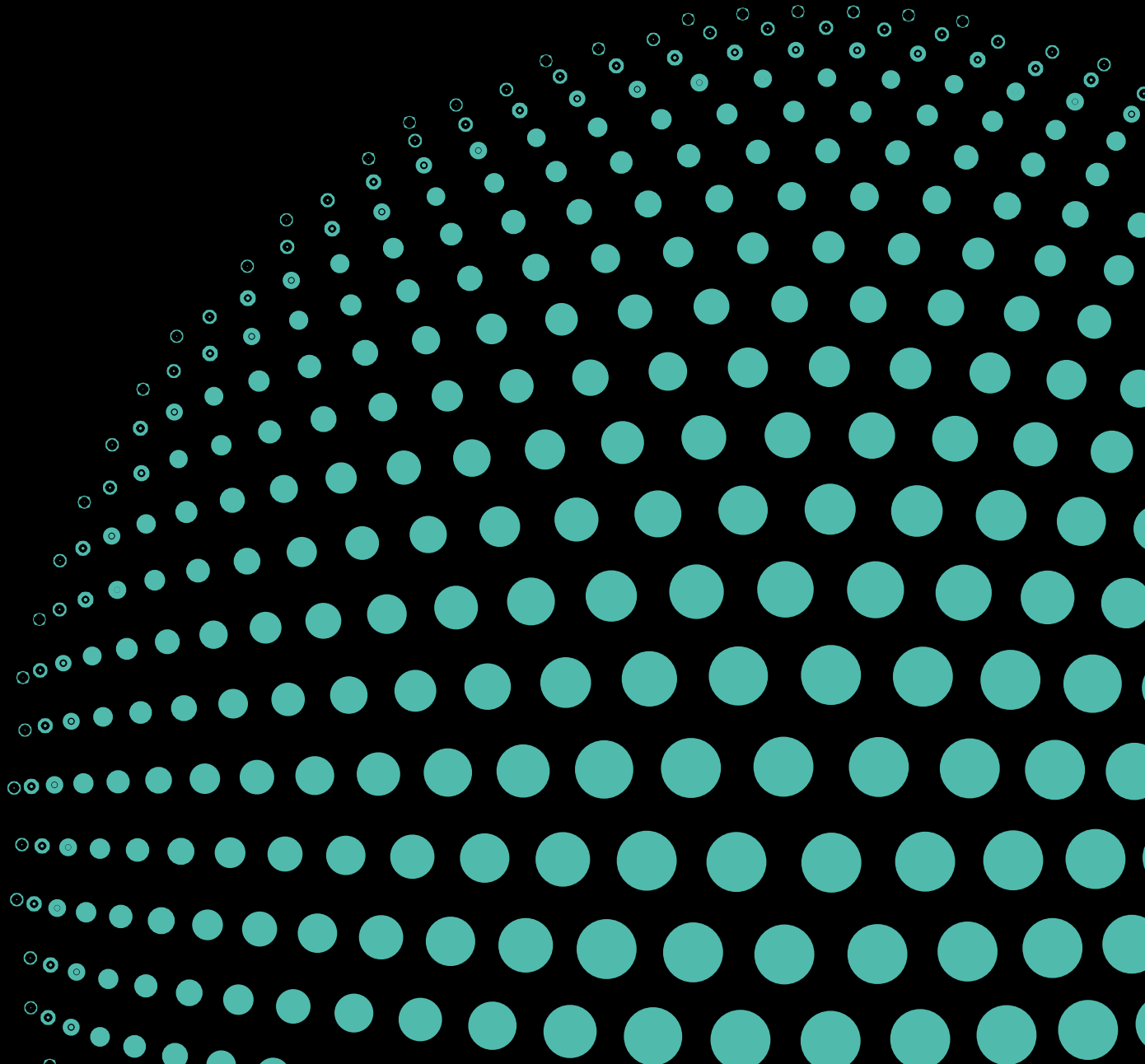


Q4 Financial Statements Review

JANUARY–DECEMBER 2022



Nanoform's January–December 2022 review:

After three years of large investments in personnel, systems and equipment, the focus has shifted from building capacity to improving productivity and the operating free cashflow. The fourth quarter saw a new quarterly record in customer meetings and proposals sent as the pharma community broadly again joined conferences after finally leaving covid behind. Revenues recognized also reached a new high as the ongoing GMP projects started to impact the topline, which led to the second quarter in a row with an improved EBITDA and cashflow vs the previous year. Two new business targets for 2023 were introduced: "Increased number of non-GMP and GMP projects signed in 2023 vs 2022 and "Improved operating free cashflow in 2023 vs 2022". Our balance sheet is strong with EUR 68m in cash and no debt.

