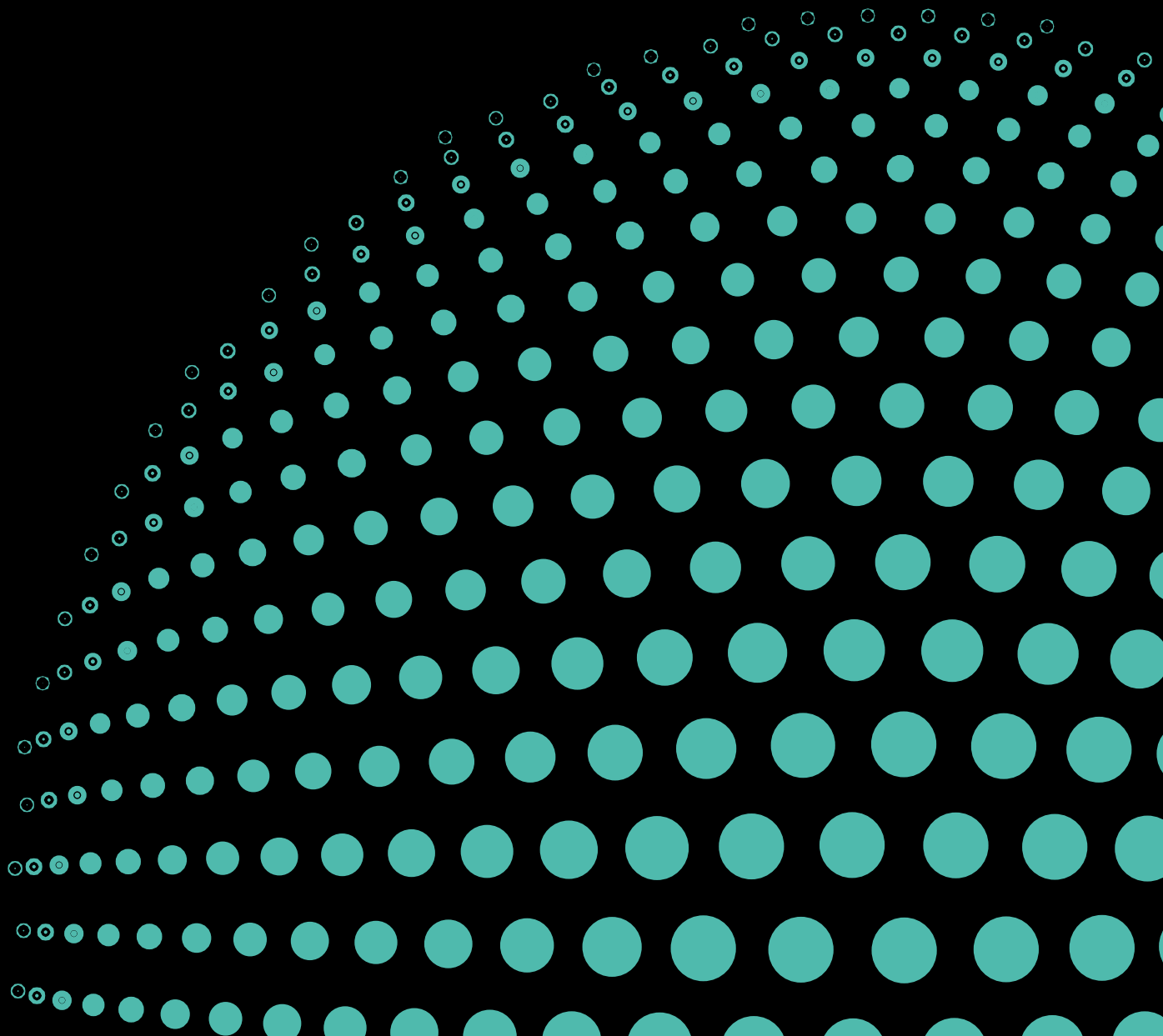


# Half-year Financial Report

JANUARY–JUNE 2022



## Nanoform's January – June 2022 review:

Capacity expansion continues according to plan, strong project intake from new and repeat customers, positive outcome from AstraZeneca's technology evaluation, while the revenue grew by 100%, the number of employees by 35%, whereas the total operating cost growth was kept to 29% in 1H22. Productivity gains and economies of scale will enable continued slower growth in costs while expanding our manufacturing capacity.

### Q2/2022 key financials:

- Revenue grew to EUR 0.89 million, compared with EUR 0.55m in 4–6/2021.
- The gross profit rose to EUR 0.82 million, with a gross margin of 92% (EUR 0.52 million, 95% in 4–6/2021).
- EBITDA came in at EUR -5.5 million (EUR -4.4 million).
- The operating loss was EUR -6.1 million (EUR -4.8 million).
- The loss for the period was EUR -6.1 million (EUR -5.3 million).
- Basic EPS was EUR -0.08 (EUR -0.07).
- Cash position was EUR 83.0 million on June 30, 2022 (EUR 88.1 million).

### H1/2022 key financials

- Revenue doubled to EUR 1.65 million, stemming from 28 different customer projects (EUR 0.82m, 16 projects in 1–6/2021).
- The gross profit also doubled, from EUR 0.76 to EUR 1.52 million, with an unchanged gross margin of 92%.
- The number of employees grew by 35% to 143 (106 compared with one year ago).
- Total operating costs\* grew by 29% to EUR 11.7 million (EUR 9.1 million).
- EBITDA came in at EUR -10.1 million (EUR -8.3 million).
- The operating loss was EUR -11.2 million (EUR -9.2 million).
- The loss for the period was EUR -11.4 million (EUR -9.6 million).
- Basic EPS was EUR -0.15 (EUR -0.14).
- EUR 25 million (gross) was raised in a new share issue.

