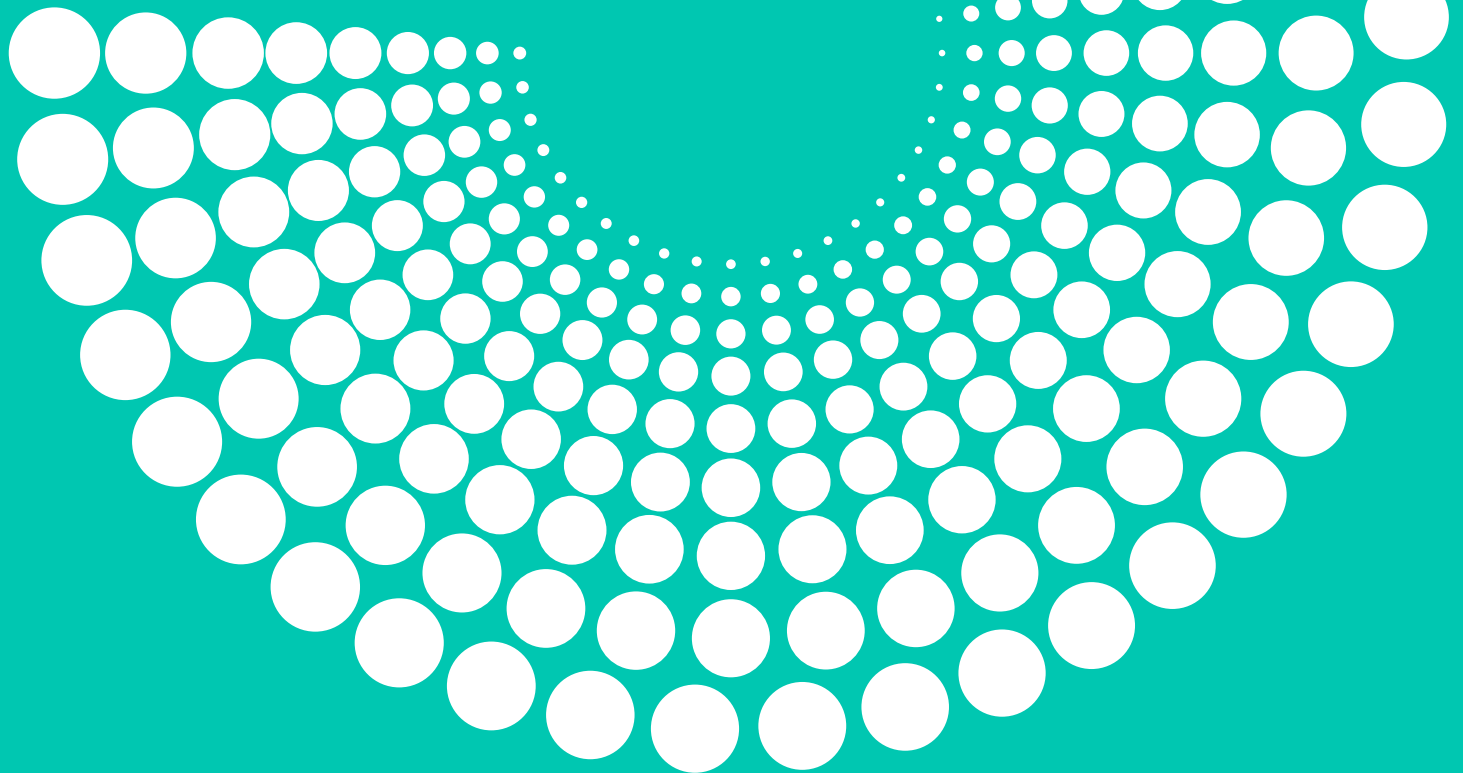




Q1

Interim Report
JANUARY-MARCH 2024



Nanoform’s January–March 2024 review:

Manufacturing of GMP material in project nanoenzalutamide has commenced. EU/US pivotal studies are planned to start in 4Q24, with the read-out in 1Q25. One or several license/commercial supply agreements are expected to be signed during 2H24. Fimea’s two-day inspection of our new GMP QC laboratory and new GMP lines is set for 11–12th of June. In addition, Takeda presented results from their nanoformed Biologics PoC study at DDF in Berlin, a strategic partnership was announced with CBC of Japan, a Business Finland grant of EUR 4m was won and EUR 15m was raised in a new share issue to build GMP capability to produce solid oral dosage forms for clinical trials and to create up to a dozen new product kernels like nanoenzalutamide and nanoapalutamide to be licensed out in the coming years. The previously communicated business targets for 2024: “Increased number of non-GMP and GMP projects in 2024 vs 2023” and “Improved operating free cash flow in 2024 vs 2023” are reiterated.

1–3/2024 key financials

- Revenue came in at EUR 0.6 million, stemming from 22 different customer projects (EUR 0.7m, 24 projects in 1–3/2023).
- The number of employees increased to 166 (152).
- Total operating costs* grew by 25 % to EUR 6.5 million (EUR 5.2 million) due to options related non-cash costs, investments in spare parts & building an internal maintenance function in addition to costs from the nanoenzalutamide project.
- EBITDA came in at EUR -5.7 million (EUR -4.5 million).
- The operating loss was EUR -6.5 million (EUR -5.1 million).
- The operating free cash flow improved to EUR -6.0 million (EUR -6.2 million).
- Basic EPS was EUR -0.09 (EUR -0.06).
- Cash position** was EUR 41.3 million on March 31, 2024 (EUR 63.0 million).***

(Numbers in brackets refer to the corresponding last year reporting period, unless otherwise mentioned.)

* Defined as materials & services expenses, employee benefit expenses, and other operating expenses.

** Including Treasury bills. Part of the cash has been invested in short-term government bonds.

***Cash position after the new share issue was EUR 54.7 m on April 30, 2024.

Significant events during 1–3/2024

- On January 5, 2024, Nanoform announced it had completed the First Subject First Visit (FSFV) in a trial to evaluate the relative bioavailability of its nanocrystalline enabled alternative to an amorphous solid dispersion (ASD); formulation of nanoenzalutamide and Xtandi^{®[1]}, the number

one prescribed androgen receptor inhibitor first approved by the FDA in 2012 to treat prostate cancer. The single-dose, randomized, comparative bioavailability study, performed by a contract research organization in North America, compared enzalutamide 160 mg film-coated tablets (Bluepharma Farmaceutica S.A.) and Xtandi 4x40 mg film-coated tablets (Astellas Pharma Europe B.V.).

- On January 10, 2024, The Board of Directors of Nanoform Finland Plc decided on the issue of stock options under an option program open to all employees. The total number of option rights to be issued is at most 1,240,412. The stock options are entitled to subscribe for at most 1,240,412 shares in Nanoform. Each stock option entitles to subscribe for one new share. The subscription price for shares subscribed with stock options is EUR 1.70 per share. The total subscription price of the shares shall be paid to the company’s fund for invested own free equity.
- On January 26, 2024, Nanoform announced that one of its leading nanoformulation drug products had received promising clinical results. These were from a relative bioavailability study of nanocrystalline-enabled enzalutamide (nanoenzalutamide) tablet formulation, an alternative to the amorphous solid dispersion (ASD) used in Xtandi^{®[1]}, the number one prescribed androgen receptor inhibitor^[2] first approved by the FDA in 2012, and by the EMA in 2013 to treat prostate cancer. The nanoenzalutamide tablet formulation was developed in a partnership with the ONConcept[®] Consortium (Bluepharma, Helm, and Welding) whereby Nanoform’s proprietary controlled expansion of supercritical solutions (CESS[®]) technology provides the opportunity for an improved and differentiated finished product. Tablet-burden and dysphagia are well-documented challenges for prostate cancer patients, and the development of a 160mg, single tablet per day regimen may be preferable for patients in need of reducing their total number of daily pills. A patent application for the nanoenzalutamide formulation has already been jointly filed by Helm and Nanoform. We aim for product launch after the expiry of the enzalutamide substance patent in the respective territories. For the United States this patent expiry is expected in 2027, and in Europe in 2028. This unique IP position may allow the nanoenzalutamide product to enter the market prior to other generic competition based on the ASD formulation, which is currently patent protected in the US and Europe until 2033.

[1] Xtandi is a registered trademark of Astellas Pharma Inc.

[2] Source: xtandi.com

- On February 15, 2024, Nanoform announced that it has won a grant of up to 4.3 million euros from Business Finland, the Finnish government organization for innovation funding and trade. The grant represents 50% of the costs associated with Nanoform’s research and development project for nanoparticle-enabled formulation platforms for oral, inhaled, long-acting injectable, and high-concentration subcutaneous injectable drug delivery technologies for

next generation medicines. The work is expected to take place during 2024 and 2025.

- On February 29, 2024, Nanoform announced it had received positive results from its own pre-clinical, *in vivo* study of a nanocrystalline-enabled apalutamide oral formulation, which shows potential to enable a much smaller tablet than Erleada^{®[3]}, a nonsteroidal antiandrogen (NSAA) blockbuster amorphous solid dispersion (ASD) medicine used to treat prostate cancer.

[3] Erleada is a registered trademark for Apalutamide owned by Johnson & Johnson / Janssen Biotech, Inc.