10–12/2022 key financials:

- Revenue grew by 51% to EUR 0.99 million, compared with EUR 0.66m in 10–12/2021.
- The gross profit rose to EUR 0.81 million, with a gross margin of 82% (EUR 0.61 million, 93% in 10–12/2021).
- Total operating costs* grew by 5% to EUR 5.77 million (EUR 5.50 million).
- The number of employees grew by 20% to 150 (125) compared with one year ago.
- EBITDA improved slightly to EUR -4.78 million (EUR -4.85 million).
- The operating loss was flat at EUR -5.4 million (EUR -5.4 million).
- The loss for the period was flat at EUR -5.6 million (EUR -5.6 million).
- Basic EPS was EUR -0.07 (EUR -0.08).
- Cash position was EUR 68.7 million on December 31, 2022 (EUR 75.7 million).

1–12/2022 key financials:

- Revenue grew by 78% to EUR 3.49 million, stemming from 35 different customer projects (EUR 1.95m, 22 projects in 1–12/2021).
- The gross profit rose to EUR 3.15 million, with a gross margin of 90% (EUR 1,79 million, 92%).
- Total operating costs* grew by 14% to EUR 22.5 million (EUR 19.7 million).
- EBITDA came in at EUR -19.0 million (EUR -17.7 million).
- The operating loss was EUR -21.4 million (EUR -19.7 million).
- The loss for the period was EUR -22.1 million (EUR -19.7 million).
- Basic EPS was EUR -0.29 (EUR -0.29).
- EUR 25 million (gross) was raised in a new share issue in the first quarter.

(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 1–12/2022

- 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.

- 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 based on Nanoform’s business model for non-GMP and cGMP work.
- On October 25, Nanoform and TargTex, a European biotech company, presented highly promising in-vivo data, enabled by a nanoformed drug product for the treatment of glioblastoma multiforme (GBM), at the PODD Conference in Boston, USA.
 - The data was generated for a planned Phase 1/2a clinical trial, due to commence in early 2024. Nanoform will deliver GMP grade nanoformed material to TargTex for the clinical trial. The drug is a selective Ca²⁺ channel blocker delivered by implantation at the site of the resected tumor in the brain. Nanoform and TargTex have collaborated in the optimization of a hydrogel formulation enabled by nanoformulation of the drug.
 - The study was conducted in a rat model for GBM in which tumor cells are injected into the brain. After 2–3 weeks, the nanoformulated hydrogel was delivered locally in the brain of the animal, on top of the tumor. The study results showed long term survival of 40 per cent of the treated animals and no microscopic tumor cells were detected in these animals at sacrifice.
 - The nanoformed drug product provided a controlled release and deep drug diffusion across the brain parenchyma. The data showed no systemic exposure, and the drug was not toxic at maximum loading concentration. The study was performed at a sub-therapeutic dose that can be increased by at least 2-fold. Future studies are planned to be performed at increased drug concentrations with the goal to further improve long term survival.
- Nanoform previously disclosed on November 15, 2021, that it has signed an agreement to manufacture nanoformed GMP material for a European headquartered international company. Following 12 months of preclinical development work, two privately held European pharmaceutical development and manufacturing organizations have now decided to join Nanoform and the European headquartered international company in funding the development and commercialization of this more patient centric version of a current blockbuster drug. For this purpose, the parties entered into a collaboration agreement on November 17, 2022. Under the terms of the agreement, Nanoform and the three other parties will fund in equal shares the completion of this development program. As Nanoform will continue to be remunerated for its work, the development stage of the collaboration is not expected to have

a negative cash flow effect on Nanoform. In the event that the commercialization is successful, Nanoform expects to retain a 25% share of the net-income received by the parties. First clinical trials on the improved drug product are expected to commence in 2023.

- In November, Nanoform filed to Fimea a notification of an update to our manufacturer’s authorization to enable the nanoforming of new API.
- At the end of the year, Niklas Sandler transitioned from CTO to technology advisor to the CEO.
- During 1–12/2022 17 new non-GMP and one GMP projects were signed, with more than a dozen customers, both new and repeat customers, both US and Europe based.
- During 1–12/2022 four new non-GMP lines were commissioned, taking the total number of lines to 18 non-GMP lines and one GMP line.

