



## **NIL Technology ApS**

Haldor Topsøes Allé 1  
2800 Kongens Lyngby  
CVR No. 29310203

## **Annual report 2022**

The Annual General Meeting adopted the  
annual report on 31.05.2023

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**Olaf Carl Ehrenskjöld**

Chairman of the General Meeting

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# Entity details

## Entity

NIL Technology ApS  
Haldor Topsøes Allé 1  
2800 Kongens Lyngby

Business Registration No.: 29310203  
Date of foundation: 13.01.2006  
Registered office: Lyngby-Taarbæk  
Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Jens Peter Due Olsen, chairman  
Ali Abdulwahab Ali Abdulwaheb Alhasan  
Bo Ilsøe  
Christian René Tang-Jespersen  
Henrik Nielsen  
Jean Adolphe Schmitt  
Theodor Nielsen

## Executive Board

Theodor Nielsen, CEO  
Thomas Haals Løndorf  
Brian Bilenberg

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NIL Technology ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kongens Lyngby, 31.05.2023

## Executive Board

**Theodor Nielsen**  
CEO

**Thomas Haals Løndorf**

**Brian Bilenberg**

## Board of Directors

**Jens Peter Due Olsen**  
chairman

**Ali Abdulwahab Ali Abdulwaheb Alhasan**

**Bo Ilsøe**

**Christian René Tang-Jespersen**

**Henrik Nielsen**

**Jean Adolphe Schmitt**

**Theodor Nielsen**

# Independent auditor's report

## To the shareholders of NIL Technology ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of NIL Technology ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 31.05.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Claus Jorch Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne33712



# Management commentary

## Financial highlights

	2022 EUR'000	2021 EUR'000	2020 EUR'000	2019 EUR'000	2018 EUR'000
<b>Key figures</b>					
Gross profit/loss	(3,102)	(324)	(884)	729	1,870
R&D expenses included in gross profit/loss	(3,790)	(2,534)	(998)	(644)	(83)
Gross profit/loss excluding R&D	688	2,210	114	1,373	1,953
Operating profit/loss	(13,136)	(8,580)	(4,828)	(1,739)	269
Net financials	(115)	(92)	(85)	(13)	2
Profit/loss for the year	(12,099)	(8,231)	(4,631)	(1,752)	246
Balance sheet total	24,390	29,434	9,452	9,115	10,891
Investments in property, plant and equipment	3,718	4,351	345	1,639	88
Equity	9,938	21,978	5,268	6,489	8,029
Cash flows from operating activities	(11,373)	(9,054)	(2,580)	(2,473)	2,076
Cash flows from investing activities	(4,213)	(4,706)	(3,385)	(838)	(87)
Cash flows from financing activities	6,988	27,647	4,957	733	6,384
<b>Ratios</b>					
Return on equity (%)	(75.82)	(60.42)	(78.78)	(24.14)	5.22
Equity ratio (%)	40.75	74.67	55.73	71.19	73.72

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Balance sheet total

### Primary activities

The main activities of the company are an IP heavy company with key competences in nanofabrication, producing advanced optical components.

### Development in activities and finances

The Group has in 2022 scaled its capacity through establishing mass-production capabilities. Furthermore, the company has worked with development of its products and has thereby strengthened its IP significantly.

In 2022 the company entered into a convertible loan on 7m€ with current investors.

### Profit/loss for the year in relation to expected developments

Profit for the year amounts to a loss EUR 12.1 million compared to a loss on EUR 8.2 million in 2021. The Groups Equity as of December 31, 2022 is EUR 10 million compared to 22 million December 31, 2021. The 2022 result is considered as expected.