(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

### Significant events during H1/2022

- On January 3, Nanoform announced two new near-term business targets for 2022: "At least 20 new customer non-GMP projects in 2022" and "At least 3 new customer GMP projects in 2022".
- In March, EUR 25 million (gross) was raised in a successful new share issue through an accelerated bookbuilding process. The considerably oversubscribed capital raise

attracted strong interest from Nordic and international investors, including a considerable number of large global Tier 1 institutional investors.

- On May 4, 2022, Nanoform announced that it has launched its sparse-data AI solution, STARMAP® as a secure online portal. STARMAP® Online creates the opportunity for clients to perform large numbers of in-silico CESS® experiments from their desktop, prior to approaching Nanoform to perform experimental validation. This approach further supports Nanoform's green ambition by ensuring that Nanoform progresses the molecules with the greatest probability of success. STARMAP® Online offers increased user confidence through:
  - Security and safety – the interface has been developed in alignment with ISO27001:2017 standards.
  - Client submissions are seen only by clients (not by Nanoform), allowing molecules to be screened without sharing structures. Outputs are presented directly to the client via the system.
  - Scalability and agility: The ability to manage thousands of molecules in a single submission to support the selection of candidates from molecule libraries is possible.
  - Novel insights: STARMAP® Online holds a database of over 17,000 pre-analyzed, public-domain disclosed drugs and candidates. Clients can request thematic evaluations and understand the power of CESS® in different therapeutic areas, target classes, and disease areas.
- During the second quarter AstraZeneca Plc concluded its thorough technology evaluation of Nanoform's proprietary CESS® Technology (see Nanoform's press release September 25, 2019: <https://nanoform.com/en/nanoform-and-astrazeneca-initiate-technology-evaluation/>). The outcome of the technology evaluation was positive, and AstraZeneca is now moving forward to an identification and implementation stage for the technology where it will look to implement the technology on current and future development projects.
- During 1–6/2022 thirteen new non-GMP projects were signed, with twelve different customers, a slight majority of them new customers and half of the twelve customers US based.

### Significant events after H1/2022

- In July, Nanoform announced that it has partnered with Pharmanovia, a fast-growing specialty pharma business with a portfolio of over 20 branded drugs in 140 markets. The new strategic partnership aims to add value to branded prescription medicines. Pharmanovia will look to apply Nanoform's proprietary nanoparticle technologies and formulation know-how to leading established pharmaceutical brands. The partnership starts with an iconic branded medicine where both parties see value in enhancing bioavailability for patient benefit. The value of the stage-gated agreement is according to Nanoform's business model for non-GMP and cGMP work.

## Nanoform H1/2022 Conference call

Helsinki, Finland – Nanoform Finland Plc will publish its Interim Report January–June 2022 on August 25th, 2022, 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://financialhearings.com/event/44324>

Teleconference dial-in numbers:

FI: +358981710520

SE: +46856642703

NO: +4723963938

DK: +4578150107

FR: +33170750721

DE: +4969222239166

UK: +443333009263

US: +16467224902

## Nanoform Group's key figures

### Financial KPI's

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021	1–12/2020	1–12/2019
Revenue	890	546	1,650	824	1,955	687	49
Revenue growth %	63%	185%	100%	141%	185%	n.m.	n.m.
Gross profit	820	518	1,519	761	1,792	497	-323
Gross margin	92%	95%	92%	92%	92%	72%	neg.
EBITDA	-5,484	-4,358	-10,057	-8,283	-17,745	-18,196	-6,900
Operating loss	-6,070	-4,841	-11,183	-9,203	-19,705	-19,423	-7,344
Loss for the period	-6,058	-5,340	-11,352	-9,610	-19,690	-19,441	-7,554
Basic EPS (EUR)	-0.08	-0.07	-0.15	-0.14	-0.29	-0.35	-0.19
Net debt	-75,727	-82,563	-75,727	-82,563	-68,070	-54,156	-3,640
Net debt excluding lease liabilities	-83,003	-88,120	-83,003	-88,120	-75,733	-59,977	-6,626
Investments in property, plant, and equipment	-2,759	-1,798	-5,063	-2,658	-7,737	-2,336	-1,804
Operative free cash flow	-8,243	-6,156	-15,120	-10,941	-25,482	-20,532	-8,704
Cash and cash equivalents (end of period)	83,003	88,120	83,003	88,120	75,733	61,025	7,303

### Operational KPI's

	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021	1–12/2020	1–12/2019
Number of new customer projects signed during the period							
Non-GMP	5	2	13	8	16	10	2
GMP					2		
<b>Total number of new customer projects</b>	<b>5</b>	<b>2</b>	<b>13</b>	<b>8</b>	<b>18</b>	<b>10</b>	<b>2</b>
Number of lines (end of the period)							
Non-GMP	16	12	16	12	14	8	4
GMP	1	1	1	1	1	1	
<b>Total number of lines (end of period)</b>	<b>17</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>15</b>	<b>9</b>	<b>4</b>
Number of employees (end of period)	143	106	143	106	125	74	43

### Company near-term business targets for 2022 (reiterated)

- 2 new GMP lines (announced Feb-21)
- Biologics pilot line for GMP (announced Nov-21)
- At least 20 new customer non-GMP projects (announced Jan-22)
- At least 3 new customer GMP projects (announced Jan-22)

### Company mid-term business targets 2025 (reiterated)

- 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

## CEO's review

Another quarter with solid progress at Nanoform. We've continued to invest in our personnel, efficiency in client facing processes, line capacity, proprietary technologies, IT, automation, client relationships, brand, and facilities. The growth has continued in new and total number of projects and customers, revenue recognized and positively also in customer visits after almost two years of Teams meetings. It's been very rewarding to again welcome customers at our facility in Viikki, especially as the feedback has been truly enthusiastic.

Speaking of customer feedback, I'm very pleased that AstraZeneca's thorough technology evaluation had a positive outcome, and we're now together moving forward to an identification and implementation stage where AZ will look to implement the technology on current and future development projects.