- On March 12, 2024, The Board of Directors approved share subscriptions based on stock option programs 2/2019 and 1/2020. A total of 11,200 Nanoform Finland Plc new shares were subscribed and the entire subscription price for subscriptions made with the stock options of EUR 13 thousand was entered in the Company's reserve for invested unrestricted equity.
- On March 26, 2024, The Board of Directors of Nanoform Finland Plc decided on the issue of stock options to key individuals. The total number of option rights to be issued is at most 200,000. The stock options entitle to subscribe for at most 200,000 shares in Nanoform. Each stock option entitles to subscribe for one new share. The subscription price for shares subscribed with stock options is EUR 3.00 per share, which is approximately 25 percent more than the closing price on 25 March 2024. The total subscription price of the shares shall be paid to the company's fund for invested own free equity.

Significant events after 1–3/2024

- On April 8, 2024, Nanoform announced that effective April 10, 2024, onwards, the Certified Adviser to Nanoform Finland Plc is Carnegie Investment Bank Ab (publ). The Certified Adviser to Nanoform Finland Plc until April 9, 2024, was Danske Bank A/S, Finland Branch.
- On April 9, 2024, Nanoform announced a collaboration with PlusVitech, a biotechnology company developing treatments for cancer, to use Nanoform's state-of-the-art nanomedicine technology to repurpose the anti-nausea medicine aprepitant as a treatment for lung cancer. The development program will include nanoforming the current active ingredient into crystalline nanoparticles and formulating a simplified dose regimen with fewer and smaller pills. The partnership is expected to include API supply for late-stage clinical programs and eventual product launch. Following PlusVitech's positive first time in human studies, a Phase 2 study with 24 patients has commenced, investigating the efficacy of high dose aprepitant in a non-small cell lung cancer (NSCLC) population that is refractory to standard treatment. The current formulation carries a high pill burden of potentially dozens of capsules per day, with a complicated regimen for patients that are most often frail and have trouble swallowing (dysphagia). The new formulation by Nanoform is designed to deliver substantially higher drug load with better bioavailability, which simplifies the dose regimen and improves patient convenience and

compliance. Repurposing an existing drug offers a potentially faster, risk-reduced and cost-effective development path to provide new treatments for high medical need indications like NSCLC.

- On April 11, 2024, Nanoform announced a strategic partnership whereby CBC Co., Ltd. ("CBC"), will utilize its extensive experience in the Japanese pharmaceutical industry to identify opportunities for Nanoform's cutting-edge nanomedicine engineering technologies. The partnership commenced immediately, and the companies have planned several joint activities to introduce their collaboration, including the held representation of Nanoform by CBC at CPHI Japan, which took place at Tokyo Big Sight, Tokyo, from April 17–19, 2024.
- Nanoform's Annual General Meeting (the "AGM") was held on April 16, 2024. 46 shareholders representing more than 60 per cent of all outstanding shares and votes were represented at the meeting. The Annual General Meeting supported all the Board of Directors' proposals. The AGM approved the financial statements and discharged the Board of Directors and the CEO of the Company from liability for the financial year 2023. The AGM further resolved the number of members of the Board of Directors to be four and the AGM re-elected Miguel Calado (Chairperson), Mads Laustsen, Albert Hæggström and Jeanne Thoma as ordinary members of the Board of Directors for the next term of office.
- On April 24, 2024, Nanoform announced that it had successfully completed a new share issue raising EUR 15.4m by issuing 7m new shares (8.9% dilution) at EUR 2.20 (SEK 25.60) per share in order to invest in the commercialization of nanoparticle enabled formulations for next generation medicines. The placing attracted a considerable number of leading Nordic and institutional investors. The proceeds will be used to build a GMP level formulation facility to produce solid oral dosage forms for clinical trials, to development of up to a dozen pre-clinical nanocrystalline alternatives to ASD medicines ready for partnering in clinical trials and to co-fund several projects to be taken by Nanoform and its partners into clinical trials in the EU and the US, and ultimately through to the market. The total number of issued shares in the company after the placing will be 85,445,164.
- On May 22, 2024, at the 15th Global Drug Delivery & Formulation Summit in Berlin, Andreas Liebinger, Ph.D., Global Head of Plasma-derived Therapies Pharmaceutical Sciences, Takeda, presented data obtained in a proof of concept study, conducted in collaboration with Nanoform. Controlling the viscosity and aggregation of protein-based solutions is important for pharmaceutical formulators. Because injection volume is limited by the device, therapeutic protein formulations which are to be delivered via intramuscular or intravenous injection need to be highly concentrated. At protein concentrations greater than 200 mg*mL⁻¹ however, viscosity increases to significantly higher than 20 cP (centipoise) to quickly exceed the maximum 40 cP viscosity deemed acceptable for a conventional subcutaneous injection. The data support the potential of Nanoform's patented biologics platform to achieve high protein concentrations in suspension

formulations that are suitable for subcutaneous injection, as shown by results of syringeability and injectability studies.

Project Nanoenzalutamide and ASDs (amorphous solid dispersions)

Nanoenzalutamide is a great opportunity for us to show that small is a powerful ingredient in formulation. Due to the inherent poor solubility of the API, the current formulation of this blockbuster medicine – for treatment of prostate cancer – has been an amorphous solid dispersion (“ASD”). Amorphous API materials are notoriously unstable, and therefore require high amounts of polymers to stabilize the API – leading to a low drug load in the product and therefore, in the case of oral solid products, often to a high number of large tablets that need to be taken by the patient. This is a known problem, in particular for patient populations with challenges to swallow. The nanocrystalline formulation developed by Nanoform offers an attractive alternative with a substantially higher drug load in the final drug product and consequently a reduced tablet burden for the patient. We are encouraged by the broad interest shown in this patient centric reformulation and we look forward to signing license/supply agreements around this product opportunity in 2024.

In addition to the patient benefit, we can with our proprietary technology offer opportunities to extend IP protection for the reformulated and improved product, expecting that in many cases our innovative formulations will be patentable. Importantly, current ASD based medicines are often protected by secondary patents that claim aspects of the ASD formulation. These secondary patents, such as in the case of the product in Project Nanoenzalutamide, often extend by several years the expiration of the primary patent claiming the API. In the case of Project Nanoenzalutamide, we believe that our nanocrystalline formulation is not in the scope of the patents claiming the ASD formulation. This should potentially enable entry earlier into the market, in the jurisdictions where the ASD formulation patents remain active, compared to ASD based generic formulations.

ASDs remain a leading formulation strategy for poorly soluble APIs, particularly for oral solid dosage forms. There are currently some 50 marketed medicines that are ASDs and these sell in aggregate for some USD 50bn annually in the world. We are currently looking at several other marketed ASD opportunities to replicate our early successes with Project Nanoenzalutamide in addition to those ASDs still in the global drug development pipeline. According to STARMAP®, almost 80 per cent of the 46 ASDs we so far have starmapped may be well suited to be nanoformed by CESS®.

Nanoform's Q1 2024 Interim Report

Helsinki, Finland – Nanoform Finland Plc (“Nanoform”), the medicine performance-enhancing company, will publish its Q1 2024 report May 30th, 2024, at 8.10 a.m. Finnish time / 7.10 a.m. Swedish time.

The company will hold an online presentation and conference call the same day at 3.00 p.m. Finnish time / 2.00 p.m. Swedish time. Nanoform will be represented by CEO Edward Hæggström, CFO Albert Hæggström and CCO Christian Jones. The presentation will be delivered in English.

The presentation will be broadcast live as a webcast available at: <https://ir.financialhearings.com/nanoform-q1-report-2024>

Teleconference dial-in numbers:

Dial-in number to the teleconference will be received by registering via the link below. After the registration you will be provided phone numbers and a conference ID to access the conference. Questions can be presented by this dial-in function. <https://conference.financialhearings.com/teleconference/?id=50049781>

CEO's review

Nanoform progresses on many fronts. Since our last report we have entered Japan by making a strategic partnership with CBC, Takeda presented results from their nanoformed biologics PoC study at DDF in Berlin, we won a Business Finland grant of EUR 4m to research and develop nanoparticle-enabled formulation platforms for oral, inhaled, long-acting injectable, and high-concentration subcutaneous injectable drug delivery and we raised EUR 15m in a new share issue to build GMP capability to produce solid oral dosage forms for clinical trials and to create up to a dozen new product kernels like nanoenzalutamide and nanoapalutamide to be licensed out in the coming years. Last, but certainly not least, in project Nanoenzalutamide, we have now started clinical manufacture related to the upcoming pivotal EU/US studies. The clinical trials are expected to commence in 4Q24 and the results are expected in 1Q25.

We expect nanoenzalutamide to be the first nanoformed medicine to reach the market – with a planned launch in 2027/28 in the US/EU – and to be a revenue driver for Nanoform already in the upcoming years. We expect to execute one or several licensing/commercial supply agreements in 2024 and expect these to include customary payments already at signing and later when meeting developmental- and regulatory milestones. Long-term we expect to receive royalty payments based on sales when the product is on the market.

Nanoenzalutamide is expected to progress via the ANDA*/Hybrid generic pathway and as such will need to show bioequivalence versus the originator product, Xtandi®. In the eyes of the regulators, bioequivalence typically means 80% - 125% of the C_{max} and AUC in a large cohort study in fed and fasted states with a 90% confidence interval.

