

Interim Report

January – June 2021

Events during the second quarter

21 April 2021: PiezoMotor enters into an agreement to acquire Sensapex

Sensapex Oy develops and manufactures advanced positioning systems in areas such as life science. With an extensive customer base, the Company is an established supplier to a large number of research and development units all over the world. Sensapex is ready to launch its third-generation systems, which enable fully automated workflows in advanced microscopy.

The consideration for 100 percent of the shares of Sensapex amounts to SEK 13.6 million on a cash and debt-free basis, and is adjusted for deviations from normal working capital. The consideration consists of a cash element of SEK 7.5 million and a share element in the form of newly-issued series B shares in PiezoMotor with a value of around SEK 6.1 million.

The transaction includes a variable supplementary consideration based on Sensapex's rolling twelve-month sales as at 30 June 2022 and 30 June 2023 respectively. The maximum supplementary consideration for 2022 is SEK 2 million, and for 2023 the maximum is SEK 2 million.

The acquisition of Sensapex is the first stage in PiezoMotor's previously announced strategy of using acquisitions to build a corporate group which is ready to respond to the market's demand for ever increasing precision and miniaturisation. Through the acquisition of Sensapex, PiezoMotor will offer systems solutions for a wide range of market areas and applications.

21 April 2021: Two new issues of PiezoMotors shares were massively oversubscribed – the Company raised around SEK 100 million

The Board of Directors of PiezoMotor, with the authorisation of a resolution of the annual general meeting held on 25 June 2020, resolved on a directed new cash issue of 1,547,997 B shares. The Board further resolved on a directed new cash issue of 1,016,106 B shares conditional on

subsequent approval by the shareholders. Both new issues were implemented at a subscription price of SEK 39 per share through an accelerated book-building procedure, raising a total of around SEK 100 million for the Company. The new issues were directed at a number of Swedish and international institutional and professional investors, including Handelsbanken Fonder and Swedbank Robur Ny Teknik.

27 May 2021: PiezoMotor completed the acquisition of Sensapex

The consideration for all the shares in Sensapex amounted to around EUR 13.5 million on a cash and debt-free basis adjusted for deviation from normal working capital. The consideration consists of a cash element of around EUR 7.4 million and a share element consisting of 1,390,039 newly issued series B shares in PiezoMotor. The price of the shares in the share element of the consideration (SEK 44.64 per share) was established on the basis of the average volume-weighted price of PiezoMotor's shares on the Nasdaq First North Growth Market over the three trading days prior to the signing of the purchase agreement. It is expected that these consideration shares will be registered by Bolagsverket [the Swedish Companies Registration Office] in June 2021, and will be equivalent to around 7.2 percent of the share capital and votes in PiezoMotor.

Sensapex's CEO, who is also the founder and principal shareholder of the company, has entered into a lock-up agreement in respect of the consideration shares of up to twelve (12) months. Other recipients of consideration shares have entered into lock-up agreements of up to six (6) months, except for around 250,000 consideration shares which are not covered by a lock-up.

The transaction includes a variable supplementary consideration based on Sensapex's rolling twelve-month sales as at 30 June 2022 and 30 June 2023 respectively. The total value of the supplementary consideration is limited to a maximum of EUR 4 million. A small part of any supplementary consideration will be paid in cash,

but PiezoMotor is otherwise free to decide whether any supplementary consideration will be paid in shares or cash, or a combination of both. For the full supplementary consideration to be paid, Sensapex is required to achieve sales growth of around 75 percent per year.

4 June 2021: PiezoMotor entered into exclusive negotiations in connection with licensing agreements for mobile cameras

PiezoMotor entered into negotiations with a major Asian subcontractor to the mobile phone industry. Negotiations were aimed at enabling the companies to enter into a partnership and licensing agreement in connection with the mass production of PiezoMotor's PiezoWave motors for use in mobile phone cameras. The negotiations were carried out on an exclusive basis by both Parties with the aim of entering into an agreement no later than the end of July 2021.