Significant events after 1–12/2022

- As of January 1, 2023, Antonio da Silva was appointed CBO and a member of the management team.
- A total of 29,000 Nanoform Finland Plc’s new shares has been subscribed for with the Company’s stock options 3/2019, 5/2019 and 1/2020 by 3 January 2023. The entire subscription price for subscriptions made with the stock options of EUR 34 thousand will be entered in the Company’s reserve for invested unrestricted equity.
- Nanoform has established a new subsidiary in UK, Nanoform U.K. Ltd on January 3, 2023.
- On February 28, Nanoform announced two new near-term business targets for 2023: “Increased number of non-GMP and GMP projects signed in 2023 vs 2022” and “Improved operating free cashflow in 2023 vs 2022”.

Nanoform 1–12/2022 Conference call

Helsinki, Finland – Nanoform Finland Plc (“Nanoform”), an innovative nanoparticle medicine enabling company, will publish its Q4 and FY2022 report Tuesday February 28th, 2023, 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/46521>

Teleconference dial-in numbers:

<https://conference.financialhearings.com/teleconference/?id=5009553>

Nanoform Group's key figures

Financial KPI's

EUR thousand	10–12/ 2022	10–12/ 2021	1–12/ 2022	1–12/ 2021	1–12/ 2020	1–12/ 2019
Revenue	986	655	3,487	1,955	687	49
Revenue growth %	51%	252%	78%	185%	n.m.	n.m.
Gross profit	812	612	3,147	1,792	497	-323
Gross margin	82%	93%	90%	92%	72%	neg.
EBITDA	-4,784	-4,847	-19,027	-17,745	-18,196	-6,900
Operating loss	-5,430	-5,394	-21,409	-19,705	-19,423	-7,344
Loss for the period	-5,568	-5,567	-22,075	-19,690	-19,441	-7,554
Basic EPS (EUR)	-0.07	-0.08	-0.29	-0.29	-0.35	-0.19
Net debt	-61,807	-68,070	-61,807	-68,070	-54,156	-3,640
Net debt excluding lease liabilities	-68,740	-75,733	-68,740	-75,733	-59,977	-6,626
Investments in property, plant, and equipment	-2,044	-3,275	-8,965	-7,737	-2,336	-1,804
Operative free cash flow	-6,829	-8,123	-27,992	-25,482	-20,532	-8,704
Cash and cash equivalents (end of period)	68,740	75,733	68,740	75,733	61,025	7,303

Operational KPI's

	10–12 2022	10–12/ 2021	1–12/ 2022	1–12/ 2021	1–12/ 2020	1–12/ 2019
Number of new customer projects signed during the period						
Non-GMP	2	2	17	16	10	2
GMP	1	2	1	2		
Total number of new customer projects	3	4	18	18	10	2
Number of lines (end of the period)						
Non-GMP	18	14	18	14	8	4
GMP	1	1	1	1	1	
Total number of lines (end of period)	19	15	19	15	9	4
Number of employees (end of the period)	150	125	150	125	74	43

Company near-term business targets for 2023 (new)

- Increased number of non-GMP and GMP projects signed in 2023 vs 2022
- Improved operating free cashflow in 2023 vs 2022

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

Holding the course, focus on operational efficiency and growth.

Nanoform has continued to make solid progress on its journey to become a technology platform provider for the global pharma industry, while the macroeconomic environment continued to throw curveballs. In 2020 we had covid, draconian lockdowns, and fiscal & monetary expansion like never before. In 2021 we saw the storming of the US Capitol, global supply chain chaos, and crypto frenzy. In 2022 the volatility increased further, with a war breaking out in Ukraine, rampant inflation, and a rapid end to a decade of zero interest policy by the central banks, which led to significant losses on all financial markets. I'm proud of what we've achieved during these three years, focusing and executing on our growth strategy and being able to show significant progress in the tumultuous global macro environment. Personally, I believe that human optimism & ingenuity will once again prevail, and better times lie ahead of us.

