found in Nanologica's Annual Report for 2022 on pages 53–57.

No significant changes in material risks or uncertainties occurred during the reporting period beyond what is described under the section "External factors".

## OTHER

### Annual General Meeting

The annual general meeting is scheduled to be held on May 4, 2023 at Redeye on Mäster Samuelsgatan 42 in Stockholm. All documents relating to the annual general meeting, including the annual report, are available on the company's website.

## AUDITORS REVIEW

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

# ASSURANCE

The board of directors and the CEO provide their assurance that this interim report provides a fair and true overview of the parent company's and the group's operations, financial position, and results, and describes material risks and uncertainties faced by the parent company and the companies in the group.

April 27, 2023

Gisela Sitbon  
*Chairman*

Mattias Bengtsson  
*Board member*

Eva Byröd  
*Board member*

Thomas Eldered  
*Board member*

Tomas Kramar  
*Board member*

Anders Rabbe  
*Board member*

Lena Torlegård  
*Board member*

Andreas Bhagwani  
*Chief Executive Officer*

**For further information, please contact:**  
CEO Andreas Bhagwani, ph. +46-70-316 17 02  
CFO Eva Osterman, ph. +46-72-180 30 75



FINANCIAL REPORTS  
AND NOTES



## CONSOLIDATED INCOME STATEMENT

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Net sales	355	270	1 555
Change in inventories, finished goods	284	-1 223	-1 276
Capitalized work for own use	1 402	406	4 272
Other operating income	41	78	265
<b>Operating expenses</b>			
Raw materials and consumables	-618	-134	-1 316
Other external costs	-1 894	-5 017	-14 142
Staff costs	-6 823	-6 795	-27 375
Depreciation and amortization of tangible, intangible and right-of-use assets	-3 261	-2 887	-11 862
Other operating expenses	-205	-289	-971
<b>Total operating expenses</b>	<b>-12 801</b>	<b>-15 122</b>	<b>-55 665</b>
<b>Operating profit/loss</b>	<b>-10 720</b>	<b>-15 592</b>	<b>-50 850</b>
<b>Financial items</b>			
Valuation of financial assets at actual value	0	448	630
Financial income	104	22	41
Financial costs	-1 477	-793	-5 053
<b>Total financial items</b>	<b>-1 373</b>	<b>-323</b>	<b>-4 381</b>
<b>Profit/loss before income tax</b>	<b>-12 094</b>	<b>-15 915</b>	<b>-55 231</b>
Income tax	0	0	0
<b>Profit/loss for the period attributable to owners of parent company</b>	<b>-12 094</b>	<b>-15 915</b>	<b>-55 231</b>
Other comprehensive income	0	0	0
<b>Total comprehensive profit/loss for the period attributable to owners of parent company</b>	<b>-12 094</b>	<b>-15 915</b>	<b>-55 231</b>
Earnings per share (basic and diluted), SEK	-0,33	-0,57	-1,84
Average number of ordinary shares during the period	36 146 142	28 165 826	30 024 392
Ordinary shares outstanding at the closing date	36 146 142	28 165 826	36 146 142