Related to our substantial ongoing investments, our GMP expansion progresses according to plan – with the cleanrooms and sampling isolators for GMP 2&3 already in place, and the line equipment and main isolators arriving during 2022. Our ERP project, evident in the IT costs during this year, has progressed well and we look forward to the final Deploy & Run phases later in the year. Our Biologics pilot line for GMP is also progressing as planned.

About the global macroeconomic situation. Even though Nanoform has some experience from stock market turbulence - we got listed during the early stage of the covid pandemic in 1H20, with the stock market initially in free fall, but then rallying strongly due to enormous monetary and fiscal stimuli – it is clear that today's situation is serious with war in Ukraine, the continued covid shutdowns in China, with rampant inflation leading to tightening monetary conditions, and more than a year of falling biotech shares (XBI index in the US peaked in February 2021), which might hamper the ability for some early stage biotech companies to get funding.

Nevertheless, the problem with bioavailability is enormous in the pharma industry, the R&D budgets of large pharma companies are huge, the amount of money raised by biotech companies and life science funds during 2020–21 was record-breaking and so far, we've seen no slowdown in the interest in our technology. Naturally, the strong dollar and significant price increases in the global CDMO industry help us as our cost base is mostly in euros. It's also evident in most customer discussions that our strong balance sheet is mentioned as a positive aspect when present and potential partners evaluate us.

Related to the strong balance sheet, the operative free cashflow in 1H22 was impacted by our investments in a new ERP system, the building of the second and third GMP lines, the 40m<sup>3</sup> CO<sub>2</sub> tank and the continued growth in personnel. I expect the coming quarters and years to show a diminishing negative operative free cashflow, with the 2025 target to be cashflow positive.



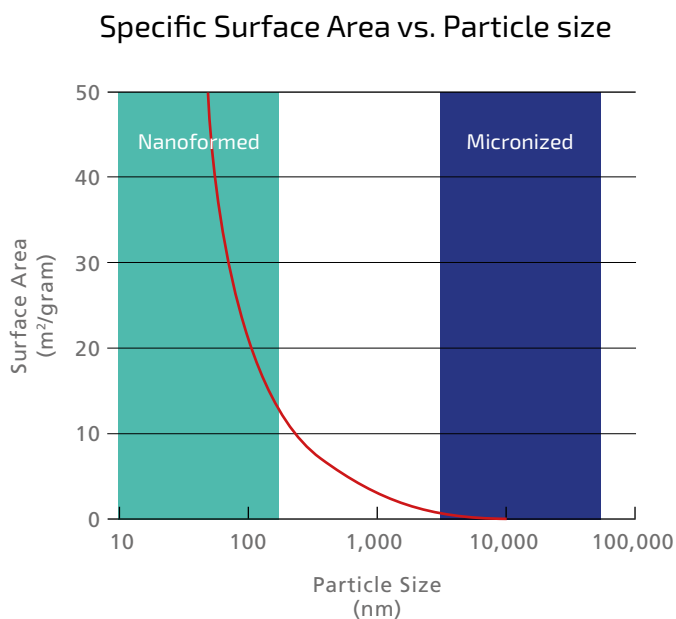
All in all, I look with confidence and excitement forward to the coming quarters and years. We'll continue to work relentlessly towards our 2025 mid-term business targets, with our near-term business targets being at least 20 new non-GMP customer projects, at least three customer GMP projects, Biologics pilot line for GMP and 2 new GMP lines in 2022.

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 Hæggström, CEO Nanoform**

## Smaller particle size improves a drug’s bioavailability



The surface area increases 30 fold from a 10 micron<sup>1</sup> 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

### Nanoform in brief

Nanoform Finland Plc is a public company offering expert services in nanotechnology and drug particle engineering for the global pharma industry. Nanoform employs a pioneering CESS<sup>®</sup> technology used to nanoform APIs into crystalline or stable amorphous nanoparticles. Nanoform 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 of which safety and efficacy could be improved by increased bioavailability provided by the Company’s proprietary CESS<sup>®</sup> technology platform. Using Nanoform’s patented and scalable CESS<sup>®</sup> technology, Nanoform presents the potential to improve the bioavailability and efficacy of drugs by decreasing the size of the drugs’ API particles.

Nanoform has not outsourced or out licensed its patent protected CESS<sup>®</sup> technology platform, in order to keep control of its technology, service offering and know-how.



### The CESS<sup>®</sup> technology

Nanoform’s CESS<sup>®</sup> technology has demonstrated the capability to produce crystalline or stable amorphous nanoparticles below 200 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<sup>®</sup> technology platform provides an opportunity for Nanoform’s customers to improve and tune the particle properties of APIs, for example, size, shape, and polymorph structure, and thereby improve the APIs’ solubility and bioavailability.

The CESS<sup>®</sup> technology may reduce the failure of drugs during clinical trials by enhancing the performance and safety of APIs, it may provide new opportunities for drugs previously failed in clinical trials, it may improve the pharmacokinetic properties of drugs (both in the pharmaceutical pipeline and those already on the market), it may provide new commercial opportunities for drugs, and it may enable new drugs to reach the market.

## Market outlook

Nanoform operates in one of the world's largest markets, the global pharmaceutical market, which 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 per cent 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 ground-breaking 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 market sale. 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 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 to 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 affairs have comprised of both R&D activities, non-GMP projects and tech transfer for GMP for its customers. 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 and can offer significant value and hence will be priced with a material premium to traditional technologies.

## Financial review for January 1 – June 30, 2022

### Revenue

Nanoform Group's revenue in January–June 2022 grew by 100% to EUR 1,650 (824) thousand. The main driver for revenue growth was the increased number of customer projects where the Group has offered expert services in nanotechnology and drug particle engineering for the global pharma and biotech industry. The impact from the two GMP contracts signed in the fourth quarter of 2021 was yet minimal on the revenue recognized. Revenues are recognized over the lifetime of the projects, based on expenses booked for the projects, where hours worked makes up the clear majority.