For Nanoform 2020–22 were years of building a capable organization and making large investments. 2023–25 will be about productivity increases and improved operating cashflow, working relentlessly towards our 2025 midterm business target of becoming cash flow positive. The way to execute that is nontrivial but clear; continue to grow the topline and keep the operating costs and capital expenditure under control. In 2023 we see potential to progress on all three fronts. As first positive signs, 4Q22 was the second quarter in a row with both improved EBITDA and improved operating cashflow compared with the same quarters in the previous year.

We've now reached a critical mass where we can serve dozens of clients in parallel on non-GMP projects, manufacture GMP material for several clinical trials annually, while helping our clients overcome their pharmaceutical development challenges. At the same time, we see significant potential to improve the productivity and to increase the output of our quite impressive fleet of nanoforming lines and related capabilities. One concrete example is the number of projects we can do per line per year. Here we already ran five different client APIs on one of our non-GMP CESS® lines during 2022. If we can do that on all our ~20 lines, the productivity improvement will be significant. Another interesting insight during 2022 is that our Biologics lines should be able to do at least as many projects per line per year as the CESS® lines.

On the topic of our recent large investments, we are very excited about our two new GMP lines which substantially increase our GMP capacity. Both pharma partners and investors who visited us were impressed by these high potency lines which provide containment to 30 ng/m³, multi-API capability (wash in place & clean in place) and automation



(process control). This cleanliness level equals ~1 grain of sand in a 50m Olympic swimming pool. Another large investment during 2022 was our ERP project, evident in the IT costs during the year; after hard work by many Nanoformers, we successfully went live with SAP S/4HANA on Jan 2, 2023. The new software platform enables and supports implementation of best practices from the pharma industry and accelerates the continued industrialization and scale-up of our nanoforming services in the coming years. Our Biologics team also did a great job by getting the Biologics pilot line for GMP up and running during the year. In addition, they built two new non-GMP lines, thereby doubling our capacity, which should come in handy, as it – based on the growth in proposals sent for Biological POCs – seems like our customers are warming up to the idea of nanoforming Biological assets.

Our commercial and business intelligence team made significant investments in 2022, both in personnel, brand building, BI, conferences & travel. After 2+ years of covid related travel bans among much of the pharma industry, H2/22 saw pharma experts again travel to conferences en masse and we

ended 2022 with strong client interaction momentum and a record number of proposals sent in a quarter. The team looks forward to 2023 bringing further client engagements, many new interesting projects, and achieving our near-term business target of more new non-GMP and GMP projects signed in 2023 vs 2022.

We continue to expand our patent portfolio and during 2022 we filed patents in several new patent families. These filings cover the full spectrum of our service offering, from CESS®, to our process for biologics, as well as pharmaceutical development, where we see mounting evidence that small is a powerful ingredient when formulating new drug products for our clients.

Nanoform is preparing several submissions to Fimea in 2023 to update our current Manufacturer's Authorization. The processing of Nanoform's notification to enable nano-forming of multiple APIs in the GMP facility is on-going at Fimea. Submissions will be made to include new production areas and equipment and Quality Control laboratory areas in Nanoform's GMP facility.

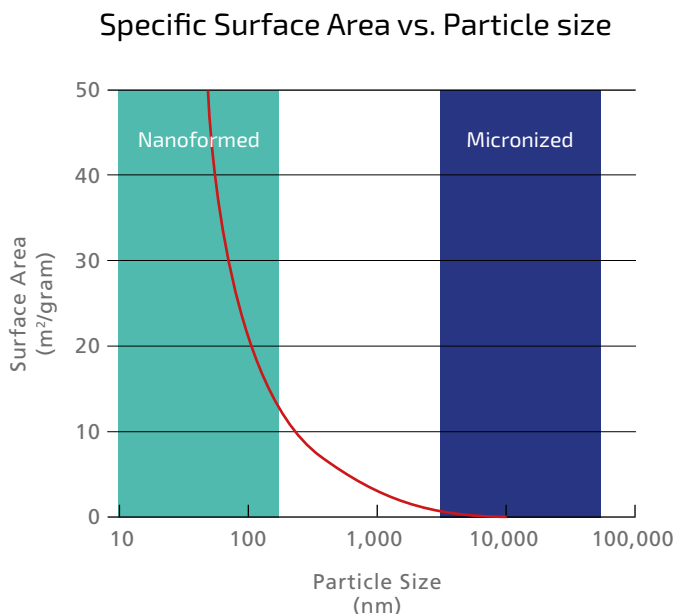
All in all, I look forward with confidence and excitement to the coming quarters and years. Although 2022 saw some slowness in small biotechs' signing of new deals due to higher interest rates, tighter financial conditions, and a tougher environment to raise funds, the problem with bioavailability is 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 so we expect the interest in our technology to continue to grow. Our brand recognition and service offering have continued to grow stronger, the client response to that has been growing, and our strong balance sheet is a positive aspect when partners evaluate us. The strengthening trend of nearshoring, the strong dollar and significant price increases in the global CDMO industry during the last years help us as our focus from the start has been on Europe, UK, and USA and as our cost base is mostly in euros.

