

 acuvi



# Annual Report 2022



# Contents

<u>The CEO's view</u>	<u>4</u>	<u>Board of Directors' report</u>	<u>12</u>
<u>Acuvi in brief</u>	<u>6</u>	<u>Corporate governance</u>	<u>15</u>
<u>Acuvi in the world</u>	<u>7</u>	<u>Appropriation of profits</u>	<u>20</u>
<u>Executive management team</u>	<u>8</u>	<u>Financial statements and notes</u>	<u>21</u>
<u>Board of Directors</u>	<u>9</u>	<u>Auditor's report</u>	<u>60</u>

# The CEO's view



**Olof Stranding, CEO**

## An eventful year

As I review 2022, I am pleased to announce that Acuvi has had a good year, but we still have more to give! Sales grew by a total of about 21 per cent to reach SEK 185 million, which, if we exclude amortisation of goodwill, indicates that we had high gross margins.

Acuvi currently consists of three companies that help customers in different ways to develop compact products and systems. Our key technologies allow for extremely high precision. In 2022, we consolidated what we offer so that each area would complement each other and make us an even better partner for our customers. Although we have come a long

way in this endeavour, we will be doing more, such as further developing our sales model.

In the second half of 2022, we established our central sales team. I expect to see some tangible results from these expanded sales resources by the second quarter of 2023. Alongside the development of these resources, we have also been strengthening our marketing expertise in Uppsala. Since the end of the financial year, we have also announced a distribution agreement with Nikon for our Sensapex business in the USA.

In 2022, Acuvi delivered solid profits in terms of EBITDA levels, but here too, there is more that can be achieved. There is no reason why we cannot achieve a significantly higher EBITDA margin in the immediate future, as we grow and achieve more and more synergies between our Group companies.

Looking ahead, it is our highest priority to continue to implement an organisation that is

conducive to even higher growth and higher profit margins. During the first quarter of 2023, we have already seen the results of increased efficiency and sound cost control, with higher EBITDA as a logical result.

Our micromotor platform for volume applications, ULTRA, has the potential to further strengthen growth. A broader launch will commence in the first half of 2023. We are also working hard on our 5G projects and continuous optical zooming for smartphone cameras. Our ambition is to expedite development in these areas by providing resources and building networks with external partners.

Acuvi is well-positioned to achieve growth with high profitability, given the high-value application areas we work with. We are very much involved in the continuing global trend towards miniaturisation.

**Olof Stranding, CEO**

# Acuvi in brief

Acuvi is a supplier of advanced components and systems solutions for motion and positioning with very high precision, focusing primarily on life science, medtech, semicon and advanced industrial. Our customer base includes highly respected OEM customers and research institutions.

Acuvi currently consists of three companies which complement each other exceptionally well, in terms of both product offering and customer base.



## Piezo-based actuators

Proprietary piezo-based technologies, ultra-precise and compact.



## Motion control and platforms for automation

General and application-specific automation platforms



## System integration and solutions for linear motion

Systems and subsystems solutions for OEM customers.

# 185

SEK million  
sales 2022

# 50+

Patents

# 3500+

Owners, listed on  
Nasdaq First North  
Growth Market

# 60

Approx. number of  
employees

# Acuvi in the world

Acuvi's head office is in Uppsala. There is also a production facility at the same location for advanced piezo actuators. The Group's subsidiary, Sensapex, is based in Oulu, where it has a production and development facility for

advanced positioning solutions. Acuvi's US subsidiary, TPA Motion, is located in Charlotte, North Carolina, USA. We now have a branch in Switzerland. Currently, the majority of European sales are through Switzerland.



# Executive management team



**Olof Stranding**  
CEO and CFO

Employed since 2013, has previous experience from KPMG (auditing), as well as senior commercial positions at Q-med and Johnson & Johnson CEO with effect from 1 November 2022.

**Education:** MSc in Business and Economics Uppsala University, 1999

**Other ongoing assignments:**

Is a member of the Board of Directors of Svensk Industriförening (SINF)

**Shareholding in the Company:** 86,200 shares.



**Rolf Kohler**  
CCO

Employed since 2020, has previous experience from the Swiss Maxon Group in sales and marketing management positions in various industrial automation companies and was Head of Industry Sector Business at IMI Engineering, IMI plc UK.

**Education:** Electromechanical Engineering, Business Management Sales & Marketing

**Other ongoing assignments:** No  
**Shareholding in the Company:** 0



**Mikko Vähäsöyrinki**  
CTO

Employed since 2021. Founder of several hi-tech companies, most recently Sensapex Oy, which was acquired in May 2021.