### Results

Nanoform Group's gross profit doubled to EUR 1,519 (761) thousand in January–June 2022, as the revenue doubled, and the gross margin was unchanged at 92% (92%). We have continued to broaden our inhouse analytical capabilities enabling a high gross margin. The cost synergies from our new 40m<sup>3</sup> CO<sub>2</sub> tank system have not yet been realized.

Nanoform Group's operating loss in January - June 2022 increased by EUR 1,980 thousand to EUR -11,183 (-9,203) thousand, despite the EUR 758 thousand increase in the gross profit, as the employee costs grew by EUR 1,183 thousand (+18%), the other costs by EUR 1,348 thousand - of which IT costs grew by EUR 955 thousand due to the investment in a new ERP system - and the depreciations by EUR 207 thousand.

The Group's costs stem from employee benefit expenses including performance related variable compensations and other operating expenses including premises expenses, IT expenses, marketing and communication expenses, external consultant and professional fees, travel expenses, voluntary personnel related expenses, external R&D expenses, and other expenses.

The loss before tax was EUR -11,335 (-9,609) thousand. Earnings per share was EUR -0.015 (-0,14). The finance income included changes in foreign exchange rates of EUR 478 (1,345) thousand and the finance expenses included changes in the fair market value of share investments of EUR -62 (-549) thousand and changes in foreign exchange rates of EUR -292 (-678) thousand.

### Financial position and cash flows

Nanoform Group's total assets at the end of the review period were EUR 111,196 (103,175) thousand, of which equity accounted for EUR 97,676 (93,210) thousand. Cash and cash equivalents were EUR 83,003 (88,120) thousand. Net debt amounted to EUR -75,727 (-82,563) thousand.

Nanoform Group's net cash flow from operating activities in January–June 2022 was EUR -10,544 (-7,867) thousand. The change in the working capital was EUR -912 (-742) thousand mainly due to change in trade payables and accrued expenses and trade receivables. The Group

continued to invest heavily in building new manufacturing capacity, with the largest investments being two GMP lines with separate cleanrooms, the 40m<sup>3</sup> CO<sub>2</sub> system, a new ERP system and a Biologics pilot line for GMP in addition to additional non-GMP production lines. The total cash-based investments amounted to EUR -5,063 (-2,658) thousand. The net cash flow from investing activities was EUR -5,673 (-2,716). Cash flow from financing activities was EUR 23,302 (37,010) thousand. Cash flow was positively affected by the directed share issue in March 2022 increasing the equity by EUR 23,668 (38,534) thousand net of transaction costs.

### Investments, research and development

The Group's investments in property, plant, and equipment in January–June 2022 amounted to EUR 5,063 (2,658) thousand, consisting mainly of investments in additional GMP and non-GMP production lines at the current manufacturing site as part of the growth strategy. Additions to GMP and non-GMP facilities are classified as construction in progress until a GMP Certificate is obtained for the new GMP lines and until they are commissioned for customer projects for new non-GMP production lines.

The Group R&D expenditure recognized as expenses amounted to EUR 2,490 (1,531) thousand. R&D expenses consist of salaries as well as external R&D services. R&D expenditures are recognized as employee benefit expenses and other operating expenses in the consolidated statement of comprehensive income.

### Personnel and the Board of Directors

During the last twelve months the number of employees has grown by 35 per cent and at the end of the review period, the Group had 143 (106) employees representing 26 nationalities. Within Nanoform's international team of highly skilled professionals there are 39 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 47 employees worked in R&D (including non-GMP customer projects), 23 in GMP Manufacturing and 6 in Customer Project Management. Quality Control had 21 and Quality Assurance 11 professionals. The Commercial team grew to 9. Nanoform has also been able to attract talent in Legal 3 and IT 5 and in corporate functions 18 (e.g., Finance, Procurement, IR, HR).

The company's Annual General Meeting convened on April 12, 2022, and re-elected Miguel Calado (Chairperson), Mads Laustsen, Albert Hæggeström and Jeanne Thoma to the company's Board of Directors for the next term of office. The CEO was Edward Hæggeström.

### 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 com-



pany had 78,314,964 (72,535,146) shares after a directed share issue in March 2022 and share subscriptions by stock options in April and in June 2022. The share's volume weighted average price during the review period was EUR 4.76 (7.09) and SEK 48.37 (72.51). The highest price paid during the January–June review period was EUR 6.96 (8.80) and SEK 71.10 (88.30) and the lowest price paid EUR 3.43 (5.84) and SEK 36.30 (59.80). The closing price of the share at the end of review period was EUR 3.52 (7.13) and SEK 38.50 (72.40). The market value of the share capital on June 30, 2022, was EUR 275.3 (517.2) million.

Nanoform had more than 8,500 shareholders at the end of the period - some five hundred fewer than a year ago - with somewhat more than half of them holding EUR nominated shares and somewhat less than half of them holding SEK nominated shares. The 25 largest shareholders held some 76 per cent 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 16 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 and 1/2022. Based on all the option programs, with strike prices ranging from EUR 1.1 to EUR 9.00 a total maximum number of 4,388,510 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 a new technology that has not yet been widely applied in humans. As Nanoform is 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 adaption of new technologies can take longer than expected.

Risks associated with the Group's financial position mainly comprise 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. 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](#).

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

Nanoform held its Annual General Meeting (the "AGM") for 2022 on April 12, 2022.

The AGM approved the financial statements and discharged the Board of Directors and the CEO of the Company from liability for the financial year 2021. The Meeting decided that no dividend will be paid for the financial year that ended on December 31, 2021.