## CONSOLIDATED BALANCE SHEET

Amounts in TSEK	2023 Mar 31	2022 Mar 31	2022 Dec 31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets			
Capitalized expenditure for research and development and similar	21 227	11 768	14 724
Concessions, patents, licenses, trademarks and similar rights	1 516	1 896	1 407
Tangible fixed assets	3 643	2 289	3 181
Right-of-use assets	16 912	23 450	18 547
<b>Total fixed assets</b>	<b>43 298</b>	<b>39 403</b>	<b>37 859</b>
<b>Current assets</b>			
Inventories	1 331	1 238	1 170
Accounts receivable	347	317	770
Other receivables	237	768	863
Prepaid expenses and accrued income	45 491	43 531	43 529
Financial assets (current) at actual value through income statement	0	1 162	0
Cash and cash equivalents	56 091	3 969	70 322
<b>Total current assets</b>	<b>103 496</b>	<b>50 985</b>	<b>116 654</b>
<b>TOTAL ASSETS</b>	<b>146 794</b>	<b>90 388</b>	<b>154 513</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital including ongoing issues	14 821	11 549	14 821
Additional paid-in capital	308 195	234 674	308 195
Profit/loss brought forward from actual period	-261 952	-210 542	-249 858
<b>Total equity attributable to parent company shareholders</b>	<b>61 064</b>	<b>35 681</b>	<b>73 158</b>
<b>TOTAL EQUITY</b>	<b>61 064</b>	<b>35 681</b>	<b>73 158</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	0	833	0
Lease liabilities	535	2 646	666
Provisions	581	533	574
Other long-term liabilities	66 640	36 502	66 601
<b>Total long-term liabilities</b>	<b>67 757</b>	<b>40 515</b>	<b>67 841</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	833	2 180	1 333
Advance payment from customers	312	779	427
Accounts payable	8 581	2 796	2 263
Lease liabilities	2 111	2 779	2 693
Other liabilities	1 157	1 233	1 768
Accrued expenses and deferred income	4 980	4 426	5 030
<b>Total current liabilities</b>	<b>17 974</b>	<b>14 193</b>	<b>13 514</b>
<b>Total liabilities</b>	<b>85 730</b>	<b>54 707</b>	<b>81 355</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>146 794</b>	<b>90 388</b>	<b>154 513</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Total equity at the beginning of the period	73 158	51 596	51 596
Profit/loss for the year	-12 094	-15 915	-55 231
Other comprehensive income	0	0	0
Total comprehensive income for the period	-12 094	-15 915	-55 231
Rights issue	0	0	79 803
Issue costs	0	0	-3 010
Total transactions with owners	0	0	76 793
Total equity at the end of the period	61 064	35 681	73 158

## CONSOLIDATED CASH FLOW STATEMENT

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
<b>Operating activities</b>			
Operating profit/loss	-10 720	-15 592	-50 850
Adjustment for items not affecting cash flow	3 261	2 945	12 350
Interest received	1	0	43
Interest paid	-1 390	-1 288	-6 055
Income taxes received/paid	0	0	0
Cash flow from operating activities before changes in working capital	-8 848	-13 935	-44 511
<i>Cash flow from changes in working capital</i>			
Increase (-) / decrease (+) of inventories	-161	1 170	1 239
Increase (-) / decrease (+) of operating receivables	-826	-1 919	-1 829
Increase (+) / decrease (-) of operating liabilities	5 858	-60	-117
Cash flow from operating activities	-3 977	-14 744	-45 219
<b>Investing activities</b>			
Investments in intangible assets	-8 268	-655	-6 959
Investments in tangible fixed assets	-750	-287	-1 599
Compensation for sold tangible fixed assets	0	0	72
Compensation for divested financial assets	0	0	1 344
Cash flow from investing activities	-9 018	-942	-7 142
<b>Financing activities</b>			
Rights issue for the year	0	0	79 803
Transaction costs	0	0	-3 011
New loans	0	10 000	50 000
Amortization of lease liabilities	-713	-674	-2 735
Amortization of financial loans	-500	-680	-12 360
Cash flow from financing activities	-1 213	8 646	111 697
Total cash flow for actual period	-14 208	-7 040	59 335
Cash and cash equivalents, opening balance	70 322	10 987	10 987
Exchange rate difference in cash and cash equivalents	-23	22	-1
Cash and cash equivalents, closing balance	56 091	3 969	70 322



# NOTES

## NOTE 1 GENERAL INFORMATION

This report covers the Swedish parent company Nanologica AB (publ), corporate registration number 556664-5023, and its subsidiaries. The parent company is a limited liability company with its registered office in Stockholm, Sweden. The address of the main office is Forskargatan 20 G, 151 36 Södertälje, Sweden. The main operation of the group is sales of silica-based chromatography products, and research and development of pharmaceutical products.

Nanologica AB has five subsidiaries: Nanghavi AB, Nanologica Australia Ltd, Nanologica Black AB, Nanologica Yellow AB and Nlab Bioscience S.A. Nanologica Australia Ltd and Nlab Bioscience S.A are under liquidation. The other subsidiaries are dormant at the time of the publication of the report.