*ANDA=Abbreviated New Drug Application

The global annual sales of Xtandi® is presently USD 6bn and growing. We plan for nanoenzalutamide to take a meaningful share of this market through its highly patient centric product differentiation (1 tablet vs 4 tablets) and unique IP position (different technology, crystalline product, different excipients), while not forgetting its green attributes. We now actively pursue commercial licensing and marketing partners for the product together with our partners in the ONConcept® consortium. We see the program to be attractive to value added medicine companies as a uniquely differentiated and high value supergeneric product that can enable a product launch before market entry by other generic products based on the ASD formulation, for which the originator currently holds patents in both Europe and the US (with expiry dates in 2033). For the originator company we believe the nanocrystalline single tablet product offers a patient centric life cycle extension opportunity with compelling sustainability advantages that would be difficult for generic competitors to match. Avoiding the inherent stability challenges associated with amorphous materials is also a clear benefit for any company considering alternative formulation approaches.

Xtandi-tablets are formulated using a solubility-enhancement spray-drying process to create an amorphous solid dispersion. The major challenge with spray drying is that the process

often requires large amounts of undesirable and toxic organic hydrocarbon solvents. Nanoform's CESS® process uses CO₂ of recycled origin, and is organic hydrocarbon solvent-free, offering a greener alternative to medicine developers that seek to be both patient- and planet-centric. Nanoform continuously improves the CESS® technology, e.g. by planning to further recycle the CO₂ used by the process to become a carbon sink. This is an attractive proposition for the pharma industry to achieve its ambitious net zero goals. There are already concerns in the industry that industrial approaches with a heavy carbon footprint, e.g. spray drying, may lose their relevance in the future because of their environmental burden.

The timelines for the commercial launch of nanoenzalutamide are demanding, but achievable. In 2024 we need to manufacture nanoformed GMP material for the registration batches and the pivotal bioequivalence studies. When positive, the submissions of the dossiers should be in 2025–26, with the aimed product launch after the expiry of the enzalutamide substance patent in the respective territories. For the United States this patent expiry is expected in 2027, and in Europe in 2028.

We now have an inspection date from Fimea. They will do a two-day inspection of our new GMP QC laboratory and our new GMP lines 2&3 on June 11–12. A successful inspection will expand our GMP capacity by more than 3x and will help our gross margin to return to the targeted 90%+.

On the business development side we have made solid progress among large pharma, with a growing interest also in our biologics technology. The US biotech sector shows clear signs of increased activity levels. While our revenue development during the last year was unsatisfactory, I am confident – based on the clearly increased – by number and depth – discussions with large-, mid-sized pharma and biotech companies, that we will reach our 2024 targets of more projects signed and improved cash flow in 2024 compared with 2023.

For Nanoform the last three years has been about making large investments and building a capable organization. The coming three will be about preparing to launch nanoformed products together with partners onto the global markets. We are ready for the challenge. I look forward with confidence and excitement to the coming years. None of this can be done without our amazing employees and great partners. My sincere THANK YOU to you all for your continued dedication to Nanoform and for the inspiring and innovative work for which we're known.

Best Regards,

Prof. Edward Hægström, CEO Nanoform

Nanoform Group's key figures

Financial KPI's

EUR thousand	1-3/2024	1-3/2023	1-12/2023	1-12/2022	1-12/2021
Revenue	602	744	2,566	3,487	1,955
Revenue growth %	-19%	-2%	-26%	78%	185%
Gross profit	483	584	1,717	3,147	1,792
Gross margin	80%	78%	67%	90%	92%
EBITDA	-5,748	-4,493	-19,597	-19,027	-17,745
Operating loss	-6,525	-5,148	-22,476	-21,409	-19,705
Loss for the period	-6,967	-4,491	-20,756	-22,075	-19,690
Basic EPS (EUR)	-0.09	-0.06	-0.26	-0.29	-0.29
Net debt	-35,246	-58,223	-41,235	-61,807	-68,070
Net debt excluding lease liabilities	-41,325	-64,998	-47,493	-68,740	-75,733
Investments in property, plant, and equipment	-225	-1,662	-3,477	-8,965	-7,737
Operating free cash flow	-5,972	-6,154	-23,075	-27,992	-25,482
Cash and cash equivalents excluding short-term government bonds (end of period)	13,420	62,022	14,232	68,740	75,733
Cash and cash equivalents including short-term government bonds (end of period)	41,325	63,020	47,493	68,740	75,733

Operational KPI's

	1-3/2024	1-3/2023	1-12/2023	1-12/2022	1-12/2021
Number of new customer projects signed during the period					
Non-GMP	1	6	22	17	16
GMP			1	1	2
Total number of new customer projects	1	6	23	18	18
Number of lines (end of the period)					
Non-GMP	19	19	19	18	14
GMP	1	1	1	1	1
Total number of lines (end of period)	20	20	20	19	15
Personnel at the end of reporting period	166	152	165	150	125

During April-May 2024, we have signed one GMP and three non-GMP contracts.

Company near-term business targets for 2024

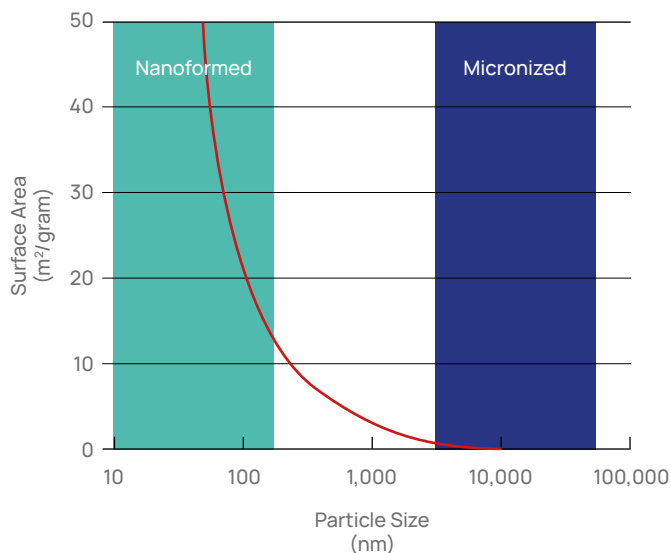
- Increased number of non-GMP and GMP projects signed in 2024 vs 2023
- Improved operating free cash flow in 2024 vs 2023
- To sign one or several license/commercial supply agreements during 2024

Company mid-term business targets 2025

- To nanoform at least 70 new Active Pharmaceutical Ingredients (API) annually
- To have in place 35 operating production lines of which 7 to 14 are expected to be GMP production lines
- Over 90 percent gross margin
- To have 200–250 employees
- To be cash flow positive

Smaller particle size can improve a drug's bioavailability

Specific Surface Area vs. Particle size



The surface area increases 30 fold from a 10 micron' sized particle once the particle size is reduced to 100nm

Reduction of particle size down to 50nm increases the surface area by 1,000 fold



Small is powerful – Nanoform in brief

Nanoform Finland Plc is a public company offering expert services in nanotechnology and drug particle engineering for the global pharma industry. The company works with its partners to overcome drug development and delivery challenges through its game-changing technologies and novel formulation and GMP manufacturing capabilities.

Nanoform's services span the full range from small- to large-molecule drugs, and the company has a growing pipeline of customers that represent global large, mid-sized and specialty pharmaceutical as well as biotechnology companies.

Nanoform's mission is to enable a significant increase in the number of drugs that progress to clinical trials and reach the market. The company targets the pharmaceutical developers and manufacturers of drugs for which safety and efficacy could be improved by increased bioavailability or novel drug delivery routes. Nanoform's size reduction technologies, including its patented and scalable CESS® technology and its biologics platform, vastly increase the surface area of drug particles to enhance bioavailability or open up more patient-centric, local drug delivery routes.

Nanoform has not outsourced or out-licensed its patent protected technologies, to keep control of its technology, service offering and know-how.

Our technologies – Controlled Expansion of Supercritical Solutions (CESS®)

Nanoform's patented CESS® technology has demonstrated its ability to produce crystalline or stable amorphous nanoparticles below 100 nm, and at times as small as 10 nm, from solution without the use of solvents, excipients, or complex production processes. The application of the CESS® technology platform provides an opportunity for Nanoform's customers to improve and tune the particle properties of their small-molecule APIs – for example, size, shape, and polymorphic structure, thus improving API solubility and bioavailability.