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 Hægström 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 10,000 for the Chairman and EUR 6,000 for the Board Members, EUR 3,000 for the Chairman of the Audit and Compensation Committee and EUR 2,000 for the Members of the Audit and Compensation Committee. The AGM resolved further that approximately 50% of the remuneration be paid in Company's shares and 50% be paid in cash, both in one instalment.

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 7,000,000 shares may be repurchased. The authorization will be valid until the beginning of the next Annual General Meeting.

Furthermore, the AGM authorized the Board of Directors to resolve upon the directed issuance of new shares and special rights entitling to shares, in the aggregate up to 7,000,000 shares. The authorization is in force until April 12, 2027. The authorization replaces and revokes all 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 12, 2022, at the constitutive meeting following the annual general meeting, the Board of Directors resolved to elect as members of the Audit and Compensation Committee (AC): Miguel Calado (Chairperson), Jeanne Thoma (Ordinary member), and Mads Laustsen (Ordinary member). 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.

# Condensed interim financial information

## January–June 2022

### Consolidated statement of comprehensive income

EUR thousand	Note	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
<b>Revenue</b>	4	890	546	1,650	824	1,955
Other operating income						0
Materials and services		-70	-28	-131	-63	-162
Employee benefits	7	-4,160	-3,693	-7,636	-6,453	-13,791
Depreciation, amortization and impairment losses	6	-586	-483	-1,127	-920	-1,960
Other operating expenses	5	-2,144	-1,183	-3,939	-2,591	-5,747
<b>Total expenses</b>		<b>-6,960</b>	<b>-5,388</b>	<b>-12,833</b>	<b>-10,027</b>	<b>-21,660</b>
<b>Operating loss</b>		<b>-6,070</b>	<b>-4,841</b>	<b>-11,183</b>	<b>-9,203</b>	<b>-19,705</b>
Finance income		263	295	495	1,431	2,585
Finance expenses		-248	-792	-647	-1,836	-2,567
<b>Total finance income and expenses</b>		<b>15</b>	<b>-498</b>	<b>-152</b>	<b>-405</b>	<b>18</b>
<b>Loss before tax</b>		<b>-6,055</b>	<b>-5,339</b>	<b>-11,335</b>	<b>-9,609</b>	<b>-19,687</b>
Income tax		-4	-1	-16	-1	-3
<b>Loss for the period</b>		<b>-6,058</b>	<b>-5,340</b>	<b>-11,352</b>	<b>-9,610</b>	<b>-19,690</b>
<b>Loss for the period attributable to the equity holders of the parent company</b>		<b>-6,058</b>	<b>-5,340</b>	<b>-11,352</b>	<b>-9,610</b>	<b>-19,690</b>
<b>Other comprehensive income</b>						
Items that may be reclassified to loss in subsequent periods						
Translation differences		5	0	6	1	3
<b>Other comprehensive income, net of tax</b>		<b>5</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>3</b>
<b>Total comprehensive income total</b>		<b>-6,053</b>	<b>-5,340</b>	<b>-11,346</b>	<b>-9,609</b>	<b>-19,686</b>
<b>Total comprehensive income for the period attributable to the equity holders of the parent company</b>		<b>-6,053</b>	<b>-5,340</b>	<b>-11,346</b>	<b>-9,609</b>	<b>-19,686</b>
Basic earnings per share, EUR		-0.08	-0.07	-0.15	-0.14	-0.29
Diluted earnings per share, EUR		-0.08	-0.07	-0.15	-0.14	-0.29

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.

## Consolidated statement of financial position

EUR thousand	Note	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		368	246	287
Property, plant, and equipment	6	23,423	12,420	19,718
Investments		2,436	1,245	1,998
Other receivables		291	291	286
<b>Total non-current receivables</b>		<b>26,517</b>	<b>14,202</b>	<b>22,289</b>
<b>Current assets</b>				
Trade receivables		285	240	170
Other receivables		244	122	587
Prepaid expenses and accrued income		1,146	491	575
Cash and cash equivalents	8	83,003	88,120	75,733
<b>Total current assets</b>		<b>84,678</b>	<b>88,973</b>	<b>77,064</b>
<b>Total assets</b>		<b>111,196</b>	<b>103,175</b>	<b>99,353</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		80	80	80
Reserve for invested unrestricted equity		152,513	128,600	128,599
Accumulated deficit		-43,565	-25,860	-24,495
Loss for the period		-11,352	-9,610	-19,690
<b>Total equity</b>		<b>97,676</b>	<b>93,210</b>	<b>84,494</b>
<b>Non-current liabilities</b>				
Lease liabilities	8	6,297	4,625	6,691
Advances received				
Trade payables				
<b>Total non-current liabilities</b>		<b>6,297</b>	<b>4,625</b>	<b>6,691</b>
<b>Current liabilities</b>				
Provisions				1
Lease liabilities	8	979	931	972
Advances received		969	154	792
Trade payables		1,665	1,439	1,851
Other liabilities		294	217	331
Accrued expenses	9	3,316	2,599	4,222
<b>Total current liabilities</b>		<b>7,222</b>	<b>5,339</b>	<b>8,168</b>
<b>Total liabilities</b>		<b>13,519</b>	<b>9,965</b>	<b>14,859</b>
<b>Total equity and liabilities</b>		<b>111,196</b>	<b>103,175</b>	<b>99,353</b>

## Consolidated statement of changes in equity

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
<b>At January 1, 2022</b>	<b>80</b>	<b>128,599</b>	<b>2</b>	<b>-44,187</b>	<b>84,494</b>
Loss for the period				-11,352	-11,352
Other comprehensive income					
Translation differences			6		6
<b>Transactions with equity holders of the Company</b>					
Increase of the share capital					
Share subscription with stock options		246			246
Share issue *)		23,668			23,668
Share-based payments				614	614
<b>At June 30, 2022</b>	<b>80</b>	<b>152,513</b>	<b>9</b>	<b>-54,926</b>	<b>97,676</b>