For further information, reference is made to the following income statement, cash flow statement and balance sheet with related notes

### Uncertainty relating to recognition and measurement

As the Group is a development Group, there is a natural uncertainty associated with the measurement of the Group's activities and future earnings. At 31 December 2022, the Company has recognised EUR 4.7 million regarding property, plant and equipment which mainly relates to production facilities related to expected future contracts. Furthermore EUR 2.2 million are recognized as a receivable from Group companies. The value of the investments depends on the Group's ability to develop, market and attracting enough customers that generate positive earnings that could yield the total investment. Accordingly, Management has deemed the valuation sound. If the Group's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

### Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition and measurement.

### Outlook

In 2023 the company expects to grow the topline, resulting in an improved net result for 2023. 2023 is expected to result in a loss due to investments in products and development.

### Use of financial instruments

At the balance sheet date, the company has no active financial instruments. The company is mainly impacted by FX risk on CHF, USD and SEK. The FX risk is hedged through forward contracts or committing the FX up front.

The company is, compared to the general industry, not impacted extraordinarily by price increases or other general risks.

### Knowledge resources

The company is relying on it's knowledge resources due to the nature of the business. This is managed through process descriptions and documentation as well as a focus on key talent attraction and retention.

### Environmental performance

The company is operating in an industry with a high level of competition and is relying on the leading market

parties to push the environmental agenda. Where possible, the company is requiring environmental focus from its business partners. In 2021 the company had an analysis made of the environmental impact, leading to an increased focus on the areas within the company's control.

### Research and development activities

In 2022, as also presented in note 3, the company has spent significant efforts on commercializing existing products as well as maturing the products in the development pipeline.

### Events after the balance sheet date

After the balance sheet date, the company has secured external financing of up to 15m€, of which 8m€ is based on future results.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

### Parent treasury shares

	Number	Nominal value EUR
Treasury shares	1,850	1,850
<b>Investments acquired</b>	<b>1,850</b>	<b>1,850</b>

In the last financial year the Company has purchased 550 of it's own shares of nominally 550 to a total value of EUR 12,102 equaling 0.1 % of the total shareholding at the time of purchase. The purchase of own share where conducted due to a change in the group of shareholders. The total number of treasury shares at 31. December 2022 amount to 1,850 equaling 0.2 % of the total shareholding.

# Consolidated income statement for 2022

	Notes	2022 EUR	2021 EUR
<b>Gross profit/loss</b>	3	<b>(3,101,542)</b>	<b>(323,827)</b>
Staff costs	4	(8,905,621)	(7,551,422)
Depreciation, amortisation and impairment losses	5	(1,128,447)	(704,490)
<b>Operating profit/loss</b>		<b>(13,135,610)</b>	<b>(8,579,739)</b>
Other financial income	6	298,633	368,089
Other financial expenses	7	(413,732)	(460,074)
<b>Profit/loss before tax</b>		<b>(13,250,709)</b>	<b>(8,671,724)</b>
Tax on profit/loss for the year	8	1,151,402	440,682
<b>Profit/loss for the year</b>	9	<b>(12,099,307)</b>	<b>(8,231,042)</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 EUR	2021 EUR
Acquired patents		703,873	388,281
Goodwill		0	0
<b>Intangible assets</b>	10	<b>703,873</b>	<b>388,281</b>
Other fixtures and fittings, tools and equipment		7,952,526	7,048,601
Property, plant and equipment in progress		1,851,037	0
<b>Property, plant and equipment</b>	11	<b>9,803,563</b>	<b>7,048,601</b>
Deposits		211,196	184,940
<b>Financial assets</b>	12	<b>211,196</b>	<b>184,940</b>
<b>Fixed assets</b>		<b>10,718,632</b>	<b>7,621,822</b>
Raw materials and consumables		360,458	162,060
<b>Inventories</b>		<b>360,458</b>	<b>162,060</b>
Trade receivables		927,418	1,116,111
Deferred tax	13	0	290,938
Other receivables		319,826	347,535
Tax receivable	14	739,000	0
Contributed capital in arrears		80,469	80,467
Prepayments	15	431,705	960,012
<b>Receivables</b>		<b>2,498,418</b>	<b>2,795,063</b>
<b>Cash</b>		<b>10,812,580</b>	<b>18,855,050</b>
<b>Current assets</b>		<b>13,671,456</b>	<b>21,812,173</b>
<b>Assets</b>		<b>24,390,088</b>	<b>29,433,995</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 EUR</b>	<b>2021 EUR</b>
Contributed capital	16	111,098	111,031
Unpaid contributed capital		80,467	80,467
Translation reserve		64,601	0
Retained earnings		9,681,470	21,786,700
<b>Equity</b>		<b>9,937,636</b>	<b>21,978,198</b>
Lease liabilities		886,681	1,414,162
Debt to other credit institutions		1,493,376	976,563
Convertible and profit-sharing debt instruments		7,028,207	0
Other payables		221,770	228,023
<b>Non-current liabilities other than provisions</b>	18	<b>9,630,034</b>	<b>2,618,748</b>
Current portion of non-current liabilities other than provisions	18	955,284	1,563,556
Bank loans		967,895	967,894
Trade payables		2,215,505	1,291,678
Other payables		683,734	1,013,921
<b>Current liabilities other than provisions</b>		<b>4,822,418</b>	<b>4,837,049</b>
<b>Liabilities other than provisions</b>		<b>14,452,452</b>	<b>7,455,797</b>
<b>Equity and liabilities</b>		<b>24,390,088</b>	<b>29,433,995</b>
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	20		
Assets charged and collateral	21		
Transactions with related parties	22		
Subsidiaries	23		