Events after the end of the period

12 August 2021: PiezoMotor entered into an exclusive licensing agreement

PiezoMotor announced that the Company has entered into an exclusive licensing agreement with an Asian company ("the Partner") for the commercialisation of PiezoMotor's PiezoWave technology for camera optics for mobile phones, PCs, wearables and the automotive industry.

The Partner is a quoted company and is a well-established supplier of integrated solutions in very high volumes for smart devices, internet-of-things applications and electronics for the automotive industry, with customers including Samsung, Huawei, OPPO, vivo, Xiaomi, Dell, HP and LG.

13 August 2021: Additional information relating to the licensing agreement for mobile phone cameras

PiezoMotor has been asked by Nasdaq to provide additional information in respect of the remuneration levels and the potential of the mobile phone camera application – the Partnership's first planned application – and, accordingly, issued the following statement:

- For competition reasons, specific royalty levels will not be made public, but royalties consist of a fixed sum for every PiezoWave motor sold.
- Several factors affect total potential future royalty payments, including the number of motors per camera/phone (every camera may contain a number of motors).
- PiezoMotor's current estimate is that a market penetration of around 10 percent will generate royalty income for PiezoMotor in the order of SEK 200-400 million per year.

Strong sales growth, the first acquisition and an agreement within Consumer

The second quarter of the year was highly successful and we have followed our strategic plan. The period was characterised by both acquisitions and high organic sales growth, as well as the signing of a collaboration agreement within our Consumer focus area, concentrating initially on solutions for mobile phone optics.

During the second quarter, PiezoMotor's product sales achieved organic growth of 61 percent, compared with the second quarter of 2020. Including the figures for the new acquisition, Sensapex, the Group's sales in the second quarter more than doubled in comparison with PiezoMotor's sales for the second quarter of the preceding year. Growth was also clearly evident on a half-yearly basis. Taking Sensapex into account – whose company's sales are only included in the Group from 1 June 2021 – sales were 54 percent higher in the first six months of 2021 compared with the corresponding period of 2020.

We have continued our efforts to increase our own presence in the market and our direct sales, and we will accelerate this approach even more in the future. We also expect to continue to increase our sales value per order, and the Sensapex acquisition will be an important part of this, as, over and above increasing the sales of our existing products, we will also be launching new joint product platforms.

PiezoMotor and Sensapex are in a clear phase of organic growth and are active in high-growth market areas. Together, they are strong enough to grow rapidly and achieve a high level of profitability. In terms of sales, the present Group is more than twice as large as PiezoMotor was a year ago. We are driving in parallel a very active acquisition agenda aimed at further accelerating our market presence, particularly in North America and central Europe, and broadening our product offering even more rapidly to meet the market's requirements for various types of system solutions. I hope that we will be able to expand through acquiring additional

operations so that we can increase sales even more rapidly to achieve economies of scale, support our customers' need for additional system solutions and enjoy a highly satisfactory level of profitability.

We have been working for some time to establish collaborations for the development and launching of solutions for optics for consumer products, concentrating initially on mobile phones. These collaborative ventures are aimed at establishing a strong market presence as quickly as possible, with the opportunity to achieve broad coverage of the market and with the capacity to launch and produce new product platforms on a joint basis. This approach requires sound customer relationships as well as financial resources and complimentary technology. With the agreement that we signed after the end of the quarter with a well-established player in Asia, we have taken a major step forward in this area.

I am looking forward to continuing to build a corporate Group that is responsive to the global trends in miniaturisation and precision. High growth – both organic and through acquisitions – and profitability are vital keywords in this strategy.