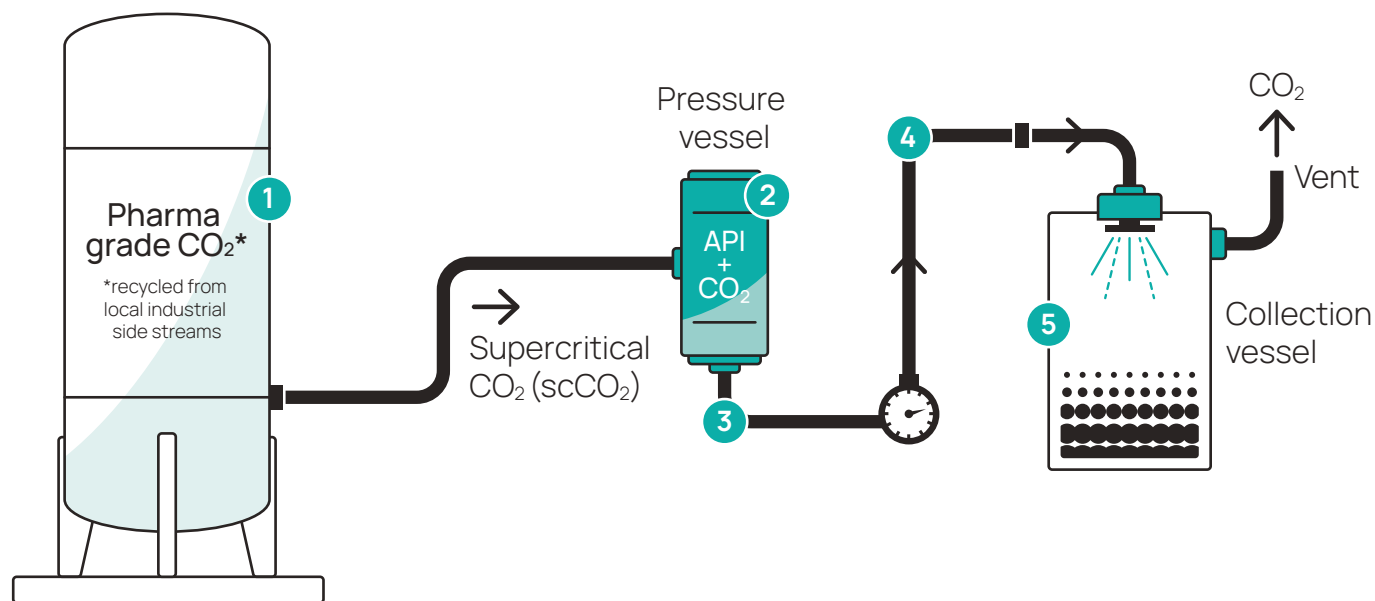
The CESS® technology may reduce the failure of drugs during clinical trials by enhancing the performance and safety of APIs. It can also allow drugs that previously failed in clinical trials to be revisited and potentially achieve success. In addition, it may improve the pharmacokinetic properties of drugs (both in the pharmaceutical pipeline and those already on the market), and

provide new commercial opportunities for drugs. Ultimately, the benefits unlocked by CESS® will be felt by patients as the technology enables more and enhanced new drugs to reach the market.

STARMAP® – The digital twin of CESS®

STARMAP® Online is a predictive sparse-data AI-based platform that can be applied to pick the winners among candidate molecules. It augments historical experimental results with detailed expert knowledge to determine which APIs are most likely to achieve success through the CESS® nanoparticle engineering process.

STARMAP® presents an opportunity for the rational design of patient-centric drug development, and can be applied to novel APIs, as well as existing brands, to ensure that the projects with the highest chances of success are targeted, avoiding wasted resources and improving efficiency. STARMAP® is currently available as a subscription to Nanoform's customers, which can be accessed online.



- 1 Supercritical CO₂ is guided into a pressure vessel loaded with API
- 2 Increasing the pressure and temperature in the vessel dissolves the API in supercritical CO₂
- 3 The CO₂ and the API are released from the pressure vessel and the flow, pressure and temperature profiles are accurately controlled

- 4 The pressure and temperature is controlled to achieve a stable nucleation phase and formation of nanoparticles
- 5 In a collection vessel the CO₂ is sublimated resulting in final nanoparticles ready for collection and formulation

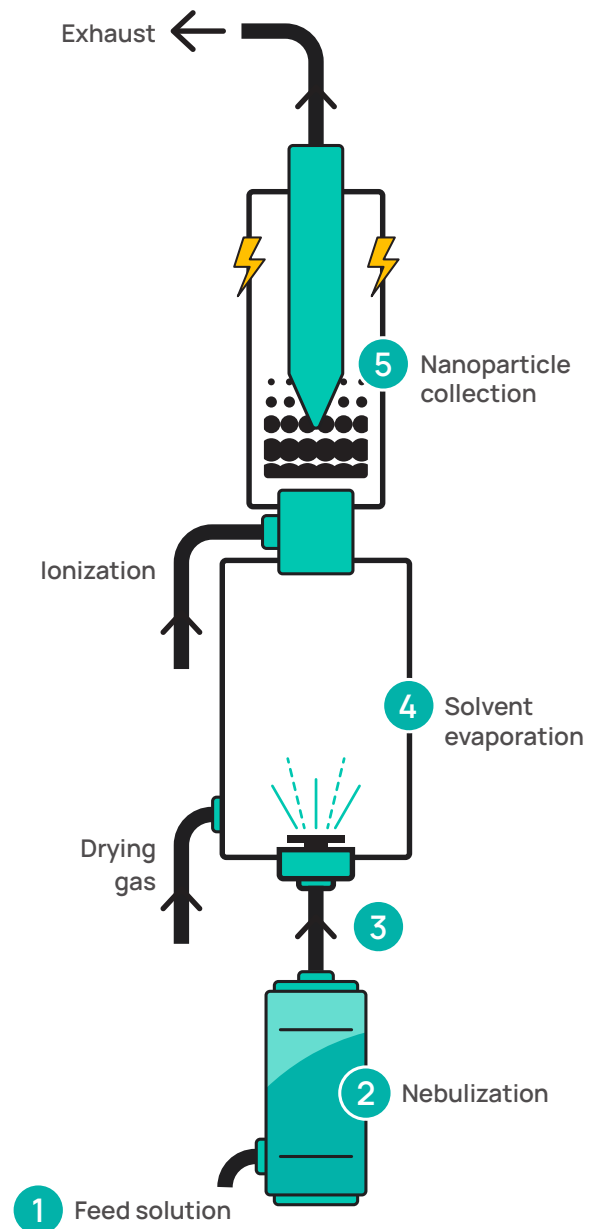
Biologics

Nanoform's biologics technology is a gentle bottom-up process that nanoforms large-molecule therapeutics, reducing their particle size to as small as 50 nm while retaining their biological activity.

As the technology does not necessitate harsh conditions such as high temperatures, it has wide applicability even for temperature-sensitive therapeutic biomolecules, such as enzymes, and can be applied to large molecules up to 150 kDa. By reducing particle size, the technology opens up new drug delivery opportunities, and may facilitate enhanced drug loading and tailored release profiles.

Most traditional biologics are administered intravenously, however by utilizing Nanoform's technology, it may be possible to formulate for alternative, more patient-centric administration routes, such as intranasal, pulmonary, or oral delivery.

- 1 API containing feed solution is pumped into the nebulizer
- 2 Feed solution is nebulized into a carrier gas
- 3 Mist is transported into the drying chamber via a connection pipe
- 4 Mist is dried using a low-temperature drying gas
- 5 Dried particles are charged by the ionizer and collected using electrostatic precipitation



Small is an ingredient in formulation

Formulating nanoformed particles the right way

Our pharmaceutical development team leverages their deep understanding of nanomaterials science and nanoformation expertise to unlock the full potential of nanoformed APIs and deliver formulations that meet customer requirements. Nanoform supports all dosage form development, with specific expertise in oral, inhaled, injectable, and ophthalmic formulations.

The team follows a well-designed formulation development and selection process, with the goal of rapidly progressing drug candidates and optimizing the formulation for the development phase, from preclinical through to clinic and lifecycle.

The benefits of partnering with Nanoform for nanoparticle-optimized formulations can include enhanced bioavailability and the opportunity to reduce dose, simpler formulations, and increased dosage form flexibility. Additional advantages can include reduced side effects, optimized exposure in toxicology studies, and reduced variability in pharmacokinetic parameters.

Nanoform's analytical services ensure consistency

Analytical chemistry plays a crucial role in characterizing and understanding materials made from nanoforming and formulation processes. We use a variety of techniques to analyze our nanoparticles and formulations and ensure that they meet strict quality and safety standards. Our analytical team utilizes state-of-the-art equipment and software to accurately measure the properties of our nanoparticles, including purity, size, shape, and crystallinity. This information is essential for understanding how to develop our formulations and predict how our drugs will interact *in vivo* so as to optimize their efficacy.

Highly-potent APIs can be safely formulated in Nanoform's GMP facilities

Nanoform's globally unique GMP facilities utilize CESS® to manufacture API nanoparticles to GMP standards. The facilities can handle highly-potent APIs (HPAPIs) with occupational exposure limits (OELs) of 30 ng/m³. Recipe control via automation as well as Wash-in-Place and Clean-in-Place capabilities enable faster and more efficient cleaning between campaigns, reducing the overall downtime of GMP manufacturing, and increasing productivity.

Market outlook

Nanoform operates in one of the world's largest markets, the global pharmaceutical market, whose turnover exceeds USD 1,000 billion and where the annual R&D budget exceeds USD 200 billion. Despite the enormous investments in R&D, less than 50 new drugs have been approved by the FDA annually on average during the last ten years. One of the key reasons why so few medicines are approved each year is low bioavailability of the API. With 70 to 90 percent of new drugs being poorly soluble we expect that the challenges with bioavailability will only increase going forward. Hence, we have seen significant interest in our potentially groundbreaking technology platform from the global pharma market. This broad interest comes from global large, mid-sized, specialty pharmaceutical as well as from biotechnology companies. We expect the high customer interest in our technology offering to continue.

The drug development industry is highly regulated and characterized by a step-by-step development process, from discovery and clinical trials to commercialization. It is considered a defensive industry where the underlying demand is non-cyclical and steadily increasing as the global population grows wealthier and older and as chronic diseases become more prevalent.