# Consolidated statement of changes in equity for 2022

	Contributed capital EUR	Unpaid contributed capital EUR	Share premium EUR	Translation reserve EUR	Retained earnings EUR
Equity beginning of year	111,031	80,467	0	0	21,786,700
Increase of capital	67	0	6,179	0	0
Transferred from share premium	0	0	(6,179)	0	6,179
Purchase of treasury shares	0	0	0	0	(12,102)
Exchange rate adjustments	0	0	0	64,601	0
Profit/loss for the year	0	0	0	0	(12,099,307)
<b>Equity end of year</b>	<b>111,098</b>	<b>80,467</b>	<b>0</b>	<b>64,601</b>	<b>9,681,470</b>

	Total EUR
Equity beginning of year	21,978,198
Increase of capital	6,246
Transferred from share premium	0
Purchase of treasury shares	(12,102)
Exchange rate adjustments	64,601
Profit/loss for the year	(12,099,307)
<b>Equity end of year</b>	<b>9,937,636</b>

# Consolidated cash flow statement for 2022

	Notes	2022 EUR	2021 EUR
Operating profit/loss		(13,135,610)	(8,579,739)
Amortisation, depreciation and impairment losses		1,128,447	704,490
Working capital changes	19	46,254	(1,527,770)
<b>Cash flow from ordinary operating activities</b>		<b>(11,960,909)</b>	<b>(9,403,019)</b>
Financial income received		298,633	368,089
Financial expenses paid		(413,732)	(460,074)
Taxes refunded/(paid)		703,340	440,682
<b>Cash flows from operating activities</b>		<b>(11,372,668)</b>	<b>(9,054,322)</b>
Acquisition etc. of intangible assets		(475,150)	(293,477)
Acquisition etc. of property, plant and equipment		(3,717,601)	(4,412,085)
Acquisition of fixed asset investments		(20,123)	0
<b>Cash flows from investing activities</b>		<b>(4,212,874)</b>	<b>(4,705,562)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(15,585,542)</b>	<b>(13,759,884)</b>
Loans raised		7,932,466	3,445,031
Repayments of loans etc.		(938,431)	(685,547)
Acquisition of treasury shares		(12,102)	(25,933)
Cash capital increase		6,244	24,913,556
<b>Cash flows from financing activities</b>		<b>6,988,177</b>	<b>27,647,107</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(8,597,365)</b>	<b>13,887,223</b>
Cash and cash equivalents beginning of year		19,409,945	4,967,827
<b>Cash and cash equivalents end of year</b>		<b>10,812,580</b>	<b>18,855,050</b>
Cash and cash equivalents at year-end are composed of:			
Cash		10,812,580	18,855,050
<b>Cash and cash equivalents end of year</b>		<b>10,812,580</b>	<b>18,855,050</b>