A handwritten signature in blue ink, which appears to read 'Anders Kottenauer'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Anders Kottenauer, CEO

The Group

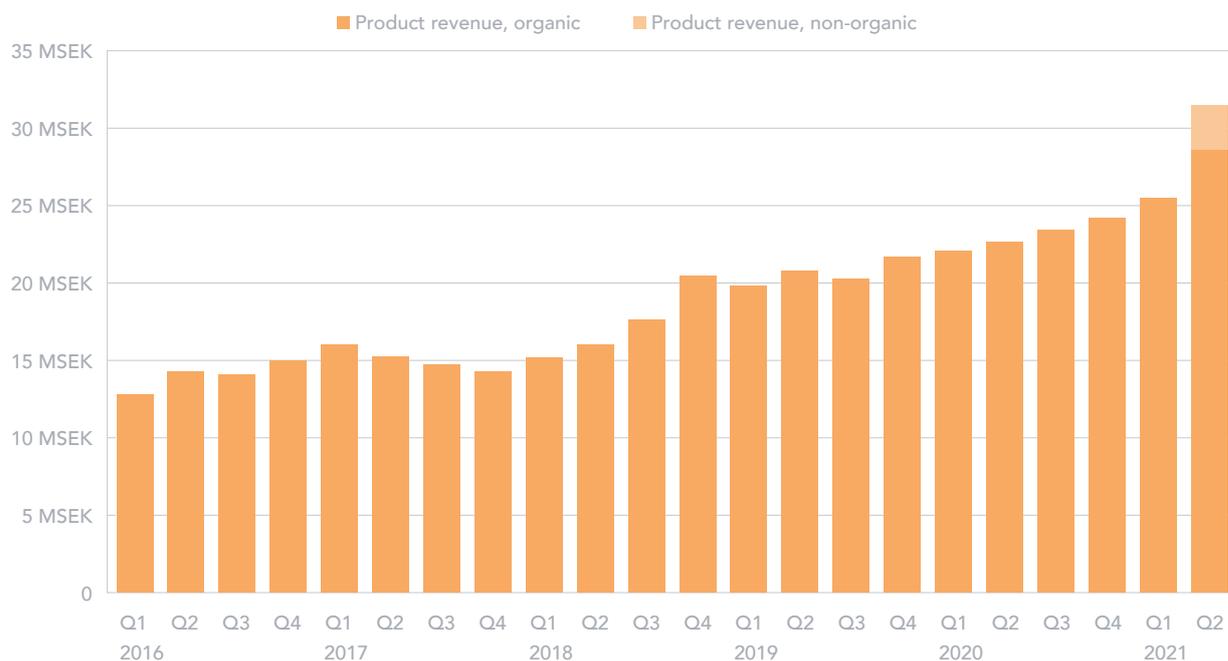
Revenue

With effect from 1 June, Sensapex is included in consolidated profit and loss, which contributes SEK 3.0 million to total sales. In June, the Group's sales were SEK 8.7 million. If, for comparative purposes, PiezoMotor's Sales in the second quarter are added to the sales of the acquired companies in June, the date on which they became part of the new Group, sales for PiezoMotor and Sensapex totalled SEK 11.4 million. This represents an increase of 120 percent over PiezoMotor's sales in the corresponding quarter of the preceding year.

Balance sheet

Other receivables include a property valued at around SEK 8 million, which will be sold during 2021. Loans of around SEK 6 million taken out on this property will be paid off.

Revenue, RTM



The Parent

Revenue

Product sales during the first quarter of 2021 amounted to SEK 8.2 million (5.1), equivalent to growth of 61 percent compared with the second quarter of 2020. Product sales in the first six months of the year grew by 43 percent to SEK 14.6 million (10.3). The sales figure is primarily driven by the increase in the proportion of direct sales compared with sales via distributors. Direct sales generate higher margins and speed up projects with new applications. Other sales consisted of project revenue and licence revenue. Net sales during the second quarter amounted to SEK 8.4 million (6.0), and during the first six months to SEK 15.5 million (12.0).