We'll continue to work relentlessly towards our 2025 mid-term business targets, while executing as fast as possible on our near-term targets. 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 can improve a drug's bioavailability



The surface area increases 30 fold from a 10 micron¹ 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[®] 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[®] technology platform. Using Nanoform's patented and scalable CESS[®] 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[®] technology platform, in order to keep control of its technology, service offering and know-how.



The CESS[®] technology

Nanoform's CESS[®] 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[®] 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[®] 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 bio-availability of the API. With 70 to 90 per cent of new drugs being poorly soluble we expect that the challenges with bio-availability 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 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 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 pharmaceu-

tical 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 – December 30, 2022

Revenue

Nanoform Group's revenue in January – December 2022 grew by 78% to EUR 3,487 (1,955) 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 share of revenues from GMP related projects was slightly more than ten per cent of the revenue recognized in 2022. Revenues are recognized over the lifetime of the projects, based on percentage of completion method, where working hours make up the clear majority of the expenses booked for the projects.

Results

Nanoform Group's gross profit rose to EUR 3,147 (1,792) thousand and the gross margin was 90 (92)% in January – December 2022. We have continued to broaden our inhouse analytical capabilities enabling a high gross margin. Our new 40m³ CO₂ bulk tank system was taken into usage in Q4/2022 and it will also lower the unit cost of CO₂ compared with using multiple CO₂ gas cylinders in the production process.

The EBITDA in the fourth quarter improved from EUR -4,847 thousand to EUR -4,784 thousand as the revenue increased by 51% from EUR 655 thousand to EUR 986 thousand, while the total operating expenses* grew by 5% from EUR 5,501 thousand to EUR 5,770 thousand compared with the same quarter last year.

Nanoform Group's operating loss in January – December 2022 increased by EUR 1,704 thousand to EUR -21,409 (-19,705) thousand, despite the EUR 1,355 thousand increase in the gross profit, as the other operating expenses grew by EUR 2,417 thousand, – of which IT costs grew by EUR 1,284

thousand due to the investment in a new ERP system – and the depreciations grew by EUR 422 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 -22,056 (-19,687) thousand. Earnings per share was EUR -0.29 (-0.29). The finance income included changes in foreign exchange rates of EUR 584 (2,560) thousand and interest income of EUR 371 (25) thousand. The finance expenses included changes in the fair market value of share investments of EUR -574 (-997) thousand and changes in foreign exchange rates of EUR -609 (-787) thousand as well as deposit commissions of EUR 201 (245) thousand.

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

Financial position and cash flows

Nanoform Group's total assets at the end of the review period were EUR 100,641 (99,353) thousand, of which equity accounted for EUR 87,212 (84,494) thousand. Cash and cash equivalents were EUR 68,740 (75,733) thousand. Net debt amounted to EUR -61,807 (-68,070) thousand.

Nanoform Group's net cash flow from operating activities in January – December 2022 was EUR -20,080 (-14,349) thousand. The change in the working capital was EUR -2,016 (1,093) 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 40m³ CO₂ bulk tank 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 -8,965 (-7,737) thousand. The net cash flow from investing activities was EUR -9,625 (-9,121) thousand. Cash flow from financing activities was EUR 22,737 (36,404) thousand. Cash flow was positively affected by the directed share issue in March 2022 increasing the equity by EUR 23,668 (38,533) thousand net of transaction costs.

Investments, research and development

The Group's investments in property, plant, and equipment in January – December 2022 amounted to EUR 8,965 (7,737) 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 4,606 (3,780) 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 20 per cent and at the end of the review period, the Group had 150 (125) employees representing 30 nationalities. Within Nanoform's international team of highly skilled professionals there are 34 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 22 employees worked in R&D (including non-GMP customer projects), 22 in GMP Manufacturing and 7 in Customer Project Management. Quality Control had 22 and Quality Assurance 9 professionals. The Commercial team grew to 10. Nanoform has also been able to attract talent in Legal 3 and IT 4 and in corporate functions 51 (e.g., Business Operations, Finance, Procurement, IR, HR).