\*) netted transaction costs EUR 892 thousand

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
<b>At January 1, 2021</b>	<b>80</b>	<b>89,680</b>	<b>-1</b>	<b>-27,124</b>	<b>62,635</b>
Loss for the period				-9,610	-9,610
Other comprehensive income					
Translation differences			1		1
<b>Transactions with equity holders of the Company</b>					
Increase of the share capital					
Share subscription with stock options		386			386
Share issue *)		38,534			38,534
Share-based payments				1,264	1,264
<b>At June 30, 2021</b>	<b>80</b>	<b>128,600</b>	<b>0</b>	<b>-35,470</b>	<b>93,210</b>

\*) netted transaction costs EUR 1,463 thousand

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
<b>At January 1, 2021</b>	<b>80</b>	<b>89,680</b>	<b>-1</b>	<b>-27,124</b>	<b>62,635</b>
Loss for the period				-19,690	-19,690
Other comprehensive income					
Translation differences			3		3
<b>Transactions with equity holders of the Company</b>					
Increase of the share capital					
Share subscription with stock options		386			386
Share issue *)		38,533			38,533
Share-based payments				2,626	2,626
<b>At December 31, 2021</b>	<b>80</b>	<b>128,599</b>	<b>2</b>	<b>-44,187</b>	<b>84,494</b>

\*) netted transaction costs EUR 1,464 thousand

## Consolidated statement of cash flow

EUR thousand	Note	1–6/2022	1–6/2021	1–12/2021
<b>Cash flow from operating activities</b>				
Loss before tax		-11,335	-9,609	-19,687
Adjustment for:				
Depreciation, amortization and impairment losses	6	1,127	920	1,960
Finance income and expenses		152	405	-18
Share-based payments	7	614	1,264	2,626
Other adjustments <sup>*)</sup>		-1		-100
Change in net working capital:				
Trade and other receivables		-344	-309	-782
Trade payables and other liabilities		-569	-433	1,875
Change in other receivables (non-current)		-5	4	9
Interest paid		-184	-122	-255
Interest received		17	12	25
Paid tax		-16	-1	-3
<b>Net cash used in operating activities</b>		<b>-10,544</b>	<b>-7,867</b>	<b>-14,349</b>
<b>Cash flow from investing activities</b>				
Payments for intangible assets		-110	-57	-184
Payments for property, plant, and equipment	6	-5,063	-2,658	-7,737
Payments for investments		-499		-1,200
<b>Net cash used in investing activities</b>		<b>-5,673</b>	<b>-2,716</b>	<b>-9,121</b>
<b>Cash flow from financing activities</b>				
Proceeds from share issues		24,560	39,996	39,996
Transaction costs from the share issues		-892	-1,463	-1,464
Acquisitions of treasury shares				
Share subscription with stock options		246	386	386
Repayment of R&D loans	8		-1,381	-1,391
Repayment of lease liabilities	8	-612	-529	-1,124
<b>Net cash from financing activities</b>		<b>23,302</b>	<b>37,010</b>	<b>36,404</b>
<b>Net increase (+) decrease (-) in cash and cash equivalents</b>		<b>7,085</b>	<b>26,427</b>	<b>12,934</b>
Cash and cash equivalents at the beginning of period		75,733	61,025	61,025
Effects of exchange rate changes on cash and cash equivalents		185	667	1,773
<b>Cash and cash equivalents at the end of the period</b>		<b>83,003</b>	<b>88,120</b>	<b>75,733</b>

### \* ) Other adjustments

EUR thousand	1–6/2022	1–6/2021	1–12/2021
Lease adjustments			15
Other operating expenses – impairments of fixed assets			-60
Other operating expenses – change in fixed asset materiality consideration			-50
Other operating expenses – provision for onerous contract		-1	1
Other adjustments – provision for credit loss			-5
<b>Total</b>	<b>-1</b>		<b>-100</b>

## Selected notes

### 1. Company information

Nanoform (“Nanoform”, “Group”) is an international group offering expert services in nanotechnology and drug particle engineering 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 interim financial information for the January – June 2022 periods has been prepared in accordance with IAS 34 Interim Financial Reporting. In preparation of this interim report, Nanoform has applied the same accounting policies, methods of computation and presentation as in the financial statements for the year ended December 31, 2021.

In 2020, the Company established a subsidiary (Nanoform USA Inc.) in the United States and as the result, Nanoform Group was formed. The consolidated financial statements include the parent company, Nanoform Finland Plc, and the subsidiary in the USA, Nanoform USA Inc. The parent company holds 100% ownership of its subsidiary. The subsidiary is 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 euro 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 each quarter at the average exchange rate for the financial year. 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. Figures in this interim report have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

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 judgement 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 judgement 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 judgement to evaluate the economic lifetime of property, plant, and equipment. Management will review technological development regularly also in the future to ensure that property, plant, and equipment are carried at no more than at their recoverable amount.

Nanoform has carried out measures to ensure the security and functionality of supply chains and has contingency plans in place to mitigate the risk of potential shortages. Nanoform has also taken special measures to ensure safety of its personnel and safeguarded the continuity of its operations and services due to COVID-19. There has not been any significant delays or disruptions to customer project timelines due to the COVID-19 pandemic. During the review period the COVID-19 pandemic did not have any significant impact on methods of computation and presentation applied in the financial statements.

Nanoform’s Board of Directors has approved this interim report in its meeting on August 24, 2022. This half-year 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:

- On March 22, 2022, the Board of Directors resolved on a directed share issue to institutional and other qualified investors, where a total of 5,581,818 new shares were issued. The subscription price was EUR 4.40 and SEK 45.68 per share and the total proceeds of EUR 24,560 thousand were recorded in the invested unrestricted equity reserve, netted with transaction costs of EUR 892 thousand.
- Revenue increased due to the increased number of non-GMP and GMP projects, where the Group has offered expert services in nanotechnology and drug particle engineering for the global pharma and biotech industry. (See note 4 Segment information and revenue).
- 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 35% to 143 (106), while the total employee benefit expenses grew by 18% to EUR 7,636 (6,453) thousand for the review period.