Profit/loss

Gross profit for the first quarter amounted to SEK 0.8 million (0.8). The gross margin was 9 percent (13). As a result of the construction of the high-volume production line, costs in the second quarter rose by SEK 1.2 million compared with the corresponding period of the preceding year. Licence revenue and revenue from development projects fell by SEK 0.8 million, and this has lowered gross profit by the corresponding amount. The operating loss for the second quarter amounted to SEK -11.2 million (-5.8). As a result of recruitment to the sales organisation and increased marketing during the second quarter, costs rose by SEK 1.5 million over the corresponding preceding period. With the acquisition of Sensapex, legal expenses of SEK 2.2 million have been charged to the Company's administrative expenses. During the second quarter, costs relating to internal resources working on the development of the new LINK motor technology were capitalised, which has reduced R&D costs by SEK 0.8 million compared with the corresponding quarter of 2020. Currency effects related to the acquisition of Sensapex generated revenue of SEK 1.0 million in

the second quarter. A reorganisation of expertise was implemented in May 2021 to accelerate growth and profitability. This generated restructuring expenses totalling SEK 2.0 million.

Total second quarter costs for acquisitions and reorganisation were SEK 4.2 million. Excluding these costs, the operating loss amounted to SEK -7.0 million (-5.8). Loss after tax for the period amounted to SEK -11.3 million (-5.9). Basic and diluted earnings per share totalled SEK -0.67 (-0.45) in the second quarter.

Cash flow, investments and liquidity

At the end of the second quarter, the company had cash and cash equivalents of SEK 10.0 million (31.6).

Cash flow from operating activities, before changes in working capital, amounted to SEK -11.0 million (-6.0). Investments of SEK 2.3 million were made during the period in the new LINK motor platform.

The acquisition of Sensapex Oy was completed during the second quarter. In consequence, financial assets increased by SEK 138.1 million, which is equivalent to the total consideration. To finance the acquisition, a new issue was carried out, which raised SEK 100 million before issue expenses. The cash element of the acquisition amounted to SEK 76.7 million, with the remaining SEK 61.4 million being paid in shares in PiezoMotor.

Personnel

The average number of employees during the first quarter of 2021 was 38 (32), of whom 12 were women (11).

Events

For events during the second quarter and after the end of the quarter, see above. All press releases are on the website www.piezomotor.com

Financing

At the end of the second quarter, the company had cash and cash equivalents of SEK 11.3 million.

The present level of cash and cash equivalents, along with the agreed payments within the framework of the newly signed mobile phone agreement, is expected to be sufficient for at least 12 months for current day-to-day operations and for the planned expansion of the organisation.

COVID-19

PiezoMotor has not seen any clear indications so far that the spread of the COVID-19 virus is affecting the inflow of orders. On the contrary, the company's sales have grown strongly during the pandemic. The company is, however, monitoring the situation and is ready to take any necessary decisions if any impact is felt. The risk of losing customers is regarded as low. At present, PiezoMotor has no supply problems as regards materials but, for safety's sake, the stocks of certain critical components have been increased. Increased absence due to illness is a future risk but, at this moment, there is nothing to suggest that the company cannot maintain the necessary production rate and deliveries for prioritised projects. Given the external uncertainties faced by PiezoMotor, the company is paying particular attention to liquidity.

Principles for drawing up the interim report

The financial statements in this interim report have been drawn up in accordance with the same principles as the company's latest annual report for 2020, that is to say, in accordance with the Swedish Annual Accounts Act and BFNAR [the Swedish Accounting Standards Board] regulation 2012:1 Annual Reports.

This interim report has not been audited by the company's auditor.

PiezoMotor consists of a Swedish Parent, PiezoMotor AB, which has owned the Finnish company, Sensapex Oy, since May 2021. Sensapex Oy is the owner of Sensapex Inc.