The company's Annual General Meeting convened on April 12, 2022, and re-elected Miguel Calado (Chairperson), Mads Laustsen, Albert Hæggström and Jeanne Thoma 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: NANOF5).

Nanoform's registered share capital amounted to EUR 80,000 (80,000). At the end of the review period, the company had 78,363,964 (72,535,146) shares after a directed share issue in March 2022 and share subscriptions by stock options in April, June and September 2022. The share's volume weighted average price during the review period was EUR 4.02 (7.14) and SEK 41.18 (73.12). The highest price paid during the January – December review period was EUR 6.96 (8.80) and SEK 71.10 (88.60) and the lowest price paid EUR 2.48 (5.84) and SEK 27.05 (59.80). The closing price of the share at the end of review period was EUR 3.20 (6.58) and SEK 37.00 (68.2). The market value of the share capital on December 30, 2022, was EUR 251 (477) 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 4,286,510 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 Hæggström and Jeanne Thoma as ordinary members of the Board of Directors for the next term of office. The AGM confirmed a monthly compen-

sation 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 financial information January – December 2022

Consolidated statement of comprehensive income

EUR thousand	Note	10–12/ 2022	10–12/ 2021	1–12/ 2022	1–12/ 2021
Revenue	4	986	655	3,487	1,955
Other operating income			0		0
Materials and services		-174	-43	-340	-162
Employee benefits	7	-3,345	-3,702	-14,010	-13,791
Depreciation, amortization, and impairment losses	6	-645	-547	-2,382	-1,960
Other operating expenses	5	-2,252	-1,757	-8,164	-5,747
Total expenses		-6,416	-6,049	-24,896	-21,660
Operating loss		-5,430	-5,394	-21,409	-19,705
Finance income		356	395	957	2,585
Finance expenses		-496	-567	-1,604	-2,567
Total finance income and expenses		-140	-172	-647	18
Loss before tax		-5,570	-5,566	-22,056	-19,687
Income tax		1	-1	-19	-3
Loss for the period		-5,568	-5,567	-22,075	-19,690
Loss for the period attributable to the equity holders of the parent company		-5,568	-5,567	-22,075	-19,690
Other comprehensive income					
Items that may be reclassified to loss in subsequent periods					
Translation differences		-8	2	4	3
Other comprehensive income, net of tax		-8	2	4	3
Total comprehensive income total		-5,576	-5,565	-22,071	-19,686
Total comprehensive income for the period attributable to the equity holders of the parent company		-5,576	-5,565	-22,071	-19,686
Basic earnings per share, EUR		-0.07	-0.08	-0.29	-0.29
Diluted earnings per share, EUR		-0.07	-0.08	-0.29	-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	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets		383	287
Property, plant, and equipment	6	27,127	19,718
Investments		1,923	1,998
Other receivables		288	286
Total non-current receivables		29,721	22,289
Current assets			
Inventories		6	0
Trade receivables		829	170
Other receivables		274	587
Prepaid expenses and accrued income		1,071	575
Cash and cash equivalents	8	68,740	75,733
Total current assets		70,920	77,064
Total assets		100,641	99,353
EQUITY AND LIABILITIES			
Equity			
Share capital		80	80
Reserve for invested unrestricted equity		152,569	128,599
Accumulated deficit		-43,362	-24,495
Loss for the period		-22,075	-19,690
Total equity		87,212	84,494
Non-current liabilities			
Lease liabilities	8	5,896	6,691
Total non-current liabilities		5,896	6,691
Current liabilities			
Provisions		0	1
Lease liabilities	8	1,037	972
Advances received		447	792
Trade payables		1,192	1,851
Other liabilities		233	331
Accrued expenses	9	4,624	4,222
Total current liabilities		7,533	8,168
Total liabilities		13,429	14,859
Total equity and liabilities		100,641	99,353

Consolidated statement of changes in equity

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
At January 1, 2022	80	128,599	2	-44,187	84,494
Loss for the period				-22,075	-22,075
Other comprehensive income					
Translation differences			4		4
Transactions with equity holders of the Company					
Increase of the share capital					
Share subscription with stock options		303			303
Share issue *)		23,668			23,668
Share-based payments				819	819
At December 31, 2022	80	152,569	6	-65,443	87,212