# Notes to consolidated financial statements

## 1 Events after the balance sheet date

After the balance sheet date, the company has secured external financing of up to 15m€, of which 8m€ is based on future results.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Uncertainty relating to recognition and measurement

As the Group is a development Group, there is a natural uncertainty associated with the measurement of the Group's activities and future earnings. At 31 December 2022, the Company has recognised EUR 4.7 million regarding property, plant and equipment which mainly relates to production facilities related to expected future contracts. Furthermore EUR 2.2 million are recognized as a receivable from Group companies. The value of the investments depends on the Group's ability to develop, market and attracting enough customers that generate positive earnings that could yield the total investment. Accordingly, Management has deemed the valuation sound. If the Group's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

## 3 Gross profit/loss

According the reporting class the Group has recognised EUR 3,790 thousand regarding R&D in 2022 (2021: EUR 2,534 thousand). Without these R&D costs the Group has an Gross profit EUR 688 thousand in 2022 (2021: EUR 2,210 thousand).

## 4 Staff costs

	2022 EUR	2021 EUR
Wages and salaries	7,715,546	6,624,108
Pension costs	959,126	714,697
Other social security costs	230,949	212,617
	<b>8,905,621</b>	<b>7,551,422</b>
Average number of full-time employees	<b>77</b>	<b>62</b>

	Remuneration of manage- ment 2022 EUR	Remuneration of manage- ment 2021 EUR
Executive Board	731,834	696,615
	<b>731,834</b>	<b>696,615</b>

## 5 Depreciation, amortisation and impairment losses

	2022 EUR	2021 EUR
Amortisation of intangible assets	165,808	86,061
Depreciation on property, plant and equipment	962,639	618,429
	<b>1,128,447</b>	<b>704,490</b>

## 6 Other financial income

	2022 EUR	2021 EUR
Other interest income	7,490	74
Exchange rate adjustments	291,143	368,015
	<b>298,633</b>	<b>368,089</b>

## 7 Other financial expenses

	2022 EUR	2021 EUR
Other interest expenses	399,833	460,074
Other financial expenses	13,899	0
	<b>413,732</b>	<b>460,074</b>

## 8 Tax on profit/loss for the year

	2022 EUR	2021 EUR
Current tax	(739,000)	0
Change in deferred tax	290,938	0
Adjustment concerning previous years	(703,340)	(440,682)
	<b>(1,151,402)</b>	<b>(440,682)</b>

## 9 Proposed distribution of profit/loss

	2022 EUR	2021 EUR
Retained earnings	(12,099,307)	(8,231,042)
	<b>(12,099,307)</b>	<b>(8,231,042)</b>

## 10 Intangible assets

	Acquired patents EUR	Goodwill EUR
Cost beginning of year	744,705	1,661
Additions	481,400	0
<b>Cost end of year</b>	<b>1,226,105</b>	<b>1,661</b>
Amortisation and impairment losses beginning of year	(356,424)	(1,661)
Amortisation for the year	(165,808)	0
<b>Amortisation and impairment losses end of year</b>	<b>(522,232)</b>	<b>(1,661)</b>
<b>Carrying amount end of year</b>	<b>703,873</b>	<b>0</b>

## 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR
Cost beginning of year	7,844,739	0
Additions	1,866,564	1,851,037
<b>Cost end of year</b>	<b>9,711,303</b>	<b>1,851,037</b>
Depreciation and impairment losses beginning of year	(796,138)	0
Depreciation for the year	(962,639)	0
<b>Depreciation and impairment losses end of year</b>	<b>(1,758,777)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7,952,526</b>	<b>1,851,037</b>
Recognised assets not owned by Entity	3,452,946	0