This is the first period of the Group's existence and, consequently, no comparison figures for the Group are available

Definitions

Earnings per share: The profit/loss for the period divided by the average number of outstanding shares.

Equity/assets ratio: Equity as a percentage of total assets

Product revenue: Revenue from the sale of goods.

Organic growth: Sales from companies which have been part of PiezoMotor for over 12 months.

Financial calendar

Interim report	
January– September 2021	26 October 2021

Year-end report	
January– December 2021	15 February 2022

Shares and share capital

Shareholders	Number of shares 30 June 2021	Proportion and votes (%)	Number of shares 31 Mar 2021	Change in number of shares
Adam Dahlberg	3,060,839	15.8	2,851,809	215,030
Gaudium IVST, LLC	2,287,168	11.8	2,287,168	0
Fritz Faulhaber Gmbh & Co. KG	1,719,090	8.8	2,292,120	-573,030
Swedbank Robur Ny Teknik	1,691,580	8.7	922,400	769,180
Handelsbanken Microcap	1,600,000	8.2	1,000,000	600,000
Avanza Pension	843,830	4.3	632,981	210,849
Mikko Vähäsöyrinki	649,835	3.3	0	649,835
Margareta Nilsson	287,724	1.5	140,724	147,000
Gunvald Berger	267,283	1.4	267,283	0
Tibia Konsult AB	245,179	1.3	195,179	50,000
Other (approx. 3 000)	6,775,584	34.9	4,890,306	1,885,278
Total	19,434,112	100.0	15,479,970	3,954,142

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Submission of interim report

Uppsala, 24 August 2021
PiezoMotor Uppsala AB (publ)

Adam Dahlberg, Chairman of the Board

Henrik Nittmar, Board Member

Ping Faulhaber, Board Member

Joakim Stenberg, Board Member

Anders Kottenauer, CEO

The consolidated statement of comprehensive income (SEK thousand)

(the Group was formed in June 2021, and, accordingly, only the June figures are included in the consolidated statement of comprehensive income)

	1 June 2021 30 June 2021
Product sales	8,603
Other income	63
Net sales	8,666
Cost of goods sold	-3,597
Gross profit	5,069
Selling expenses	-804
Administrative expenses	-3,220
R&D expenses	-839
Other operating income	19
Operating profit/loss	225
Interest expense and similar financial expenses	-34
Profit/loss after financial expenses	191
Tax on profit/loss for the period	0
Profit/loss for the period	191
Basic earnings per share	0.01
Diluted earnings per share	0.01
Average number of shares (thousand)	16,139
Number of shares at end of period (thousand)	19,434

Consolidated Balance sheet (SEK thousand)

Assets	30 June 2021
Non-current assets	
Intangible assets	
Capitalised research and development expenditure	13,612
Patents and other intangible assets	2,296
Goodwill	147,215
Other intangible assets	1,501
Tangible assets	
Plant, machinery and equipment	7,011
Financial assets	
Deferred tax	752
Total non-current assets	172,386
Current assets	
Stock	21,485
Accounts receivable	10,884
Tax assets	184
Other receivables	12,236
Prepaid expenses and accrued income	3,873
Cash and bank balances	11,338
Total current assets	60,000
Total assets	232,386

Equity and liabilities	30 June 2021
Restricted equity	
Share capital	9,789
Development expenditure fund	28,010
Total restricted equity	37,799
Non-restricted equity	
Share premium reserve	162,693
Profit/loss for the period	191
Total non-restricted equity	162,884
Total equity	200,683
Long-term liabilities to credit institutions	14,933
Short-term liabilities to credit institutions	464
Advances from customers	1,090
Accounts payable	6,261
Other liabilities	3,246
Accrued expenses and prepaid income	5,708
Total equity and liabilities	232,386

The consolidated statement of cash flows (SEK thousand)

(the Group was formed in June 2021, and, accordingly, only the June figures are included in the consolidated statement of cash flows)