The high attrition rate in the global drug development pipeline – with one of the key reasons being low bioavailability – limits the number of new drugs that reach the market. This increases the maturity of pharmaceutical companies' commercial product portfolios, with the average share of revenue stemming from drugs that have been on the market for more than ten years amounting to more than half of their revenue for many of the world's largest pharma companies. With an old product portfolio, the vulnerability to upcoming patent expirations increases as does the importance of lifecycle management of existing drugs. As Nanoform's technology platform provides an opportunity to help not only lower the attrition of new drugs in development but also with lifecycle management of existing drugs on the market, we foresee continued interest in the technology. By providing opportunities for pharma companies to seek to extend patent protection by allowing for patents for, among others, new indications, dosage forms, and delivery mechanisms, our technology may create significant value to our customers. Many jurisdictions allow for alternative simplified regulatory pathways, such as section 505(b)(2) of the Federal Food, Drug and Cosmetic Act in the U.S., for already commercialized drugs for which clinical safety or efficacy data is already available.

Nanoform's commercial operations are at an early stage and during the period its business operations have included R&D activities, non-GMP projects, tech transfer to GMP, and manufacture of GMP material. Our existing customers include global large, mid-sized, and specialty pharmaceutical as well as biotech companies. Major pharma companies are in general entities integrated across the entire pharmaceutical value chain and therefore often do the marketing and sales of the drugs they have developed. The price of a drug, set by a pharmaceutical company, is often a function of several factors, e.g., the potential competitive landscape it faces, the need for financing future R&D of novel drug candidates, and the benefit or value the drug is deemed to add for its target group. However, actual

pricing mechanisms, including, e.g., potential reimbursement and regulatory restrictions on pricing of drugs, vary between different jurisdictions. Contract development and manufacturing organizations (CDMOs) focus specifically on drug development and manufacturing. Pricing of the services of these companies differs from pricing by pharma companies since CDMOs in general do not, by themselves, commercialize the drugs they develop or manufacture. Instead, the compensation for their services is often based on a combination of compensation for supply of material, milestone payments, royalties, and license payments. While price is an important factor in client negotiations, the most important and decisive factor is how much value the technology and service offer. We believe our proprietary technology offers significant value and hence will be priced with a material premium to traditional technologies.

Financial review for January 1–March 31, 2024

Revenue

Nanoform Group's revenue in January–March decreased by -19% to EUR 602 (744) thousand.

The revenue in 1–3/24 stemmed from 22 (24) different customer projects. Working hours account for the vast majority of project expenses booked, and revenues are recognized over the course of the projects based on the percentage of completion method.

Results

Nanoform Group's gross profit decreased to EUR 483 (584) thousand and the gross margin was 80% (78)% in January–March 2024.

While the gross profit decreased due to decreased revenue, the gross margin increased to 80% as a result of less and more efficient use of external GMP QC services. In June 2023 Nanoform submitted a notification to Fimea to update Nanoform's Manufacturer's Authorization. The notification included our new GMP QC laboratory and the inspection date is now set for 11–12th of June 2024. The operating result was mostly affected by options related non-cash costs, an increased headcount, investments in spare parts & building an internal maintenance function, in addition to costs from the nanoenzalutamide project.

The loss before tax was EUR -6,959 (-4,488) thousand. Earnings per share was EUR -0.09 (-0.06).

Financial position and cash flows

Nanoform Group's total assets at the end of the review period were EUR 72,329 (96,842) thousand, and equity accounted for EUR 60,720 (82,790) thousand. Cash and cash equivalents were EUR 13,420 (62,022) thousand excluding T-bills. T-bills amounted to EUR 27,905 (2,975) thousand (carrying value). Net debt amounted to EUR -35,246 (-58,223) thousand including T-bills.

Nanoform Group's net cash flow from operating activities in January–March was EUR -4,829 (-3,601) thousand. The change in the working capital was EUR -297 (466) thousand. The Group investments decreased significantly as the investments in manufacturing capacity have already been made in previous

years (several GMP lines with separate cleanrooms, the 40m³ CO₂ bulk tank system, an Enterprise Resource Planning (ERP) system and a Biologics pilot line for GMP in addition to additional non-GMP production lines). The total cash-based property, plant, and equipment investments amounted to EUR -225 (-1,662) thousand. The net cash flow from investing activities was EUR 4,992 (-2,449) thousand including T-bills repayments. Cash flow from financing activities was EUR -324 (-284) thousand.

Investments, research, and development

The Group's investments in property, plant, and equipment in the reporting period amounted to EUR 225 (1,662) thousand, consisting mainly of investments in GMP QC at the current manufacturing site. Most of the additions to GMP2&3 and GMP QC facilities are classified as construction in progress until Manufacturer's Authorization (MIA) is updated. Fimea's GMP inspection is expected to take place in June 2024. Non-GMP production lines are classified as construction in progress until the non-gmp production lines are commissioned.

The Group R&D expenditure including employee benefit expenses and external R&D services amounted to EUR 1,434 (800) thousand. This includes e.g. the nanoenzalutamide and nanoapalutamide related costs.

Personnel and the Board of Directors

During the last twelve months the number of employees has grown by 9 per cent and at the end of the review period, the Group had 166 (152) employees representing 38 nationalities. Within Nanoform's international team of highly skilled professionals there are 38 PhD's from different fields including e.g. physics, chemistry, pharma, and biology. Nanoform Group has been able to attract talent with diverse skills. At the end of the review period 23 employees worked in GMP Manufacturing, 45 in R&D (including non-GMP customer projects), and 6 in Customer Project Management. Quality Control had 26 and Quality Assurance 11 professionals. The Commercial team consisted of 9 professionals. The Engineering & Maintenance teams employed 15 employees and Technical Development team 4 employees. Nanoform has also been able to attract talent in Legal 3 and IT 6 and in corporate functions 18 (e.g., Business Operations, Finance, Procurement, IR, HR).

The company's Annual General Meeting convened on April 16, 2024, re-elected Miguel Calado (Chairperson), Mads Laustsen, Albert Hæggström, and Jeanne Thoma as ordinary members to the company's Board of Directors for the next term of office. The CEO was Edward Hæggström.

Shares and shareholders

Nanoform's share is listed on the Premier segment of Nasdaq First North Growth Market in Helsinki (ticker: NANOFH) and Stockholm (ticker: NANOFS).

Nanoform's registered share capital amounted to EUR 80,000 (80,000). At the end of the review period, the company had 78,445,164 (78,392,964). The share's volume weighted average price during the review period was EUR 2.55 (2.20) and SEK 28.61 (24.61). The highest price paid during the January–March review period was EUR 3.50 (3.30) and SEK 37.50 (38.95) and the lowest price paid EUR 1.55 (1.57) and SEK 17.40 (17.90). The closing price of the share at the end of review period was EUR 2.71 (1.59) and

SEK 31.80 (18.02). The market value of the share capital on March 31, 2024, was EUR 212.6 (124.6) million.

Nanoform had more than 10,000 shareholders at the end of the period – some 1,000 more than a year ago – with roughly ¾ of them holding EUR nominated shares and some ¼ of them holding SEK nominated shares. The 25 largest shareholders held some 72 percent of all Nanoform's shares and votes at the end of the review period. The ownership structure can be found on Nanoform's internet pages [Ownership structure – Nanoform small is powerful](#). (Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear Sweden, Euroclear Finland and Morningstar)

Share-based incentive plans

During the review period Nanoform had 19 active share-based incentive plans for the members of the Board of Directors, key persons, and employees of the Group: option programs 1–5/2019, 1–5/2020, 1–5/2021, 1/2022, 1/2023, 1–2/2024. Based on all the option programs, with strike prices ranging from EUR 1.10 to EUR 9.00 a total maximum number of 5,899,020 shares could potentially be subscribed (For more info see Note 7).

Near-term risks and uncertainties

Nanoform operates in a strictly regulated industry, the pharmaceutical industry. The Group's business is based on new technology that has not yet been widely applied in humans. As Nanoform is still a young company, the viability of its business model has not yet been proven and the Group has been operating at a loss, with no proof so far of being able to sustainably cover its costs with revenues without additional external funding. The most important business-related risks are associated with the Group's growth targets and their achievement with the company's chosen strategy. Industry-related risks are mainly associated with a target market that is both highly regulated and conservative and where adaptation of new technologies can take longer than expected.

Risks associated with the Group's financial position mainly consist of currency-, credit- and counterparty risks as well as the stock market risk from share investment. Foreign exchange fluctuations arise from SEK, GBP, USD, NOK, and JPY currency exposure. The Company's counterparty risks consist mainly of contracts between external customers, suppliers and partners in co-operation and financial institutions. Direct stock market risk stems from the changes in the market value of the owned Herantis Pharma Plc shares. Investments into short-term government bonds (Treasury Bills, duration less than one year) are considered risk free investments from a counterparty (credit risk) point of view but may include currency risk. Nanoform does not hedge its currency or stock market risk. Risks related to legislation, rules and regulatory compliance are associated with the group's sector of industry. For further risk analysis see Nanoform's annual report: [Investors – Nanoform small is powerful](#).