The interim report for Q1 2023 has been approved for publication on April 28, 2023, in accordance with a board decision on April 27, 2023

## NOTE 2 ACCOUNTING PRINCIPLES

The consolidated financial statements for Nanologica AB (publ) have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the EU, the Annual Accounts Act and the Swedish Financial Reporting Board's RFR 1 Supplementary Accounting Rules for Groups. The parent company's financial statements are presented in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

This interim report is presented in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34 are presented both in notes and elsewhere in interim report. The accounting principles and calculation methods applied are in accordance with those described in the Annual Report 2022. The guidelines of the European Securities and Markets Authority (ESMA) on alternative performance measures have been applied. This involves disclosure requirements for financial measures that are not defined by IFRS. For performance measures not defined by IFRS, see note 10 Definition of key figures.

Information for the quarter refers to the first quarter of 2023 unless otherwise stated. Amounts expressed in TSEK and MSEK refer to thousands of Swedish kronor and millions of Swedish kronor, respectively. Amounts in brackets refer to comparative figures for the previous year

## NOTE 3 SIGNIFICANT ACCOUNTING ASSESSMENTS AND ASSUMPTIONS

Important estimates and assessments are described in detail in the Annual Report 2022 on pages 77–79. No significant changes in estimates and assessments have been noted for the reporting period. This report contains assumptions, assessments and estimates that affect the content of the financial statements. Actual outcomes may differ from these assessments and estimates.

## NOTE 4 SEGMENTS

An operating segment is part of a group that conducts operations from which it can generate revenue and incur costs, and for which independent financial information is available. The group's division into operating segments is consistent with the internal reports that the group's highest executive decision-makers use to monitor operations and allocate resources among operating segments. The CEO is the group's highest executive decision-maker. In Nanologica, it is therefore the reports that the CEO receives on earnings in different parts of the group that form the basis for the segment information.

Two operating segments have been identified in the group: Drug Development and Chromatography. Under the headline Business support, support functions that are not attributable to commercial segments is reported (e.g., the company's management, communication/marketing, finance, etc.). Segment information is provided only for the group. In the table below, the business area Chromatography is titled *Chroma*, and the business area Drug Development is titled *DD*.

	2023 Jan - Mar			
Amounts in TSEK	Chroma	DD	Corp Function	Total
Net sales	355	0	0	355
Raw materials, consumables and change in inventories	-332	-2	0	-334
<b>Gross profit</b>	<b>23</b>	<b>-2</b>	<b>0</b>	<b>21</b>
Other operating items	-5 628	-2 184	-2 929	-10 741
<b>Operating profit/loss</b>	<b>-5 605</b>	<b>-2 186</b>	<b>-2 929</b>	<b>-10 720</b>
Net finance			-1 373	-1 373
<b>Profit/loss after financial items</b>	<b>-5 605</b>	<b>-2 186</b>	<b>-4 303</b>	<b>-12 094</b>

	2022 Jan - Mar			
Amounts in TSEK	Chroma	DD	Corp Function	Total
Net sales	270	0	0	270
Raw materials, consumables and change in inventories	-1 350	-7	0	-1 357
<b>Gross profit</b>	<b>-1 080</b>	<b>-7</b>	<b>0</b>	<b>-1 087</b>
Other operating items	-5 646	-3 026	-5 833	-14 505
<b>Operating profit/loss</b>	<b>-6 726</b>	<b>-3 033</b>	<b>-5 833</b>	<b>-15 592</b>
Net finance			-323	-323
<b>Profit/loss after financial items</b>	<b>-6 726</b>	<b>-3 033</b>	<b>-6 156</b>	<b>-15 915</b>

	2022 Jan - Dec			
Amounts in TSEK	Chroma	DD	Corp Function	Total
Net sales	1 555	0	0	1 555
Raw materials, consumables and change in inventories	-2 528	-64	0	-2 592
<b>Gross profit</b>	<b>-973</b>	<b>-64</b>	<b>0</b>	<b>-1 037</b>
Other operating items	-22 683	-11 003	-16 126	-49 812
<b>Operating profit/loss</b>	<b>-23 656</b>	<b>-11 067</b>	<b>-16 126</b>	<b>-50 850</b>
Valuation of financial assets at actual value			630	630
Financial income			41	41
Financial costs			-5 053	-5 053
<b>Profit/loss after financial items</b>	<b>-23 656</b>	<b>-11 067</b>	<b>-20 507</b>	<b>-55 231</b>

## NOTE 5 DISTRIBUTION OF INCOME

Nanologica's distribution of revenues for sales of goods and provision of services at a specific time and over time divided per geographic market and reported separately for major customers.