	1 June 2021 30 June 2021
Profit/loss after financial items	191
Adjustment for items not included in cash flow	
Amortisation/depreciation/impairment	220
	220
Cash flow from operating activities before changes in working capital	411
Changes in working capital	
Stock	-1,344
Operating receivables	-1,656
Operating liabilities	-1,642
	-4,642
Cash flow from operating activities after changes in working capital	-4,231
Investing activities	
Acquisition of intangible assets	0
Acquisition of property, plant and equipment	0
Cash flow from investing activities	0
Financing activities	
New share issue	0
Expenses for new issue	0
Amortisation of loans	0
Other	0
Cash flow from investing activities	0
Cash flow for the period	-4,231
Opening cash and cash equivalents	15,569
Closing cash and cash equivalents	11,338

Parent's statement of comprehensive income (SEK thousand)

	Note	1 Apr 2021 30 June 2021	1 Apr 2020 30 June 2020	1 Jan 2021 30 June 2021	1 Jan 2020 30 June 2020	1 Jan 2020 31 Dec 2020
Product sales		8,173	5,064	14,639	10,268	23,983
Other income		190	958	870	1,692	3,399
Net sales		8,363	6,022	15,509	11,960	27,382
Cost of goods sold		-7,611	-5,190	-13,743	-10,981	-23,117
Gross profit	1	752	832	1,766	979	4,265
Selling expenses		-1,701	-217	-2,896	-466	-1,860
Administrative expenses		-5,192	-2,847	-8,346	-6,520	-14,783
R&D expenses		-2,969	-3,819	-5,576	-6,433	-10,806
Other operating income		1,135	357	1,501	631	976
Other operating expenses		-3,269	-140	-3,378	-688	-1,753
Operating profit/loss		-11,244	-5,834	-16,929	-12,497	-23,960
Interest expense and similar financial expenses		-7	-30	-21	-71	-118
Profit/loss after financial expenses		-11,251	-5,864	-16,950	-12,568	-24,078
Tax on profit/loss for the period		0	0	0	0	0
Profit/loss for the period		-11,251	-5,864	-16,950	-12,568	-24,078
Basic earnings per share		-0.67	-0.45	-1.05	-0.86	-1.60
Diluted earnings per share		-0.67	-0.45	-1.05	-0.86	-1.60
Average number of shares (thousand)		16,798	14,808	16,139	14,640	15,060
Number of shares at end of period (thousand)		19,434	15,480	19,434	15,480	15,480

Parent's Balance sheet (SEK thousand)

Assets	30 June 2021	31 Dec 2020	30 June 2020
Non-current assets			
Intangible assets			
Capitalised research and development expenditure	13,612	9,606	8,485
Patents and other intangible assets	2,101	2,070	2,080
Other intangible assets	1,501	1,655	1,347
Tangible assets			
Plant, machinery and equipment	6,168	5,555	5,288
Financial assets			
Deferred tax	752	752	752
Shares in subsidiaries	138,110	0	0
Total non-current assets	162,244	19,637	17,952
Current assets			
Stock	12,382	11,103	11,333
Accounts receivable	7,700	6,612	2,545
Tax assets	184	492	540
Other receivables	3,032	1,968	2,073
Prepaid expenses and accrued income	3,870	2,604	3,258
Cash and bank balances	10,049	17,320	31,560
Total current assets	37,218	40,099	51,309
Total assets	199,462	59,736	69,260

Equity and liabilities	Note	30 June 2021	31 Dec 2020	30 June 2020
Restricted equity				
Share capital		9,717	7,740	7,740
Development expenditure fund		13,612	9,606	8,485
Total restricted equity		23,329	17,346	16,225
Non-restricted equity				
Share premium reserve		180,496	55,408	56,529
Profit/loss for the period		-16,950	-24,078	-12,568
Total non-restricted equity		163,546	31,331	43,961
Total equity	2	186,875	48,676	60,186
Short-term liabilities to credit institutions		464	1,210	2,332
Advances from customers		0	3	15
Accounts payable		5,104	5,233	2,717
Other liabilities		1,983	1,296	1,118
Accrued expenses and prepaid income		5,035	3,318	2,892
Total equity and liabilities		199,462	59,736	69,260