Condensed financial information January–March 2024

Consolidated statement of comprehensive income

EUR thousand	Note	1-3/2024	1-3/2023	1-12/2023
Revenue	4	602	744	2,566
Other operating income		127		
Materials and services		-119	-161	-849
Employee benefits	7	-4,329	-3,556	-14,925
Depreciation	6	-777	-655	-2,878
Other operating expenses	5	-2,029	-1,520	-6,390
Total expenses		-7,253	-5,892	-25,042
Operating loss		-6,525	-5,148	-22,476
Finance income		419	1,095	1,946
Finance expenses		-853	-435	-203
Total finance income and expenses		-434	660	1,743
Loss before tax		-6,959	-4,488	-20,733
Income tax		-8	-3	-23
Loss for the period		-6,967	-4,491	-20,756
Loss for the period attributable to the equity holders of the parent company		-6,967	-4,491	-20,756
Other comprehensive income				
Items that may be reclassified to loss in subsequent periods				
Translation differences		3	-2	-4
Other comprehensive income, net of tax		3	-2	-4
Total comprehensive income total		-6,964	-4,493	-20,760
Total comprehensive income for the period attributable to the equity holders of the parent company		-6,964	-4,493	-20,760
Basic earnings per share, EUR		-0.09	-0.06	-0.26
Diluted earnings per share, EUR		-0.09	-0.06	-0.26

The company's potential dilutive instruments consist of stock options. As the company's business has been unprofitable, stock options would have an anti-dilutive effect and therefore they are not taken into account in measuring the dilutive loss per share.
Comparable period modifications: financial income and expenses have been netted, part of the operating expenses are categorized as employee benefits according to IAS19.

Consolidated statement of financial position

EUR thousand	Note	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
ASSETS				
Non-current assets				
Intangible assets		622	387	614
Property, plant, and equipment	6	26,376	26,844	26,704
Investments in shares		1,250	2,425	1,479
Other receivables		288	286	288
Total non-current receivables		28,537	29,942	29,085
Current assets				
Inventories		259	67	218
Trade receivables		791	338	418
Other receivables		234	190	105
Investments in short-term government bonds	9	27,905	2,975	33,261
Contract assets and prepayments		1,184	1,307	816
Cash and cash equivalents	8	13,420	62,022	14,232
Total current assets		43,793	66,900	49,050
Total assets		72,329	96,842	78,135
EQUITY AND LIABILITIES				
Equity				
Share capital		80	80	80
Reserve for invested unrestricted equity		152,663	152,603	152,650
Accumulated deficit		-85,056	-65,402	-65,028
Loss for the period		-6,967	-4,491	-20,756
Total equity		60,720	82,790	66,947
Non-current liabilities				
Lease liabilities	8	5,015	5,721	5,203
Advances received				
Trade payables				
Total non-current liabilities		5,015	5,721	5,203
Current liabilities				
Provisions		157	2	19
Lease liabilities	8	1,064	1,054	1,054
Advances received		533	319	443
Trade payables		1,959	2,343	883
Other liabilities		311	356	311
Accrued expenses	10	2,570	4,257	3,275
Total current liabilities		6,595	8,331	5,985
Total liabilities		11,609	14,052	11,188
Total equity and liabilities		72,329	96,842	78,135

Consolidated statement of changes in equity

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
At January 1, 2024	80	152,650	2	-85,786	66,947
Loss for the period				-6,967	-6,967
Other comprehensive income					
Translation differences			3		3
Transactions with equity holders of the Company					
Increase of the share capital					
Share subscription with stock options		13			13
Share issue*					
Share-based payments				724	724
At March 31, 2024	80	152,663	6	-92,029	60,720

* Netted transaction costs EUR 0 thousand

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
At January 1, 2023	80	152,569	6	-65,443	87,212
Loss for the period				-4,491	-4,491
Other comprehensive income					
Translation differences			-2		-2
Transactions with equity holders of the Company					
Increase of the share capital					
Share subscription with stock options		34			34
Share issue*					
Share-based payments				37	37
At March 31, 2023	80	152,603	4	-69,897	82,790

* Netted transaction costs EUR 0 thousand

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
At January 1, 2023	80	152,569	6	-65,443	87,212
Loss for the period				-20,756	-20,756
Other comprehensive income					
Translation differences			-4		-4
Transactions with equity holders of the Company					
Increase of the share capital					
Share subscription with stock options		81			81
Share issue*					
Share-based payments				413	413
At December 31, 2023	80	152,650	2	-85,786	66,947

* Netted transaction costs EUR 0 thousand

Consolidated statement of cash flow

EUR thousand	Note	1-3/2024	1-3/2023	1-12/2023
Cash flow from operating activities				
Loss before tax		-6,959	-4,488	-20,733
Adjustment for:				
Depreciation	6	777	655	2,878
Finance income and expenses		741	-660	-1,518
Share-based payments	7	724	33	413
Other adjustments*		142	32	95
Change in net working capital:				
Trade and other receivables		-633	309	65
Trade payables and other liabilities		377	218	-82
Change in inventory		-41	-61	-212
Change in other receivables (non-current)			2	-0
Interest paid		-2		-7
Interest received		49	362	1,110
Paid tax		-5	-3	-11
Net cash used in operating activities		-4,829	-3,601	-18,001
Cash flow from investing activities				
Payments for intangible assets		-39	-22	-329
Payments for property, plant, and equipment	6	-225	-1,662	-3,477
Investments in short-term government bonds		5,178	-997	-32,143
Payments for investments		78	231	478
Net cash used in investing activities		4,992	-2,449	-35,471
Cash flow from financing activities				
Proceeds from share issues				
Transaction costs from the share issues				
Acquisitions of treasury shares				
Share subscription with stock options		13	34	81
Repayment of R&D loans				
Repayment of lease liabilities	8	-336	-318	-1,276
Net cash from financing activities		-324	-284	-1,195
Net increase (+) decrease (-) in cash and cash equivalents		-160	-6,334	-54,667
Cash and cash equivalents at the beginning of period		14,232	68,740	68,740
Effects of exchange rate changes on cash and cash equivalents		-652	-384	159
Cash and cash equivalents at the end of the period		13,420	62,022	14,231
Cash and cash equivalents and short-term government bonds at the end of period		41,325	63,020	47,492
* Other adjustments				
EUR thousand		1-3/2024	1-3/2023	1-12/2023
Lease adjustments				
Other operating expenses - provision for onerous contract		138	2	19
Other adjustments -provision for credit loss		4	30	75
Total		142	32	94

Comparable period modifications 1-12/2023: Cash and cash equivalents and short-term government bonds at the end of period has been updated to contain the carrying amount of Short-term government bonds.

Selected notes

1. Company information

Nanoform ("Nanoform", "Group") is an international group offering nanoforming, formulation and analytical services for the global pharma and biotech industry. The parent company, Nanoform Finland Plc (formerly Nanoform Finland Ltd, the "Company") is a company organized under the laws of Finland and its business ID is 2730572-8. The registered address of the head office is Viikinkaari 4, 00790 Helsinki, Finland.

2. Accounting policies

This financial information for the January–March 2024 periods has been prepared in accordance with IAS 34 Interim Financial Reporting. In preparation of this report, Nanoform has applied the same accounting policies, methods of computation and presentation as in the financial statements for the year ended December 31, 2023.

In 2020, the Nanoform Group was formed following the establishment of an entity in the USA. A second subsidiary was founded in the UK in 2023. Nanoform Finland Plc, and its US and UK subsidiaries are included in the consolidated financial statements. The parent company holds 100% ownership of its subsidiaries. The subsidiaries are consolidated using the acquisition method. All intragroup transactions, receivables, liabilities, and unrealized gains are eliminated in the consolidated financial statements.

The consolidated financial statements are presented in euros, which is the functional currency of the parent company. The statements of comprehensive income and the statements of cash flows of foreign subsidiaries, whose functional currency is not euro, are translated into euro at the average exchange rates for the reporting period. The statements of financial position of such subsidiaries are translated at the exchange rate prevailing at the reporting date. Translation differences resulting from the translation of profit for the period and other items of comprehensive income in the statement of comprehensive income and statement of financial position are recognized as a separate component of equity and in other comprehensive income. Also, the translation differences arising from the application of the acquisition method and from the translation of equity items cumulated subsequent to acquisition are recognized in other comprehensive income. The figures in this report have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Government grants are presented in the other operating income. Grants are recognized when there is reasonable assurance that grants will be received, and the Group will comply with the conditions associated with the grant.

The preparation of interim and annual reports requires management to make decisions, estimates and assumptions that affect the application of accounting policies and the recognized amounts of assets, liabilities, revenue, and expenses.

Estimates and judgements are reviewed regularly. The Group's management has used judgment to review, analyze and evaluate revenue recognition for non-GMP and GMP projects. Nanoform recognizes revenue over time as the project performance does not create an asset with an alternative use to the Nanoform Group and the Nanoform Group has an enforceable right to payment for performance to date. The Group's management has used judgment when evaluating the leasing agreements e.g., the options to renew and terminate the leasing agreements at specific dates, the probability of Nanoform using these options and by determining the appropriate discount rate for the leasing agreements. The management has also used judgment to evaluate the economic lifetime of property, plant, and equipment. Management will review technological development regularly in the future to ensure that property, plant, and equipment are carried at no more than at their recoverable amount.

Nanoform's Board of Directors has approved this report in its meeting on May 29, 2024. This report is not audited or reviewed by the auditors of the Group.