Composition of net sales, per segment and region (TSEK)	2023	2022	2022
	Jan - Mar	Jan - Mar	Jan - Dec
Chromatography	355	270	1 555
<i>China</i>	114	187	699
<i>Rest of the World</i>	241	83	612
	<b>355</b>	<b>270</b>	<b>1 555</b>

Composition of net sales, large customers (TSEK)	2023	2022	2022
	Jan - Mar	Jan - Mar	Jan - Dec
Customer A - Chromatography	114	187	699
<i>Customer A (%)</i>	32%	69%	45%
Others - Chromatography	241	83	856
<i>Others (%)</i>	68%	31%	55%
	<b>355</b>	<b>270</b>	<b>1 555</b>

## NOTE 6 FINANCIAL ASSETS VALUED AT FAIR VALUE

### Fair value valuation

IFRS 13 Fair value valuation contains a valuation hierarchy regarding input to the valuations. This valuation hierarchy is divided into three levels, consisting of:

- Level 1 - Quoted prices on active markets for identical assets and liabilities
- Level 2 - Observable inputs for the asset or liability other than quoted prices including in level 1, either directly or indirectly (i.e. derived from quotations).
- Level 3 - Input of the asset or liability that is not based on observable market data (i.e. non-observable inputs).

### Short-term financial investments

Holdings in short-term financial investments are continuously measured at fair value with a change in value in profit or loss. Holdings in listed shares are continuously valued at fair value according to Level 1 of the valuation hierarchy. Listed holdings are valued on the basis of the share price at the balance sheet date.

By the end of 2022, the entire holding had been divested.

Valuation of financial assets at fair value (TSEK)	2023	2022	2022
	Jan - Mar	Jan - Mar	Jan - Dec
Vicore Pharma Holding AB (publ), Nasdaq Stockholm Small Cap	0	448	630

### Financial assets valued at fair value via the income statement (TSEK)

	2023	2022	2022
	Mar 31	Mar 31	Dec 31
Vicore Pharma Holding AB (publ), Nasdaq Stockholm Small Cap			
- number of shares	0	51 285	0
- market value, Nasdaq Stockholm Small Cap (SEK)	n/a	22,65	n/a
<b>Book value</b>	<b>0</b>	<b>1 162</b>	<b>0</b>



## NOTE 7 INVENTORIES

Amounts in TSEK	2023 Mar 31	2022 Mar 31	2022 Dec 31
Raw materials	231	53	288
Semi-finished products and production in progress	987	1026	757
Finished products	113	159	125
<b>Sum</b>	<b>1 331</b>	<b>1 238</b>	<b>1 170</b>

## NOTE 8 RELATED PARTY TRANSACTIONS

During the quarter, Nanologica had related party transactions with Flerie Invest AB regarding loans. Flerie Invest AB is Nanologica's largest owner and is owned by Thomas Eldered who is a board member of Nanologica.

Nanologica has during the quarter had sales of analytical columns to Nanghavi Chromatography Solutions in India where CEO Andreas Bhagwani and CFO Eva Osterman serve on the board. Sales have been made on market terms.

More information on transactions with related parties can be found in Nanologica's annual report 2022, note 35.

### *Information regarding loans*

Loans from Flerie Invest AB amounted to MSEK 67 on the balance sheet day and were raised on market terms. Loan 1 totaling MSEK 17 was raised during autumn 2019 and spring 2020. Loan 2 totaling MSEK 50 was raised during the first half of 2022. The interest rate for the loans is 8 percent, and the loans are due for payment in July 2025. Interest payments for the loans are made quarterly in advance.

### *Transactions during the first quarter*

- Costs regarding loans from Flerie Invest AB amounted to TSEK 1,411 during the quarter and relate to interest and commitment fee. Payments regarding loans amounted to TSEK 1,340 during the quarter.
- Sales of analytical columns to Nanghavi Chromatography Solutions amounted to TSEK 58 during the quarter.

## NOTE 9 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- No significant events after the end of the period.

## NOTE 10 DEFINITION OF KEY FIGURES

The company presents certain financial measures that are not defined under IFRS. The company believes that these measures provide valuable supplementary information to investors and the company's management, as they enable evaluation and benchmarking of the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be seen as a substitute for measures defined under IFRS. Reported key figures are defined according to IFRS unless otherwise stated. ESMA's guidelines on alternative performance measures are applied, which means disclosure requirements for financial measures that are not defined according to IFRS.