*) netted transaction costs EUR 892 thousand

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated deficit	Total equity
At January 1, 2021	80	89,680	-1	-27,124	62,635
Loss for the period				-19,690	-19,690
Other comprehensive income					
Translation differences			3		3
Transactions with equity holders of the Company					
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
At December 31, 2021	80	128,599	2	-44,187	84,494

*) netted transaction costs EUR 1,464 thousand

Consolidated statement of cash flow

EUR thousand	Note	1–12/2022	1–12/2021
Cash flow from operating activities			
Loss before tax		-22,056	-19,687
Adjustment for:			
Depreciation, amortization, and impairment losses	6	2,382	1,960
Finance income and expenses		647	-18
Share-based payments	7	785	2,626
Other adjustments *)		37	-100
Change in net working capital:			
Trade and other receivables		-1,408	-782
Trade payables and other liabilities		-607	1,875
Change in other receivables (non-current)		-2	9
Change in inventory		-6	
Interest paid		-204	-255
Interest received		373	25
Paid tax		-19	-3
Net cash used in operating activities		-20,080	-14,349
Cash flow from investing activities			
Payments for intangible assets		-160	-184
Payments for property, plant, and equipment	6	-8,965	-7,737
Payments for investments		-499	-1,200
Net cash used in investing activities		-9,625	-9,121
Cash flow from financing activities			
Proceeds from share issues		24,560	39,996
Transaction costs from the share issues		-892	-1,464
Acquisitions of treasury shares			
Share subscription with stock options		303	386
Repayment of R&D loans	8		-1,391
Repayment of lease liabilities	8	-1,233	-1,124
Net cash from financing activities		22,737	36,404
Net increase (+) decrease (-) in cash and cash equivalents		-6,968	12,934
Cash and cash equivalents at the beginning of period		75,733	61,025
Effects of exchange rate changes on cash and cash equivalents		-25	1,773
Cash and cash equivalents at the end of the period		68,740	75,733

*) Other adjustments

EUR thousand	1–12/2022	1–12/2021
Lease adjustments	12	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	26	-5
Total	37	-100

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 financial information for the January – December 2022 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, 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 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 report in its meeting on February 27, 2023. 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:

- 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 20% to 150 (125), while the total employee benefit expenses grew by less than 2% to EUR 14,010 (13,791) 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 1,284 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.
- Share subscriptions based on stock option programs approved by the Board of Directors on April 12, 2022; on June 6, 2022, and on September 6, 2022. The total subscription price for subscriptions made with stock options of EUR 303 thousand was booked in the reserve for invested unrestricted equity.
- On May 27, 2022, the Group made an additional investment in Herantis Pharma Plc shares amounting to 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 (1/2022), 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 two additional GMP lines, and non-GMP lines as well as 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).

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	10–12/2022	10–12/2021	1–12/2022	1–12/2021
Europe	568	509	1,961	1,558
United States	418	146	1,526	397
Total	986	655	3,487	1,955

EUR thousand	10–12/2022	10–12/2021	1–12/2022	1–12/2021
Services transferred over time	986	655	3,487	1,955
Total	986	655	3,487	1,955

5. Other operating expenses

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).

EUR thousand	10–12/2022	10–12/2021	1–12/2022	1–12/2021
Premises expenses	57	-44	159	100
IT expenses	339	394	2,064	780
Marketing and communication expenses	277	137	825	589
Consultant and professional fees	428	301	1,355	1,150
Travel expenses	103	66	353	146
Voluntary personnel related expenses	201	196	781	745
R&D expenses – external	391	242	1,008	930
Other expenses	455	464	1,620	1,306
Total	2,252	1,757	8,164	5,747

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 consist of expenses related to new GMP lines, and non-GMP lines as well as the 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
Net book value at January 1, 2022	3,465	7,213	1,233	7,807	19,718
Additions	384	332	31	9,277	10,024
Disposals *)		-56		-241	-297
Reclassification	2,565		6	-2,571	
Depreciations	-1,120	-1,053	-145		-2,317
Net book value at December 31, 2022	5,295	6,437	1,124	14,272	27,127

EUR thousand	Machinery and equipment	Right-of-use assets	Improvements to leasehold premises	Construction in progress	Total
Net book value at January 1, 2021	2,032	5,413	1,090	1,481	10,016
Additions	556	596	133	8,353	9,639
Reassessment		2,220			2,220
Disposals *)	-118	-51		-74	-243
Reclassification	1,810		142	-1,952	
Depreciations and impairments **)	-815	-965	-133		-1,913
Net book value at December 31, 2021	3,465	7,213	1,233	7,807	19,718

*) 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.