## 12 Financial assets

	Deposits EUR
Cost beginning of year	184,940
Additions	26,256
<b>Cost end of year</b>	<b>211,196</b>
<b>Carrying amount end of year</b>	<b>211,196</b>

## 13 Deferred tax

	2021 EUR
Tax losses carried forward	290,938
<b>Deferred tax</b>	<b>290,938</b>

	2022 EUR	2021 EUR
<b>Changes during the year</b>		
Beginning of year	290,938	290,938
Recognised in the income statement	(290,938)	0
<b>End of year</b>	<b>0</b>	<b>290,938</b>

#### 14 Tax receivable

Tax receivables of Eur 739k comprise of expected tax credit for development costs for the income year 2021 determined in accordance with Danish Tax Assessment Act (Ligningsloven) section 8X to be settled in November 2023.

#### 15 Prepayments

Prepayments comprises costs related to subsequent financial years.

#### 16 Contributed capital

	Number	Par value EUR	Nominal value EUR
A shares	38,879	1.00	38,879
B shares	72,219	1.00	72,219
	<b>111,098</b>		<b>111,098</b>

#### 17 Convertible and profit-sharing debt instruments

	Amounts outstanding EUR	Interest rate agreed %	Deadline for conversion to equity interests
Convertible debt instruments	7,028,207	8.00	31.05.2025
	<b>7,028,207</b>		

As per 31. December 2022 DKK 0 of the convertible long-term debt is due 5 years after the balance sheet date. Any conversion must be made for the entire Loan (including accrued interest of app. 8 %) and must be made for all Investors at the same time and is expected to be performed prior to 31. May 2025. The Investors are not entitled to convert the Loan excluding in an Exit scenario. The terms and conditions for conversion of the loan depends on various clauses of target revenues, potential new rounds of financing etc.

## 18 Non-current liabilities other than provisions

	Due within 12 months 2022 EUR	Due within 12 months 2021 EUR	Due after more than 12 months 2022 EUR
Lease liabilities	506,416	491,032	886,681
Debt to other credit institutions	448,868	1,072,524	1,493,376
Convertible and profit-sharing debt instruments	0	0	7,028,207
Other payables	0	0	221,770
	<b>955,284</b>	<b>1,563,556</b>	<b>9,630,034</b>

## 19 Changes in working capital

	2022 EUR	2021 EUR
Increase/decrease in inventories	(198,398)	(39,775)
Increase/decrease in receivables	666,547	(1,538,710)
Increase/decrease in trade payables etc.	(421,895)	50,715
	<b>46,254</b>	<b>(1,527,770)</b>

## 20 Unrecognised rental and lease commitments

	2022 EUR	2021 EUR
Total liabilities under rental or lease agreements until maturity	<b>2,406</b>	<b>1,298</b>

## 21 Assets charged and collateral

The group has entered into future financial lease agreements with a total liability of approx. 1.250k.eur. The assets are not deleveried 31.12.2022. Hence, the contracts are not recognized under property, plant and equipment nor as lease liabilities.

Vækstfonden has a corporate mortgage in the group's assets totalling eur. 2,017 mill. Jyske Bank has a corporate mortgage in the group's assets totalling eur. 1,009 mill.

The group has provided a payment guarantee eur. 538 thousand to Lessor.