- Other operating expenses included premises expenses, IT expenses, marketing and communication expenses, external consultant and professional fees, travel expenses, voluntary personnel related expenses, external R&D expenses and other expenses. The main reason for the increase in the other operating expenses compared with the same period last year was the ERP project, which increased the IT costs by some EUR 850 thousand (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.
- On April 12, 2022, the Board of Directors approved share subscriptions based on stock option programs (1/2019, 2/2019, 3/2019, 5/2019 and 1/2020). On June 6, 2022, the Board of Directors approved share subscriptions based on stock option programs (1/2019, 2/2019 and 1/2020). The total subscription price for subscriptions made with stock options of EUR 246 thousand was booked in the reserve for invested unrestricted equity.
- On May 27, 2022, the Group made additional investment to Herantis Pharma Plc shares for the amount EUR -499 thousand and holds some 6,9% of the outstanding shares.
- On June 6, 2022, the Board of Directors resolved to issue stock options to key personnel, the total number of option rights to be issued is at most 485,000. Each stock option entitles to subscribe for one new share and the subscription price is EUR 9.00 per share.
- The increase in property, plant, and equipment is mainly related to construction in progress related to GMP lines 2&3, and non-GMP lines and acquired new equipment

related to quality control. Additions to GMP and non-GMP facilities are classified as construction in progress until GMP Certificate is obtained for the new GMP lines and new non-GMP production lines are commissioned (see note 6 Property, plant, and equipment).

- The increase in the right-of-use assets and lease liabilities is due to prolonged leasing periods and extended leasing agreements in the Viikki manufacturing site (see note 6 Property, plant, and equipment and note 8 Net debt).

#### 4. Segment information and revenue

Nanoform offers expert services in nanotechnology and drug particle engineering. Nanoform's chief operative 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 in nanotechnology and drug particle engineering services widely to minimize dependence from a single customer or project. Nanoform's revenue consists of non-GMP and GMP projects related to nanoforming and drug particle engineering 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. The following table summarizes the revenue breakdown:

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Europe	494	461	916	662	1,558
United States	396	85	734	161	397
<b>Total</b>	<b>890</b>	<b>546</b>	<b>1,650</b>	<b>824</b>	<b>1,955</b>

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Services transferred over time	890	546	1,650	824	1,955
<b>Total</b>	<b>890</b>	<b>546</b>	<b>1,650</b>	<b>824</b>	<b>1,955</b>

## 5. Other operating expenses

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Premises expenses	32	31	63	52	100
IT expenses	798	152	1,189	234	780
Marketing and communication expenses	175	136	342	290	589
Consultant and professional fees	270	272	639	624	1,150
Travel expenses	107	18	167	37	146
Voluntary personnel related expenses	226	149	413	384	745
R&D expenses – external	136	169	366	539	930
Other expenses	400	256	760	432	1,306
<b>Total</b>	<b>2,144</b>	<b>1,183</b>	<b>3,939</b>	<b>2,591</b>	<b>5,747</b>

The increase in other operating expenses stems mainly from the ongoing ERP project (IT expenses) and increased smaller purchases related to property, plant, and equipment which do not fulfill the activation criteria (other expenses).

## 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. Construction in progress includes the cost of

planning, designing, and building of new GMP and non-GMP production lines.

Construction in progress consist of expenses related to GMP lines 2&3, and non-GMP lines and new equipment related to Quality Control which do not yet fulfill the activation criteria.

EUR thousand	Machinery and equipment	Right-of-use assets	Improvements to leasehold premises	Construction in progress	Total
<b>Net book value at January 1, 2022</b>	3,465	7,213	1,233	7,807	19,718
Additions	164	153	21	4,553	4,891
Disposals <sup>*)</sup>		-37		-52	-89
Reclassification	850			-850	
Depreciations	-501	-525	-72		-1,098
<b>Net book value at June 30, 2022</b>	<b>3,978</b>	<b>6,804</b>	<b>1,182</b>	<b>11,459</b>	<b>23,423</b>

EUR thousand	Machinery and equipment	Right-of-use assets	Improvements to leasehold premises	Construction in progress	Total
<b>Net book value at January 1, 2021</b>	2,032	5,413	1,090	1,481	10,016
Additions	217	195	119	2,828	3,360
Disposals <sup>*)</sup>		-11		-46	-58
Reclassification	1,089		72	-1,161	
Depreciations	-369	-468	-62		-898
<b>Net book value at June 30, 2021</b>	<b>2,970</b>	<b>5,128</b>	<b>1,219</b>	<b>3,103</b>	<b>12,420</b>



EUR thousand	Machinery and equipment	Right-of-use assets	Improvements to leasehold premises	Construction in progress	Total
<b>Net book value at January 1, 2021</b>	2,032	5,413	1,090	1,481	10,016
Additions	556	596	133	8,353	9,638
Reassessment		2,220			2,220
Disposals <sup>*)</sup>	-118	-51		-74	-243
Reclassification	1,810		142	-1,952	
Depreciations and impairments <sup>**)</sup>	-815	-965	-133		-1,913
<b>Net book value at December 31, 2021</b>	<b>3,465</b>	<b>7,213</b>	<b>1,232</b>	<b>7,808</b>	<b>19,718</b>

<sup>\*)</sup> 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.

<sup>\*\*)</sup> Impairments consists of changes in machinery and equipment carrying amount due to fast technological development.

## 7. Share-based payments

Nanoform has 16 share-based incentive plans: Option programs 1–5/2019, 1–5/2020, 1–5/2021 and 1/2022. 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 and 1/2022 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 614 (1,264) thousand.