## Alternative performance measure definitions

### Operating profit/loss (EBIT)

Profit/loss before net financial items and taxes. (Earnings Before Interest and Taxes).

### Operating margin, % \*

Operating profit/loss in relation to net sales. In cases where the margin is negative, the margin is only reported as "neg".

### Earnings before depreciation and amortization (EBITDA)\*

In the quarterly data, the performance measure EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization). EBITDA is calculated as operating profit/loss with the re-arrangement of depreciation and amortization of intangible and tangible assets and right-of-use assets.

### Equity/assets ratio\*

Equity in relation to the balance sheet total.

### Equity per share\*

Equity divided by the number of shares outstanding at the end of the period.

### Average number of shares during the period

Calculated as an average of the number of ordinary shares outstanding during the reporting period on a daily basis.

## \* Derivation of alternative performance measures

	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
A. Operating profit/loss (TSEK)	-10 720	-15 592	-50 850
B. Net sales (TSEK)	355	270	1 555
A/B Operating profit/loss (%)	neg	neg	neg
A. Operating profit/loss (TSEK)	-10 720	-15 592	-50 850
B. Depreciation and amortization of tangible, intangible and right-of-use assets (TSEK)	-3 261	-2 887	-11 862
A-B Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), (TSEK)	-7 459	-12 705	-38 988

	2023 Mar 31	2022 Mar 31	2022 31 Dec
A. Equity according to the balance sheet (TSEK)	61 064	35 681	73 158
B. Total assets according to balance sheet (TSEK)	146 794	90 388	154 513
"A/B" = Equity/assets ratio (%)	42	39	47
A. Equity according to the balance sheet (TSEK)	61 064	35 681	73 158
B. Number of shares before and after dilution*	36 146 142	28 165 826	36 146 142
"A/B*1000 = Equity per share (SEK)	1,69	1,27	2,02

\* When the operating profit/loss is negative, no recalculation regarding dilution is made.

## GROUP QUARTERLY DATA

Amounts in TSEK unless otherwise stated	2023-Q1	2022-Q4	2022-Q3	2022-Q2	2022-Q1	2021-Q4	2021-Q3	2021-Q2
<b>Statement of comprehensive income</b>								
Net sales	355	674	401	210	270	676	2 119	4 497
Total operating expenses	-12 801	-15 326	-11 421	-13 796	-15 122	-13 406	-13 763	-13 280
Operating profit before depreciation and amortization (EBITDA)*	-7 459	-10 150	-6 647	-9 487	-12 705	-11 246	-8 797	-5 178
Operating profit/loss (EBIT) *	-10 720	-13 251	-9 610	-12 397	-15 592	-14 108	-11 718	-8 094
Operating margin,% *	neg	neg	neg	neg	neg	neg	neg	neg
Total financial investments	-1 373	-1 604	-1 378	-1 076	-323	-1 114	-827	-1 122
Profit/loss before income tax	-12 094	-14 855	-10 988	-13 473	-15 915	-15 222	-12 546	-9 216
Total comprehensive profit/loss for the period attributable to owners of parent company	-12 094	-14 855	-10 988	-13 473	-15 915	-15 222	-12 546	-9 216
<b>Consolidated financial position</b>								
Total fixed assets	43 298	37 859	37 945	37 296	39 403	41 512	43 270	46 651
Total current assets	47 405	46 332	45 160	47 399	47 016	45 816	43 658	39 826
Cash and cash equivalents	56 091	70 322	8 640	29 357	3 969	10 987	28 624	44 795
Total equity	61 064	73 158	9 503	22 208	35 681	51 596	66 794	79 340
Total long-term liabilities	67 757	67 841	51 323	69 332	40 515	32 222	33 416	34 600
Total current liabilities	17 974	13 514	30 920	22 511	14 193	14 498	15 341	17 331
<b>Consolidated statement of cash flow</b>								
Cash flow from operating activities	-3 977	-11 720	-6 748	-12 007	-14 744	-15 213	-14 152	-13 652
Cash flow from investing activities	-9 018	-2 179	-2 788	-1 233	-942	-1 095	-690	-866
Cash flow from financing activities	-1 213	75 603	-11 192	38 640	8 646	-1 329	-1 329	2 249
Total cash flow for actual period	-14 208	61 704	-20 728	25 399	-7 040	-17 637	-16 171	-12 269
<b>Other Key Figures</b>								
Equity/assets ratio, %*	42	47	10	19	39	52	58	60
Number of employees at the end of the period	20	20	20	17	18	17	20	20
Average number of employees during the period	20	20	19	18	17	17	20	20
Average number of employees and consultants during the period	21	21	19	19	20	20	23	23
<b>Data per share</b>								
Earnings per share before and after dilution, SEK	-0,33	-0,42	-0,39	-0,48	-0,57	-0,54	-0,45	-0,33
Equity per share (before dilution), SEK*	1,69	2,02	0,34	0,79	1,27	1,83	2,37	2,82
Cash flow from operating activities per share, SEK	-0,11	-0,33	-0,24	-0,43	-0,52	-0,54	-0,50	-0,49
Share price at the end of the period, SEK	9,32	10,00	9,40	11,90	16,75	13,70	14,45	15,15
Number of shares before dilution on average during the period	36 146 142	35 703 344	28 165 826	28 165 826	28 165 826	28 165 826	28 165 826	27 918 262
Number of shares before dilution at the end of the period	36 146 142	36 146 142	28 175 770	28 165 826	28 165 826	28 165 826	28 165 826	28 165 826
Number of warrants at the end of the period	800 000	800 000	800 000	1 719 949	1 719 949	1 719 949	919 949	919 949