**Education:** PhD Biophysics

**Other ongoing assignments:** No

**Shareholding in the Company:** 836,953 shares.

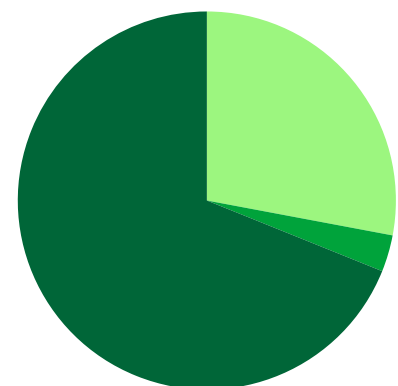


**Barry Bruhns**  
General Manager  
North America

Employed since 2021. Many years' experience in the manufacturing industry. CEO of TPA Motion on the date of acquisition, December 2021. Many years' experience of implementing change management with a focus on efficiency and profitable growth.

**Education:** BSc in Mechanical Engineer & MSc in Finance

**Shareholding in the Company:** 8,433 shares.



**Shareholdings in  
Acuvi, the Board of  
Directors and the  
management team**

- Board of Directors 28%
- Management team 3%
- Other shareholders 69%



# Board of Directors



**Adam Dahlberg**  
**Chair of the Board**  
**since 1999**

Swedish investor in technology within new materials, life sciences, medical technology and software.  
**Shareholding in Acuvi AB:** 3,315,839 – private and through companies  
**Independent of major shareholders:** No  
**Independent of the Company and executive management team:** Yes  
**Education:** MBA from the Stockholm School of Economics  
**Other assignments:** Chairman of the Board of Corline Biomedical (listed on the Nasdaq First North Growth Market in Stockholm), Chairman of the Board of Senzime AB (listed on the Nasdaq Small Cap in Stockholm)



**Ping Faulhaber**  
**Member of the Board**  
**since 2019**

**Shareholding in Acuvi AB:** 2,287,168 shares through Gaudium IVST LCC  
**Independent of major shareholders:** Yes  
**Independent of the Company and executive management team:** Yes  
**Education:** MSc Engineering from Ohio State University and BSc in Business and Economics from the University of South Florida  
**Other assignments:** CEO of Sun-coast Science Center, partner of the privately owned Faulhaber Drive Systems



**Dr. Henrik Nittmar**  
**Member of the Board**  
**since 1998**

**Shareholding in Acuvi AB:** 17,608 – private and through companies  
**Independent of major shareholders:** No  
**Independent of the Company and executive management team:** Yes  
**Education:** MSc Industrial Engineering and Management from Chalmers University of Technology and PhD in Innovation Management from the Stockholm School of Economics.  
**Other assignments:** CEO of Corline Biomedical (listed on the Nasdaq First North Growth Market in Stockholm)



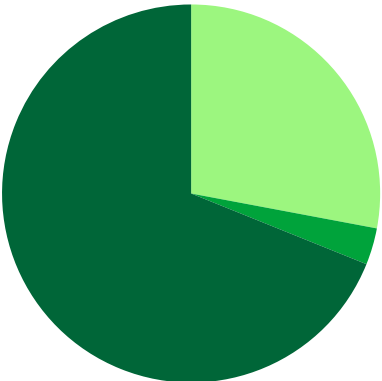
**Joakim Stenberg**  
**Member of the Board**  
**since 2017**

**Shareholding in Acuvi AB:** 18,567 – private and through companies  
**Independent of major shareholders:** Yes  
**Independent of the Company and executive management team:** Yes  
**Education:** MSc in Finance, Stockholm University  
**Other assignments:** Member of Board of Directors at Acrinova (listed on Nasdaq Small Cap in Stockholm), funding partner Nordic Cross Asset Management



**Dennis Barnes**  
**Member of the Board**  
**since 2022**

Founder of TPA Motion, which was acquired by Acuvi in 2021  
**Shareholding in Acuvi AB:** 1,581,397 – private and through companies  
**Independent of major shareholders:** Yes  
**Independent of the Company and executive management team:** Yes  
**Education:** BSc-MSc in Mechanical Engineering  
**Other assignments:** No