The factors used to determine the fair value and the end of the subscription periods of the 2019, 2020, 2021 and 2022 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	End of the share subscription period
<b>01-05/2019</b>	1.30–1.62	1.10	64.85	0.01	0.74–1.00	Until further notice
<b>01-05/2020</b>	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
<b>01-05/2021</b>	5.97–7.50	9.00	44.97–47.62	0.01	1.72–2.49	Apr 6, 2026– Aug 27, 2026
<b>01/2022</b>	3.52	9.00	42.5	1.33	0.65	June 6, 2027

## 8. Net debt

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

EUR thousand	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Cash and cash equivalents	-83,003	-88,120	-75,733
<b>Net debt excluding lease liabilities</b>	<b>-83,003</b>	<b>-88,120</b>	<b>-75,733</b>
Current lease liabilities	979	931	972
Non-current lease liabilities	6,297	4,625	6,691
<b>Net debt</b>	<b>-75,727</b>	<b>-82,563</b>	<b>-68,070</b>

Lease liabilities consists of rental agreements for current manufacturing, office site and apartments.

## 9. Related party transactions

Related parties comprise of the persons or entities related to any of the companies belonging to the Nanoform Group. The definition of related parties of the Group is based on the definitions included in the international IAS 24 standards.

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

EUR thousand	1–6/2022		
	Fees settled in cash*	Fees settled in shares**	Share-based payments
Miguel Maria Calado	91	79	19
Albert Hæggström, CFO	43	36	41
Mads Laustsen	55	49	12
Jeanne Thoma	55	49	37
<b>Total</b>	<b>244</b>	<b>213</b>	<b>109</b>

\* ) Fees in cash and in shares include a one time payment for the monthly remuneration payable to the members of the Board of Directors for the term until the end of the Annual General meeting in 2023.

\*\* ) Fees settled in shares includes transfer tax.

EUR thousand	1–6/2021		
	Fees settled in cash*	Fees settled in shares**	Share-based payments
Miguel Maria Calado	20		214
Albert Hæggström, CFO	10		142
Mads Laustsen	13		142
Cynthia Schwalm	8		41
<b>Total</b>	<b>51</b>		<b>539</b>

EUR thousand	1–12/2021		
	Fees settled in cash*	Fees settled in shares**	Share-based payments
Miguel Maria Calado	40		365
Albert Hæggström, CFO	20		400
Mads Laustsen	23		243
Jeanne Thoma	3		51
Cynthia Schwalm	8		41
<b>Total</b>	<b>95</b>		<b>1,101</b>

## Compensation for CEO and Management team

EUR thousand	1–6/2022		
	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	162	21	
Management team*)	744	118	99
<b>Total</b>	<b>906</b>	<b>139</b>	<b>99</b>

EUR thousand	1–6/2021		
	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	162	29	
Management team*)	1,033	198	596
<b>Total</b>	<b>1,194</b>	<b>227</b>	<b>596</b>

EUR thousand	1–12/2021		
	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	314	55	
Management team*)	1,584	289	1,366
<b>Total</b>	<b>1,899</b>	<b>344</b>	<b>1,366</b>

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

The following related party balances are included in the consolidated statement of financial position:

### Key management personnel

EUR thousand	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Liabilities to key management*)	109	558	269
<b>Total</b>	<b>109</b>	<b>558</b>	<b>269</b>

\*) Includes annual variable pay and variable pay component stemming from listing.

## 10. 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 4,331 (6,963) 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.

## 11. Events after the review period

- In July, Nanoform announced that it has partnered with Pharmanovia, a fast-growing specialty pharma business with a portfolio of over 20 branded drugs in 140 markets. The new strategic partnership aims to add value to branded prescription medicines. Pharmanovia will look to apply Nanoform's proprietary nanoparticle technologies and formulation know-how to leading established pharmaceutical brands. The partnership starts with an iconic branded medicine where both parties see value in enhancing bioavailability for patient benefit. The value of the stage-gated agreement is according to Nanoform's business model for non-GMP and cGMP work.

## Appendix 1

### Key figures

EUR thousand	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021	1–12/2020	1–12/2019
Revenue	890	546	1,650	824	1,955	687	49
Revenue growth %	63%	185%	100%	141%	185%	n.m.	n.m.
Gross profit	820	518	1,519	761	1,792	497	-323
Gross margin	92%	95%	92%	92%	92%	72%	neg.
EBITDA	-5,484	-4,358	-10,057	-8,283	-17,745	-18,196	-6,900
Operating loss	-6,070	-4,841	-11,183	-9,203	-19,705	-19,423	-7,344
Loss for the period	-6,058	-5,340	-11,352	-9,610	-19,690	-19,441	-7,554
Basic EPS (EUR)	-0.08	-0.07	-0.15	-0.14	-0.29	-0.35	-0.19
Net debt	-75,727	-82,563	-75,727	-82,563	-68,070	-54,156	-3,640
Net debt excluding lease liabilities	-83,003	-88,120	-83,003	-88,120	-75,733	-59,977	-6,626
Investments in property, plant, and equipment	-2,759	-1,798	-5,063	-2,658	-7,737	-2,336	-1,804
Operative free cash flow	-8,243	-6,156	-15,120	-10,941	-25,482	-20,532	-8,704
Cash and cash equivalents (end of period)	83,003	88,120	83,003	88,120	75,733	61,025	7,303
Personnel at the end of reporting period	143	106	143	106	125	74	43

### 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 + Other operating income - 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 R&D loans + Long-term R&D loans + Short-term lease liabilities + Long-term lease liabilities - Cash and cash equivalents	Net debt is an indicator to measure the total external debt financing of Nanoform
Net debt excluding lease liabilities	Short-term R&D loans + Long-term R&D 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
Operative 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

Interim Report for January–September 2022 will be published November 29, 2022.

Financial Statements review for January–December 2022 and Financial Statements for financial year 2022 will be published February 28, 2023.