The Parent's statement of cash flows (SEK thousand)

	1 Apr 2021 30 June 2021	1 Apr 2020 30 June 2020	1 Jan 2021 30 June 2021	1 Jan 2020 30 June 2020	1 Jan 2020 31 Dec 2020
Profit/loss after financial items	-11,251	-5,865	-16,951	-12,568	-24,078
Adjustment for items not included in cash flow					
Amortisation/depreciation/ impairment	440	318	864	595	1,308
Other	-162	95	-15	538	0
	278	413	849	1,133	1,308
Cash flow from operating activities before changes in working capital	-10,973	-5,984	-16,102	-11,436	-22,769
Changes in working capital					
Stock	-928	-117	-1,279	1,136	1,366
Operating receivables	-3,150	-2,220	-3,110	5,679	2,419
Operating liabilities	5,638	504	2,552	-1,172	1,934
	1,559	-1,833	-1,838	5,642	5,719
Cash flow from operating activities after changes in working capital	-9,414	-7,285	-17,940	5,793	-17,051
Investing activities					
Acquisition of intangible assets	-2,543	-1,281	-4,184	-2,338	-4,021
Acquisition of property, plant and equipment	-515	-534	-1,175	-1,096	-1,812
Acquisition of subsidiaries	-76,725	0	-76,725	0	0
Cash flow from investing activities	-79,784	-1,815	-82,084	-3,434	-5,832
Financing activities					
New share issue	100,000	24,905	100,000	25,000	25,538
Expenses of new issue	-6,500	0	-6,500	0	0
Amortisation of loans	-186	-561	-746	-1,121	-2,243
Other	0	0	0	0	0
Cash flow from financing activities	93,314	-24,344	92,754	23,879	23,295
Cash flow for the period	4,116	15,244	-7,270	14,652	412
Opening cash and cash equivalents	5,933	16,315	17,320	16,908	16,908
Closing cash and cash equivalents	10,050	31,560	10,050	31,560	17,320

Note 1 Parent's gross profit (KSEK)

	1 Apr 2021 30 June 2020	1 Apr 2020 30 June 2020	1 Jan 2021 30 June 2021	1 Jan 2020 30 June 2020	1 Jan 2020 31 Dec 2020
Product sales	8,173	5,064	14,639	10,268	23,983
Direct materials	-2,913	-1,797	-4,726	-4,339	-7,669
Other direct production costs	-4,399	-3,314	-8,535	-5,978	-13,422
Depreciation/ amortisation	-184	-120	-358	-210	-589
Gross profit on product sales	677	-167	1,020	-430	2,303
Contribution margin 1 product sales	64%	65%	68%	57%	68%
Gross margin product sales	8%	-3%	7%	-4%	10%
Other income	190	958	870	1,692	3,399
Cost of goods sold other income	-115	-160	-124	-454	-1,437
Gross profit other income	75	999	746	1,409	1,962
Total sales for the period	8,363	6,022	15,509	11,960	27,382
Gross profit for the period	752	832	1,766	979	4,265
Gross margin for the period	9%	13%	11%	8%	16%

Note 2 Parent's change in equity (KSEK)

	Jan – June 2021	Jan–Dec 2020	Jan – June 2020
Opening balance	48,676	47,754	47,754
New share issue	155,151	25,000	25,000
Profit/loss for the period	-16,950	-24,078	-12,568
Closing balance	186,875	48,676	60,186

Share capital consists of 19,434,112 shares, of which 0 are series A and 19,434,112 are series B.
There are 370,500 outstanding warrants in the company in total.