## 22 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 23 Subsidiaries

	Registered in	Corporate form	Ownership %
NILT Switzerland GmbH	Zürich, Switzerland	GmbH	100.00
NILT US Inc.	Delaware, USA	Inc.	100.00
NILT Malaysia Sdn. Bhd.	Malaysia	SDN. BHD.	100.00
NILT Singapore PTE. LTD.	Singapore	Pte. Ltd.	100.00

# Parent income statement for 2022

	Notes	2022 EUR	2021 EUR
<b>Gross profit/loss</b>		<b>(7,717,816)</b>	<b>(3,562,989)</b>
Staff costs	3	(5,420,911)	(5,186,303)
Depreciation, amortisation and impairment losses	4	(435,460)	(287,214)
<b>Operating profit/loss</b>		<b>(13,574,187)</b>	<b>(9,036,506)</b>
Other financial income	5	177,411	278,842
Other financial expenses	6	(353,471)	(411,660)
<b>Profit/loss before tax</b>		<b>(13,750,247)</b>	<b>(9,169,324)</b>
Tax on profit/loss for the year	7	1,203,270	499,319
<b>Profit/loss for the year</b>	8	<b>(12,546,977)</b>	<b>(8,670,005)</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 EUR	2021 EUR
Acquired patents		462,682	251,381
Goodwill		0	0
<b>Intangible assets</b>	9	<b>462,682</b>	<b>251,381</b>
Other fixtures and fittings, tools and equipment		4,642,277	4,454,939
<b>Property, plant and equipment</b>	10	<b>4,642,277</b>	<b>4,454,939</b>
Investments in group enterprises		19,028	19,028
Receivables from group enterprises		2,283,924	1,724,460
Deposits		125,542	119,792
<b>Financial assets</b>	11	<b>2,428,494</b>	<b>1,863,280</b>
<b>Fixed assets</b>		<b>7,533,453</b>	<b>6,569,600</b>
Raw materials and consumables		360,458	162,060
Prepayments for goods		1,753,879	0
<b>Inventories</b>		<b>2,114,337</b>	<b>162,060</b>
Trade receivables		927,418	1,116,111
Receivables from group enterprises		665,061	6,311
Deferred tax	12	0	290,938
Other receivables		283,287	294,531
Tax receivable	13	739,000	0
Contributed capital in arrears		80,467	80,467
Prepayments	14	228,528	833,729
<b>Receivables</b>		<b>2,923,761</b>	<b>2,622,087</b>
<b>Cash</b>		<b>10,025,602</b>	<b>18,507,760</b>
<b>Current assets</b>		<b>15,063,700</b>	<b>21,291,907</b>
<b>Assets</b>		<b>22,597,153</b>	<b>27,861,507</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2022 EUR</b>	<b>2021 EUR</b>
Contributed capital	15	111,098	111,031
Unpaid contributed capital		80,467	80,467
Translation reserve		26,475	0
Retained earnings		8,768,601	21,321,501
<b>Equity</b>		<b>8,986,641</b>	<b>21,512,999</b>
Lease liabilities		886,681	1,168,637
Debt to other credit institutions		1,425,685	898,363
Convertible and profit-sharing debt instruments	16	7,028,207	0
Other payables		221,770	228,023
<b>Non-current liabilities other than provisions</b>	17	<b>9,562,343</b>	<b>2,295,023</b>
Current portion of non-current liabilities other than provisions	17	742,777	1,360,257
Bank loans		967,895	967,894
Trade payables		1,543,732	803,295
Payables to group enterprises		236,874	212,417
Other payables		556,891	709,622
<b>Current liabilities other than provisions</b>		<b>4,048,169</b>	<b>4,053,485</b>
<b>Liabilities other than provisions</b>		<b>13,610,512</b>	<b>6,348,508</b>
<b>Equity and liabilities</b>		<b>22,597,153</b>	<b>27,861,507</b>
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	18		
Assets charged and collateral	19		
Transactions with related parties	20		

# Parent statement of changes in equity for 2022

	Contributed capital EUR	Unpaid contributed capital EUR	Share premium EUR	Translation reserve EUR	Retained earnings EUR
Equity beginning of year	111,031	80,467	0	0	21,321,501
Increase of capital	67	0	6,179	0	0
Transferred from share premium	0	0	(6,179)	0	6,179
Purchase of treasury shares	0	0	0	0	(12,102)
Exchange rate adjustments	0	0	0	26,475	0
Profit/loss for the year	0	0	0	0	(12,546,977)
<b>Equity end of year</b>	<b>111,098</b>	<b>80,467</b>	<b>0</b>	<b>26,475</b>	<b>8,768,601</b>