\* Alternative performance measures that are not defined by IFRS. For definition, please see note 10.



## INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Net sales	355	270	1 555
Change in inventories, finished goods	284	-1 223	-1 276
Capitalized work for own use	1 402	406	4 272
Other operating income	41	78	265
<b>Operating expenses</b>			
Raw materials and consumables	-618	-134	-1 316
Other external costs	-2 654	-5 768	-17 140
Staff costs	-6 823	-6 795	-27 375
Depreciation and amortization of tangible, intangible and right-of-use assets	-2 670	-2 296	-9 497
Other operating expenses	-205	-290	-971
Total operating expenses	-12 970	-15 282	-56 299
<b>Operating profit/loss</b>	<b>-10 889</b>	<b>-15 752</b>	<b>-51 484</b>
<b>Financial items</b>			
Profit/loss from group companies	-33	-27	-117
Profit/loss from other financial items	0	448	630
Interest income and similar profit/loss items	104	22	41
Interest expense and similar profit/loss items	-1 446	-735	-4 859
Profit/loss from financial items	-1 375	-291	-4 304
<b>Profit/loss before income tax</b>	<b>-12 264</b>	<b>-16 044</b>	<b>-55 788</b>
Income tax	0	0	0
<b>Profit/loss for the period</b>	<b>-12 264</b>	<b>-16 044</b>	<b>-55 788</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Profit/loss for the period	-12 264	-16 044	-55 788
<b>Other comprehensive income</b>			
Items that may be reclassified to result for the year	0	0	0
<b>Comprehensive income for the period</b>	<b>-12 264</b>	<b>-16 044</b>	<b>-55 788</b>

## BALANCE SHEET FOR THE PARENT COMPANY

Amounts in TSEK	2022 Mar 31	2022 Mar 31	2022 Dec 31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets			
Capitalized expenditure for research and development and similar	29 938	24 653	24 479
Concessions, patents, licenses, trademarks and similar rights	1 516	1 896	1 407
Total intangible assets	31 455	26 549	25 886
Tangible assets			
Equipment, tools and installations	3 643	2 289	3 181
Financial assets			
Participations in group companies	100	100	100
<b>Total fixed assets</b>	<b>35 197</b>	<b>28 938</b>	<b>29 167</b>
<b>Current assets</b>			
Inventories			
Inventories	1 331	1 238	1 170
Current receivables			
Accounts receivable	347	317	770
Other receivables	234	759	861
Prepaid expenses and accrued income	46 581	44 794	44 663
Total current receivables	47 162	45 871	46 294
Financial assets (current)			
Financial assets at actual value through income statement	0	1 162	0
Cash and cash equivalents			
Cash and cash equivalents	55 926	3 820	70 157
<b>Total current assets</b>	<b>104 418</b>	<b>52 091</b>	<b>117 621</b>
<b>TOTAL ASSETS</b>	<b>139 615</b>	<b>81 028</b>	<b>146 788</b>