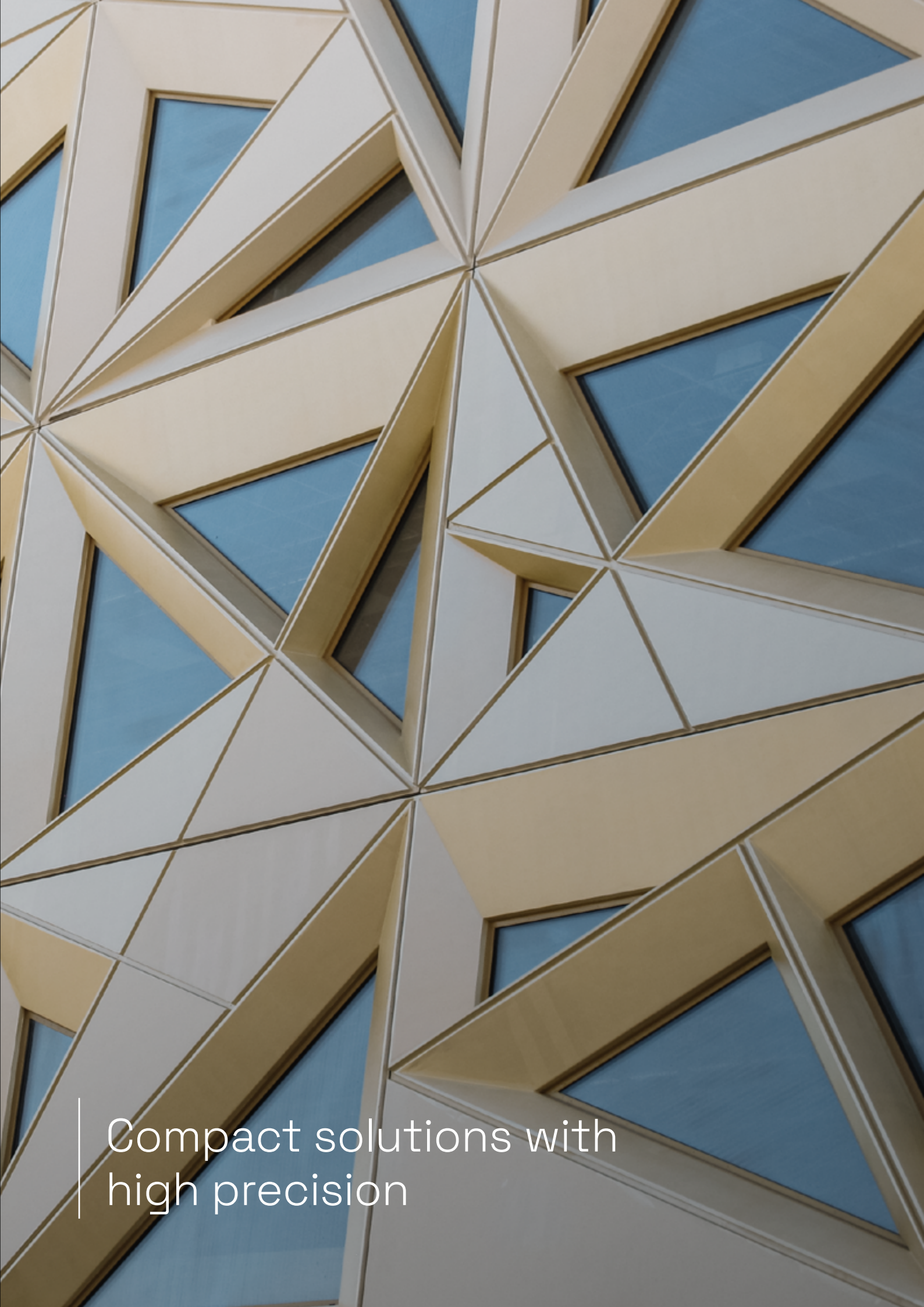


**Shareholdings in Acuvi, the Board of Directors and the management team**

- Board of Directors 28%
- Management team 3%
- Other shareholders 69%







Compact solutions with  
high precision

The Board of Directors and CEO of Acuvi AB hereby submit the annual report and consolidated financial statements for the financial year ending 31 December 2022. Unless stated otherwise, all amounts are presented in SEK thousand.

# Board of Directors' report 2022

## Operations

There is growing global demand for miniaturisation and precision. More functionality and higher performance are having to be incorporated into smaller geometries in more and more products. Acuvi is a growing group of companies, which is aligning itself to these global trends by manufacturing and marketing high-precision systems, advanced micro-motors, microscopy systems etc. the Group's end customers are in areas such as medical technology, semiconductors, optics, automation and consumer electronics.

Acuvi AB consists of four wholly-owned subsidiaries:

- TPA Motion LLC 'TPA Motion' (Charlotte, North Carolina, USA), design, development and manufacture of advanced positioning systems.
- PiezoMotor Uppsala AB (publ) 'PiezoMotor' or 'PiezoMotor AB' (Uppsala, Sweden), development and production of piezo actuators.
- Sensapex Oy 'Sensapex' (Oulu, Finland), development and production of products for the command and control of advanced microscopes.
- Sensapex Inc (Delaware, USA), sales company.