3. Significant changes during the reporting period

The Group's results of operations have fluctuated significantly from period to period in the past and are likely to do so in the future. The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- Revenue decreased due to the lower order intake. Revenue consists of multiple projects in which the Group has offered nanoforming, formulation, and analytical services for the global pharma and biotech industry. (See note 4 Segment information and revenue).
- Other operating income stems from the grant from Business Finland related to projects for nanoparticle-enabled formulation platforms for oral, inhaled, long-acting injectable, and high-concentration subcutaneous injectable drug delivery technologies for next generation medicines. The grant represents 50% of the costs.
- Employee benefit expenses continued to represent the majority of the Group's total operating expenses during the review period. Employee benefit expenses consisted of short-term employee benefit expenses (mainly salaries), post-employment benefit expenses (defined contribution pension plans) and share-based payments (stock options). The employee headcount increased by 9% to 166 (152), while the total employee benefit expenses increased by 22% to EUR 4,329 (3,556) thousand in the review period.
- Other operating expenses included rents for the premises, IT costs, marketing and communication costs, fees for external consultants and professionals, travel costs, voluntary

personnel related expenses, external R&D expenses, and other expenses. The increase in the total other operating expenses is mainly coming from the external R&D expenses, spare parts, machinery service, and consumables (see note 5 Other operating expenses).

- Finance income and expenses stemmed from changes in foreign exchange rates in SEK, GBP, USD, NOK, and JPY currencies and fair market value changes in the owned Herantis Pharma shares as well as interest income and expenses.
- Nanoform has invested part of its cash into short-term government bonds issued by Nordic (Finland, Sweden, Norway) and European (Germany, France) governments in order to diversify and decrease bank risk. The short-term government bonds are planned to be held until maturity and measured at amortized cost applying the effective interest rate method. In the future Nanoform may include UK and US T-bills as part of cash management.
- The Board of Directors approved share subscription based on stock option programs on March 12, 2024. The entire subscription price for stock option based subscriptions of EUR 13 thousand was booked in the reserve for invested unrestricted equity.
- The change in property, plant, and equipment book value is mainly related to completed constructions in non-GMP lines and quality control equipment. GMP 2&3 and GMP QC are classified as work in progress until the new GMP certificates are obtained. Additions to non-GMP facilities are classified as construction in progress until non-GMP production lines are commissioned (see note 6 Property, plant, and equipment).

4. Segment information and revenue

Nanoform offers nanoforming, formulation, and analytical services for the global pharma and biotech industry. Nanoform's chief operating decision maker is the Chief Executive Officer (CEO). The CEO manages the Group as one integrated business and hence, the Group has one operating and reportable segment.

Nanoform's revenue during the reported period is recognized from customer contracts in Europe and the United States (defined by the domicile of customer). The Group's strategy is to offer expert services widely in order to minimize dependence from a single customer or project. Nanoform's revenue consists of non-GMP and GMP projects related to nanoforming, formulation and analytical services provided to customers globally. Nanoform's customer contracts include one or multiple performance obligations. In the customer contracts, every separate nanoformed API is considered as a separate performance obligation, as the customer can receive benefit from every single separately nanoformed API. Nanoform recognizes revenue over time as the project performance does not create an asset with an alternative use to the Nanoform Group and the Nanoform Group has an enforceable right to payment for performance to date. Four different customers' revenue during the reporting period accounts for more than 10% of the total cumulative revenue. The following table summarizes the revenue breakdown:

EUR thousand	1-3/2024	1-3/2023	1-12/2023
Europe	439	433	1,464
United States	163	311	1,103
Total	602	744	2,566

EUR thousand	1-3/2024	1-3/2023	1-12/2023
Services transferred over time	602	744	2,566
Total	602	744	2,566

5. Other operating expenses

R&D expenses, including e.g. projects nanoenzalutamide and nanoapalutamide, costs related to spare parts, machinery

services and consumables are mostly explaining the increased operating expenses. According to IAS19, part of the comparable period voluntary personnel related expenses are now categorized as employee benefits.

EUR thousand	1-3/2024	1-3/2023	1-12/2023
Premises expenses	58	54	242
IT expenses	252	333	1,019
Marketing and communication expenses	150	147	648
Consultant and professional fees	396	326	1,245
Travel expenses	95	127	392
Voluntary personnel related expenses	77	103	381
R&D expenses - external	434	119	999
Other expenses	567	312	1,464
Total	2,029	1,520	6,390

6. Property, plant, and equipment

Nanoform's property, plant, and equipment consists of leased premises and apartments (right-of-use assets), improvements to leased premises, machinery and equipment and construction in progress.

The right-of-use assets consist of Nanoform's leased premises. GMP 2&3 and GMP QC are classified as work in progress until the new GMP certificates are obtained. Additions to non-GMP facilities are classified as construction in progress until non-GMP production lines are commissioned.

EUR thousand	Machinery and equipment	Right-of-use assets	Improvements to leasehold premises	Construction in progress	Total
Net book value at January 1, 2024	6,256	5,760	1,378	13,310	26,705
Additions	114	120		196	430
Disposals*		-11			-11
Reclassification	524			-524	
Depreciations	-413	-287	-48		-748
Net book value at March 31, 2024	6,481	5,582	1,330	12,982	26,376
Net book value at January 1, 2023	5,295	6,437	1,125	14,271	27,128
Additions	25	108	8	378	519
Disposals*	-165				-165
Reclassification	535		84	-619	
Depreciations	-337	-263	-38		-638
Net book value at March 31, 2023	5,353	6,282	1,179	14,030	26,844
Net book value at January 1, 2023	5,295	6,437	1,125	14,271	27,128
Additions	624	398	9	1,652	2,684
Disposals*	-165				-165
Reclassification	2,025		424	-2,613	-163
Depreciations	-1,523	-1,076	-180		-2,779
Net book value at December 31, 2023	6,256	5,760	1,378	13,310	26,705

* Disposals consist of the changes in right-of-use assets due to shortening of leasing period. Disposals in machinery and equipment, and construction in progress are mainly due to changes in materiality considerations.

7. Share-based payments

Nanoform has 19 share-based incentive plans: Option programs 1–5/2019, 1–5/2020, 1–5/2021, 1/2022, 1/2023, 1–2/2024. The option programs are targeted to members of the Board of Directors, key persons, and employees of the Group. Many of the employees are included in the share-based incentive plans. The 1–5/2019 share-based incentive plans are valid until further notice. The 1–5/2020,

1–5/2021, 1/2022, 1/2023, 1–2/2024 share-based incentive plans have vesting periods from 6 to 12 months from the grant date. The effect of all stock options booked to the earnings of the review period was EUR 724 (37) thousand.

The factors used to determine the fair value and the end of the subscription periods of the 2019–2024 stock option programs are presented in the following table.

Option program	Fair value of the Company share at grant date, EUR	Subscription price of the Company share with options, EUR	Volatility, %	Risk free interest rate, %	Fair value of the option, EUR	End of the share subscription period
01-05/2019	1.30 - 1.62	1.10	64.85	0.01	0.74 - 1.00	Until further notice
01-05/2020	1.77 - 4.30	1.65 - 5.00	43.25 - 64.85	-0.55 - 0.01	0.97 - 2.11	Mar 10, 2025 - Oct 23, 2025
01-05/2021	5.97 - 7.50	9.00	44.97 - 47.62	0.01	1.72 - 2.49	Apr 6, 2026 - Aug 27, 2026
01/2022	3.52	9.00	42.50	1.33	0.65	June 6, 2027
01/2023	2.02	2.50	48.25	3.01	0.79	Sept 11, 2028
01-02/2024	1.82 - 2.40	1.70 - 3.00	47.58 - 54.34	2.50 - 2.66	0.84 - 1.04	Jan 10, 2029 - Mar 26, 2029

8. Net debt

The book value of Nanoform's net debt is summarized in the table below:

EUR thousand	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Cash and cash equivalents	-13,420	-62,022	-14,232
Short-term government bonds	-27,905	-2,975	-33,261
Net debt excluding lease liabilities	-41,325	-64,998	-47,493
Current lease liabilities	1,064	1,054	1,054
Non-current lease liabilities	5,015	5,721	5,203
Net debt	-35,246	-58,223	-41,235

9. Financial assets and liabilities

Mar 31, 2024 EUR thousand	Fair Value Hierarchy	Financial assets at fair value	Financial assets at amortized cost	Carrying amount	Fair value
Quoted shares	1	1,250		1,250	1,250
Short-term government bonds	1		27,905	27,905	27,779
Trade receivables			791	791	791
Other receivables			234	234	234
Cash and cash equivalents			13,420	13,420	13,420
Total		1,250	42,350	43,600	43,474

EUR thousand	Fair Value Hierarchy	Financial liabilities at fair value	Financial liabilities at amortized cost	Carrying amount	Fair value
Trade payables			1,959	1,959	1,959
Lease liabilities			6,078	6,078	6,078
Total			8,037	8,037	8,037

Mar 31, 2023 EUR thousand	Fair Value Hierarchy	Financial assets at fair value	Financial assets at amortized cost	Carrying amount	Fair value
Quoted shares	1	2,425		2,425	2,425
Short-term government bonds	1		2,975	2,975	2,976
Trade receivables			338	338	338
Other receivables			190	190	190
Cash and cash equivalents			62,022	62,022	62,022
Total		2,425	65,526	67,951	67,951

EUR thousand	Fair Value Hierarchy	Financial liabilities at fair value	Financial liabilities at amortized cost	Carrying amount	Fair value
Trade payables			2,343	2,343	2,343
Lease liabilities			6,775	6,775	6,775
Total			9,118	9,118	9,118

Dec 31, 2023 EUR thousand	Fair Value Hierarchy	Financial assets at fair value	Financial assets at amortized cost	Carrying amount	Fair value
Quoted shares	1	1,479		1,479	1,479
Short-term government bonds	1		33,261	33,261	33,030
Trade receivables			418	418	418
Other receivables			105	105	105
Cash and cash equivalents			14,232	14,232	14,232
Total		1,479	48,016	49,495	49,264

EUR thousand	Fair Value Hierarchy	Financial liabilities at fair value	Financial liabilities at amortized cost	Carrying amount	Fair value
Trade payables			883	883	883
Lease liabilities			6,257	6,257	6,257
Total			7,140	7,140	7,140

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

Level 2: Financial instruments that are not traded in an active market are valued using valuation procedures that minimize the reliance on entity-specific estimations and maximize the use of observable market data to calculate their fair value. An instrument is included in level 2 if all relevant inputs needed to determine its fair value are observable.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

10. Related party transactions

Related parties are the persons or entities related to any of the companies belonging to the Nanoform Group according to the IAS 24 standards.