## BALNACE SHEET FOR THE PARENT COMPANY

Amounts in TSEK	2022 Mar 31	2022 Mar 31	2022 Dec 31
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	14 821	11 549	14 821
Fund for development expenditure	6 585	4 384	6 571
Total restricted equity	21 406	15 933	21 392
Non-restricted equity			
Share premium reserve	308 195	234 674	308 195
Profit/loss brought forward	-260 761	-202 773	-204 960
Profit/loss for the period	-12 264	-16 044	-55 788
Total non-restricted equity	35 169	15 858	47 447
<b>Total equity</b>	<b>56 575</b>	<b>31 791</b>	<b>68 840</b>
Provisions			
Other provisions	581	533	574
Long-term liabilities			
Liabilities to credit institutions	0	833	0
Other long-term liabilities	66 640	36 502	66 601
Total long-term liabilities	66 640	37 336	66 601
Current liabilities			
Liabilities to credit institutions	833	2 180	1 333
Advanced payment from customers	312	779	427
Accounts payable	8 581	2 796	2 258
Other liabilities	1 117	1 196	1 730
Accrued expenses and deferred income	4 976	4 417	5 026
Total current liabilities	15 819	11 369	10 774
<b>Total liabilities</b>	<b>83 040</b>	<b>49 238</b>	<b>77 948</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>139 615</b>	<b>81 028</b>	<b>146 788</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
Total equity at the beginning of the period	68 840	47 834	47 834
Rights issue	0	0	79 803
Issue costs	0	0	-3 010
Total comprehensive income for the period	-12 264	-16 044	-55 788
<b>Total equity at the end of the period</b>	<b>56 575</b>	<b>31 790</b>	<b>68 840</b>

## CASH FLOW STATEMENT FOR THE PARENT COMPANY

Amounts in TSEK	2023 Jan - Mar	2022 Jan - Mar	2022 Jan - Dec
<b>Operating activities</b>			
Operating profit/loss	-10 889	-15 752	-51 484
Adjustment for items not affecting cash flow	2 670	2 354	9 985
Interest received	1	0	43
Interest paid	-1 359	-1 229	-5 860
Income taxes received/paid	0	0	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-9 577</b>	<b>-14 627</b>	<b>-47 316</b>
<i>Cash flow from changes in working capital</i>			
Increase (-) / decrease (+) of inventories	-161	1 170	1 239
Increase (-) / decrease (+) of operating receivables	-781	-1 874	-1 653
Increase (+) / decrease (-) of operating liabilities	5 863	-61	-127
<b>Cash flow from operating activities</b>	<b>-4 656</b>	<b>-15 392</b>	<b>-47 857</b>
<b>Investing activities</b>			
Investments in intangible assets	-8 268	-655	-6 959
Investments in tangible assets	-749	-287	-1 598
Investments in group companies	-33	-27	-116
Compensation for sold tangible assets	0	0	72
Compensation for divested financial assets	0	0	1 344
<b>Cash flow from investing activities</b>	<b>-9 050</b>	<b>-969</b>	<b>-7 257</b>
<b>Financing activities</b>			
Rights issue for the year	0	0	79 803
Issue costs	0	0	-3 010
New loans	0	10 000	50 000
Amortization of financial loans	-500	-680	-12 360
<b>Cash flow from financing activities</b>	<b>-500</b>	<b>9 320</b>	<b>114 433</b>
<b>Total cash flow for actual period</b>	<b>-14 206</b>	<b>-7 041</b>	<b>59 320</b>
Cash and cash equivalents, opening balance	70 157	10 839	10 839
Exchange rate difference in cash and cash equivalents	-25	22	-2
<b>Cash and cash equivalents, closing balance</b>	<b>55 926</b>	<b>3 820</b>	<b>70 157</b>





Nanologica AB (publ)

Forskargatan 20 G

SE-151 36 Södertälje

SWEDEN

Ph: +46-8-410 749 49

[www.nanologica.com](http://www.nanologica.com)