	Total EUR
Equity beginning of year	21,512,999
Increase of capital	6,246
Transferred from share premium	0
Purchase of treasury shares	(12,102)
Exchange rate adjustments	26,475
Profit/loss for the year	(12,546,977)
<b>Equity end of year</b>	<b>8,986,641</b>

For the purpose of offering incentive pay in the form of share options, the Group's Board of Directors is authorised for the period until 31 December 2023 once or several times to increase the Company's share capital with up to nominally 2,814 shares in total without preemption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

# Notes to parent financial statements

## 1 Events after the balance sheet date

After the balance sheet date, the company has secured external financing of up to 15m€, of which 8m€ is based on future results.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Uncertainty relating to recognition and measurement

As the Group is a development Group, there is a natural uncertainty associated with the measurement of the Group's activities and future earnings. At 31 December 2022, the Company has recognised EUR 4.7 million regarding property, plant and equipment which mainly relates to production facilities related to expected future contracts. Furthermore EUR 2.2 million are recognized as a receivable from Group companies. The value of the investments depends on the Group's ability to develop, market and attracting enough customers that generate positive earnings that could yield the total investment. Accordingly, Management has deemed the valuation sound. If the Group's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

## 3 Staff costs

	2022 EUR	2021 EUR
Wages and salaries	4,669,986	4,520,660
Pension costs	555,768	473,351
Other social security costs	195,157	192,292
	<b>5,420,911</b>	<b>5,186,303</b>

Average number of full-time employees	<b>43</b>	<b>45</b>
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	Remuneration of Manage- ment 2022 EUR	Remuneration of Manage- ment 2021 EUR
Executive Board	731,834	696,615
	<b>731,834</b>	<b>696,615</b>

**4 Depreciation, amortisation and impairment losses**

	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>
Amortisation of intangible assets	119,643	74,792
Depreciation on property, plant and equipment	315,817	212,422
	<b>435,460</b>	<b>287,214</b>

**5 Other financial income**

	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>
Financial income from group enterprises	39,795	36,447
Other interest income	7,489	74
Exchange rate adjustments	130,127	242,321
	<b>177,411</b>	<b>278,842</b>

**6 Other financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>
Financial expenses from group enterprises	1,904	0
Other interest expenses	342,061	411,660
Other financial expenses	9,506	0
	<b>353,471</b>	<b>411,660</b>

**7 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>
Current tax	(739,000)	0
Change in deferred tax	290,938	0
Adjustment concerning previous years	(755,208)	(499,319)
	<b>(1,203,270)</b>	<b>(499,319)</b>

**8 Proposed distribution of profit and loss**

	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>
Retained earnings	(12,546,977)	(8,670,005)
	<b>(12,546,977)</b>	<b>(8,670,005)</b>

## 9 Intangible assets

	Acquired patents EUR	Goodwill EUR
Cost beginning of year	596,053	1,661
Additions	330,944	0
<b>Cost end of year</b>	<b>926,997</b>	<b>1,661</b>
Amortisation and impairment losses beginning of year	(344,672)	(1,661)
Amortisation for the year	(119,643)	0
<b>Amortisation and impairment losses end of year</b>	<b>(464,315)</b>	<b>(1,661)</b>
<b>Carrying amount end of year</b>	<b>462,682</b>	<b>0</b>

## 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	4,730,035
Additions	840,563
Disposals	(337,408)
<b>Cost end of year</b>	<b>5,233,190</b>
Depreciation and impairment losses beginning of year	(275,096)
Depreciation for the year	(315,817)
<b>Depreciation and impairment losses end of year</b>	<b>(590,913)</b>
<b>Carrying amount end of year</b>	<b>4,642,277</b>
Recognised assets not owned by entity	1,657,471