Compensation recognized as an expense for the members of the Board of Directors:

EUR thousand	1-3/2024		
	Fees settled in cash	Fees settled in shares*	Share-based payments
Miguel Maria Calado	16	16	
Albert Hæggström, CFO	8	8	64
Mads Laustsen	10	10	
Jeanne Thoma	10	10	
Total	44	44	64

EUR thousand	1-3/2023		
	Fees settled in cash	Fees settled in shares*	Share-based payments
Miguel Maria Calado			
Albert Hæggström, CFO			8
Mads Laustsen			
Jeanne Thoma			
Total			8

EUR thousand	1-12/2023		
	Fees settled in cash	Fees settled in shares*	Share-based payments
Miguel Maria Calado	47	47	
Albert Hæggström, CFO	23	23	35
Mads Laustsen	30	30	
Jeanne Thoma	30	30	
Total	130	130	35

* Fees settled in shares include transfer tax.

Compensation for CEO and Management team:

1-3/2024

EUR thousand	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	54	10	93
Management team*	246	45	227
Total	300	55	320

1-3/2023

EUR thousand	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	59	10	
Management team*	291	48	15
Total	350	58	15

1-12/2023

EUR thousand	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	280	50	
Management team*	1,131	203	134
Total	1,411	253	134

* The management team without CEO, whose employee benefit expenses are presented separately

Liabilities to key management

The following related party balance is included in the consolidated statement of financial position:

EUR thousand	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Liabilities to key management	26	15	125
Total	26	15	125

11. Commitments and contingencies

The Group commitments to purchase of services and property, plant, and equipment (mainly related to new GMP and non-GMP lines) amounted to EUR 4,840 (1,960) thousand at the end of the review period.

The Group's management is not aware of any open disputes or litigations, which could have a significant impact on the Group's financial position. At the reporting date the Group doesn't have any contingent liabilities.

12. Events after the review period

Decisions by the Annual General Meeting and the Constitutive Meeting of the Board of Directors

Nanoform held its Annual General Meeting (the "AGM") for 2024 on April 16, 2024.

The AGM approved the financial statements and discharged the Board of Directors and the CEO of the Company from liability for the financial year 2023. The AGM decided that no dividend will be paid for the financial year that ended on December 31, 2023.

The number of members of the Board of Directors was confirmed to be four and the AGM re-elected Miguel Calado as Chairperson, Mads Laustsen, Albert Hæggström, and Jeanne Thoma as ordinary members of the Board of Directors for the next term of office.

The AGM confirmed a monthly compensation of EUR 8,000 for the Chairman and EUR 5,000 for the Board Members, EUR 2,500 for the Chairman of the Audit and Compensation Committee and EUR 1,500 for the Members of the Audit and Compensation Committee.

The AGM resolved further that the remuneration will be paid in one (1) installment during the term, after the publication of the interim report for the period 1 January 2024–31 March 2024. According to the Remuneration Policy adopted by the Company, the members of the Board of Directors are recommended to hold a certain number of shares in the Company. The Company recommends each board member to use approximately 50% of the aforementioned remuneration to subscribe for shares in the Company. Therefore, the members of the Board of Directors will be offered a possibility to subscribe for shares at a price corresponding to volume-weighted average share price over ten (10) trading days following the publication of the interim report of the Company for 1 January 2024 – 31 March 2024. The Annual General Meeting also resolved that the travel expenses of the members of the Board of Directors are compensated in accordance with the Company's travel rules.

The AGM resolved that PricewaterhouseCoopers Oy with Tomi Moisio as the auditor in charge were re-elected as the Group's auditor. The Auditor's fee will be paid in accordance with a reasonable invoice approved by the Company.

The AGM authorized the Board of Directors to repurchase Nanoform's own shares. Altogether no more than 7,800,000 shares may be repurchased. The authorization is effective until the beginning of the next Annual General Meeting.

The AGM authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights. The amount of the shares to be issued pursuant to the authorization and the amount of the shares issued by virtue of the authorization to issue special rights entitling to shares would not exceed 7,800,000 shares. The authorisation is in force until 16 April 2029. The authorization does not replace or revoke previous unused authorizations of the Board of Directors to resolve on the issuance of shares, issuance of share options and issuance of other special rights entitling to shares.

On April 16, 2024, at the constitutive meeting following the AGM, the Board of Directors resolved to elect as members of the Audit and Compensation Committee (AC): Miguel Calado (Chairperson), Jeanne Thoma, and Mads Laustsen (Ordinary members). The Audit and Compensation Committee is a permanent committee of the Board of Directors and acts in accordance with its charter as adopted by the Board of Directors.

Other events after the review period

On April 8, 2024, Nanoform Finland Plc changed the Certified Adviser to Carnegie Investment Bank Ab effective on April 10, 2024. The Certified Adviser to Nanoform Finland Plc until April 9, 2024, was Danske Bank A/S, Finland Branch.

On April 9, 2024, Nanoform and PlusViteck announced a collaboration to repurpose apreptant as a treatment for lung cancer.

On April 11, 2024, Nanoform and CBC Co. Ltd entered an exclusive partnership commencing immediately.

On April 24, 2024, Nanoform announced its intention to carry out a new share issue of approx. 7 million new shares. On April 24, 2024, Nanoform announced a new share issue raising EUR 15.4 million. The Company issued a total of 7,000,000 shares in a directed share issue. The subscription price of the shares was EUR 2.20 per share (SEK 25.6 per share). The subscription price was recorded in the invested unrestricted equity reserve.

On May 7, 2024, Nanoform announced Takeda is to present data at DDF Summit obtained in a proof of concept study, conducted in collaboration with Nanoform.

Appendix 1

Key figures

EUR thousand	1-3/2024	1-3/2023	1-12/2023	1-12/2022	1-12/2021
Revenue	602	744	2,566	3,487	1,955
Revenue growth %	-19%	-2%	-26%	78%	185%
Gross profit	483	584	1,717	3,147	1,792
Gross margin	80%	78%	67%	90%	92%
EBITDA	-5,748	-4,493	-19,597	-19,027	-17,745
Operating loss	-6,525	-5,148	-22,476	-21,409	-19,705
Loss for the period	-6,967	-4,491	-20,756	-22,075	-19,690
Basic EPS (EUR)	-0.09	-0.06	-0.26	-0.29	-0.29
Net debt	-35,246	-58,223	-41,235	-61,807	-68,070
Net debt excluding lease liabilities	-41,325	-64,998	-47,493	-68,740	-75,733
Investments in property, plant, and equipment	-225	-1,662	-3,477	-8,965	-7,737
Operating free cash flow	-5,972	-6,154	-23,075	-27,992	-25,482
Cash and cash equivalents excluding short-term government bonds (end of period)	13,420	62,022	14,232	68,740	75,733
Cash and cash equivalents including short-term government bonds (end of period)	41,325	63,020	47,493	68,740	75,733
Personnel at the end of reporting period	166	152	165	150	125

Calculation of key figures

Key figure	Definition	Reason to the use
Revenue growth %	Percentage increase in revenue between two periods of time	Revenue growth indicates the success of the Nanoform business in its growth trajectory
Gross profit	Revenue - Materials and services	Gross profit is the margin, which the Group generates, when its service production related expenses has been decreased
Gross margin	Gross profit/revenue	A complement to the absolute gross profit, showing the proportion of income that is left after direct material costs and external services have been subtracted from the revenues
EBITDA	Operating loss before depreciation, amortization, and impairments	EBITDA is an indicator of the operating result before investments, i.e. a proxy for cash flow generated by operations, if investments roughly equals depreciations
Loss for the period	Loss for the period as presented in the comprehensive income statement	Loss for the period shows the net profit for the Group's owners
Basic EPS	The loss for the period/the weighted average number of ordinary shares during the year	Measure describes the division of profit to each share
Net debt	Short-term loans + Long-term loans + Short-term lease liabilities + Long-term lease liabilities - Cash and cash equivalents and liquid investments	Net debt is an indicator to measure the total external debt financing of Nanoform
Net debt excluding lease liabilities	Short-term loans + Long-term loans - Cash and cash equivalents	Net debt excluding lease liabilities is an indicator to measure the total external debt financing of Nanoform without lease liabilities
Investments in property, plant, and equipment	Investments in property, plant, and equipment as presented in cash flow statement	Measure generates further information for the cash flow needs of investments
Operating free cash flow	EBITDA - growth capex	Free cash flow indicates the cash flow that is largely available for e.g. paying dividends



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Financial calendar

August 29, 2024, Half-year Financial Report
January–June 2024

November 22, 2024, Interim Report
January–September 2024

February 27, 2025, Annual Review 2024,
Financial Statements Review 2024