**) 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 819 (2,626) 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, 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	42.5	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	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents	-68,740	-75,733
Net debt excluding lease liabilities	-68,740	-75,733
Current lease liabilities	1,037	972
Non-current lease liabilities	5,896	6,691
Net debt	-61,807	-68,070

Lease liabilities consists of rental agreements for the current manufacturing and office site as well as apartment rental agreements.

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	01–12/2022		Share-based payments
	Fees settled in cash*	Fees settled in shares**	
Miguel Maria Calado	91	79	19
Albert Hæggström, CFO	43	37	83
Mads Laustsen	55	49	12
Jeanne Thoma	55	49	37
Total	244	213	151

*) 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	1–12/2021		
	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
Total	95		1,101

Compensation for CEO and Management team

EUR thousand	01–12/2022		
	Salaries and other short-term employee benefits	Post-employment benefits	Share-based compensation
CEO	295	40	
Management team*)	1,354	229	224
Total	1,649	269	224

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
Total	1,898	345	1,366

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

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

Key management personnel

EUR thousand	Dec 31, 2022	Dec 31, 2021
Liabilities to key management	156	269
Total	156	269

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 2,005 (5,484) 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

Nanoform appointed Antonio da Silva as CBO and a member of the management team and Niklas Sandler CTO transitioned to technology advisor to the CEO as of January 1, 2023.

A total of 29,000 Nanoform Finland Plc's new shares has been subscribed for with the Company's stock options 3/2019, 5/2019 and 1/2020 by 3 January 2023. The entire subscription price for subscriptions made with the stock options of EUR 34 thousand will be entered in the Company's reserve for invested unrestricted equity.

Nanoform has established a new subsidiary in UK, Nanoform U.K. Ltd on January 3, 2023.

12. Board of Director's proposal for the distributable equity

The Board of Directors proposes to the Annual General Meeting that the parent company's loss for the year EUR -22,097,024 will be transferred to the accumulated deficit and that no dividend will be paid. The parent company's distributable equity on December 31, 2022, totaled to EUR 87,040 (2021: 84,348) thousand.

Appendix 1

Key figures

EUR thousand	10–12/ 2022	10–12/ 2021	1–12/ 2022	1–12/ 2021	1–12/ 2020	1–12/ 2019
Revenue	986	655	3,487	1,955	687	49
Revenue growth %	51%	252%	78%	185%	n.m.	n.m.
Gross profit	812	612	3,147	1,792	497	-323
Gross margin	82%	93%	90%	92%	72%	neg.
EBITDA	-4,784	-4,847	-19,027	-17,745	-18,196	-6,900
Operating loss	-5,430	-5,394	-21,409	-19,705	-19,423	-7,344
Loss for the period	-5,568	-5,567	-22,075	-19,690	-19,441	-7,554
Basic EPS (EUR)	-0.07	-0.08	-0.29	-0.29	-0.35	-0.19
Net debt	-61,807	-68,070	-61,807	-68,070	-54,156	-3,640
Net debt excluding lease liabilities	-68,740	-75,733	-68,740	-75,733	-59,977	-6,626
Investments in property, plant, and equipment	-2,044	-3,275	-8,965	-7,737	-2,336	-1,804
Operative free cash flow	-6,829	-8,123	-27,992	-25,482	-20,532	-8,704
Cash and cash equivalents (end of period)	68,740	75,733	68,740	75,733	61,025	7,303
Personnel at the end of reporting period	150	125	150	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 loans + Long-term 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 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
Operative free cash flow	EBITDA – capex	Free cash flow indicates the cash flow that is largely available for e.g. paying dividends

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Financial calendar

April 12, 2023, Annual General Meeting

May 25, 2023, Interim Report
January–March 2023

August 24, 2023, Half-year Financial
Report January–June 2023

November 22, 2023, Interim Report
January–September 2023

February 29, 2024, Annual Review 2023,
Financial Statements Review 2023