## 11 Financial assets

	Investments in group enterprises EUR	Deposits EUR
Cost beginning of year	19,028	119,792
Additions	0	5,750
<b>Cost end of year</b>	<b>19,028</b>	<b>125,542</b>
<b>Carrying amount end of year</b>	<b>19,028</b>	<b>125,542</b>

The investments in group entities are recognised in the Parent at cost and therefore, the results and equity of the Parent does not reflect the results of the Group enterprises.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 12 Deferred tax

	2022 EUR	2021 EUR
Tax losses carried forward	0	290,938
<b>Deferred tax</b>	<b>0</b>	<b>290,938</b>

Changes during the year	2022 EUR	2021 EUR
Beginning of year	290,938	290,938
Recognised in the income statement	(290,938)	0
<b>End of year</b>	<b>0</b>	<b>290,938</b>

## 13 Tax receivable

Tax receivables of Eur 739k comprise of expected tax credit for development costs for the income year 2021 determined in accordance with Danish Tax Assessment Act (Ligningsloven) section 8X to be settled in November 2023.

## 14 Prepayments

Prepayments comprises costs related to subsequent financial years.

## 15 Treasury shares

	Number	Nominal value EUR
Treasury shares	1,850	1,850
<b>Investments acquired</b>	<b>1,850</b>	<b>1,850</b>

In the last financial year the Company has purchased 550 of it's own shares of nominally 550 to a total value of EUR 12,102 equaling 0.1 % of the total shareholding at the time of purchase. The purchase of own share where conducted due to a change in the group of shareholders. The total number of treasury shares at 31. December 2022 amount to 1,850 equaling 0.2 % of the total shareholding.

## 16 Convertible and profit-sharing debt instruments

	Amounts outstanding EUR	Interest rate agreed %	Deadline for conversion to equity interests
Convertible debt instruments	7,028,207	8.00	31.05.2025
	<b>7,028,207</b>		

As per 31. December 2022 DKK 0 of the convertible long-term debt is due 5 years after the balance sheet date. Any conversion must be made for the entire Loan (including accrued interest of app. 8 %) and must be made for all Investors at the same time and is expected to be performed prior to 31. May 2025. The Investors are not

entitled to convert the Loan excluding in an Exit scenario. The terms and conditions for conversion of the loan depends on various clauses of target revenues, potential new rounds of financing etc.

### 17 Non-current liabilities other than provisions

	Due within 12 months 2022 EUR	Due within 12 months 2021 EUR	Due after more than 12 months 2022 EUR
Lease liabilities	301,431	287,733	886,681
Debt to other credit institutions	441,346	1,072,524	1,425,685
Convertible and profit-sharing debt instruments	0	0	7,028,207
Other payables	0	0	221,770
	<b>742,777</b>	<b>1,360,257</b>	<b>9,562,343</b>

### 18 Unrecognised rental and lease commitments

	2022 EUR	2021 EUR
Total liabilities under rental or lease agreements until maturity		<b>841,926</b>

### 19 Assets charged and collateral

Vækstfonden has a corporate mortgage in the group's assets totalling eur. 2,017 mill. Jyske Bank has a corporate mortgage in the group's assets totalling eur. 1,009 mill.

The group has provided a payment guarantee 538k.eur. to Lessor.

### 20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year. Reclassification of individual items in the income statement and balance sheet has been made with no effect on the income statement and equity.

The functional currency of the Group and Parent company is Danish Krone(DKK). In view of its activity, the company has chosen Euro as the presentation currency. The exchange rate on the balance sheet date was 743,65 (the exchange rate for the previous financial year's balance sheet date: 743,65)

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.



Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Income statement

#### Gross profit or loss

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### **Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

#### **Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### **Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

#### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and

doubtful debts.

**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Treasury shares**

Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to their nominal value.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.