## Important events

In January 2022, Sensapex Oy sold its subsidiary, Sensapex Inc to Acuvi AB. Sensapex Inc has only operated as a sales company in the USA.

In April 2022, the Parent Company, PiezoMotor AB, changed its name to Acuvi AB. Simultaneously, a new company was established under the name of PiezoMotor AB. In October 2022, an agreement on the transfer of assets and liabilities was executed from Acuvi AB to PiezoMotor AB, in which all associated pro-

duction and development was transferred. Personnel who are not part of the sales, marketing and finance functions were assigned to the new company, PiezoMotor AB, under the agreement for the transfer of assets and liabilities.

For more information, see Note 31.

Acuvi's shares are traded on the Nasdaq First North Growth Market (ticker symbol: ACUVI).

## Research and development activities

At Acuvi, all development is customer-driven. The products sold can be modified, but it is rare for substantial resources to be devoted to individual customer projects, other than when a customer pays for development which is considered to be of strategic interest to Acuvi. At present, there is only one major customer-specific development project of this type in the licensing agreement announced in August 2021. In brief, the project aims to integrate extremely small motors into a camera solution for mobile phones.

## Foreign branches

Acuvi has had a branch in Switzerland since 2020. The branch does not run any external operations, but carries out assignments on behalf of the Group. In autumn 2022, the process of closing down the branch began, since Acuvi's Swiss operation will be run as a Swiss GmbH (equivalent to a private limited company, or AB in Sweden).

Operations were run through the branch throughout 2022. With effect from 1 January 2023, the operation is being run in the newly established Acuvi GmbH.

## Events in 2022

- **19 January 2022:** Acuvi AB holds Extraordinary General Meeting at which the Board's proposal on a private placement to key individuals at the subsidiary, TPA Motion, is approved. In total, 274,649 shares are issued.
- **27 January 2022:** PiezoMotor initiates the next phase in the mobile camera collaboration.

PiezoMotor announces that the exclusive licensing agreement which the Company entered into in August 2021 with an Asian company for the commercialisation of PiezoMotor's PiezoWave® technology has entered the next phase in which the camera solution is presented to potential customers and partners – including leading camera module manufacturers. This phase is expected to run throughout the first and second quarters of 2022, with the intention of entering into commercial collaboration with one or more camera module manufacturers. PiezoMotor's Asian partner is a listed, well-established supplier of integrated solutions in very high volumes for applications such as consumer electronics.

- **7 March 2022:** PiezoMotor announces its intention to change the Group's name to Acuvi AB

The proposed name change is the result of extensive strategy and branding efforts. Under Acuvi, the business today consists of three main companies – PiezoMotor and the companies Sensapex and TPA Motion both acquired in 2021. These three company names will be retained since they constitute well-known brands in the companies' respective markets. The Group's strategy is to create a global leader providing solutions for many applications through profitable organic growth in combination with acquisitions, in line with increasing demands for precision and miniaturisation.

- **2 May 2022:** Change of name to Acuvi AB ready, registration completed on 19 April 2022.

- **16 May 2022:** Acuvi carries out a non-cash issue to key individuals in the subsidiary, TPA Motion. In total, 460,755 shares are issued.
- **15 June 2022:** Acuvi AB holds its Annual General Meeting
- **11 July 2022:** Updating the mobile camera collaboration.

Through the PiezoMotor operation, and in close collaboration with an Asian company, Acuvi has developed a completely new type of zoom solution for camera optics in mobile phones. The solution, which is based on PiezoMotor's unique PiezoWave® technology, should be presented to potential customers and partners during the first half of the year, with the intention of entering into commercial collaboration with one or more camera module manufacturers. Against this background, the following updates are provided:

- In collaboration with PiezoMotor's licence partner, presentations have been given to both manufacturers of mobile camera modules and mobile phones.
- During the presentations, PiezoMotor demonstrated a solution to increase the functionality of the optical zoom based on PiezoWave®.
- We were able to go ahead with the presentations despite the Covid-19 lockdowns in Asia.
- **27 September 2022:** Acuvi holds investor days
- **1 October 2022:** Acuvi AB implements a transfer of assets and liabilities to PiezoMotor AB, as described in Note 28.
- **9 November 2022:** Acuvi secures an order worth SEK 20 million.

Acuvi announces that its subsidiary, PiezoMotor AB, has won an order of around SEK 20 million (EUR 1.8 million) from a customer in the semiconductor industry. The

customer is a leading supplier of lithography equipment used in the production of semiconductors. The order is a framework order with suborders over a maximum of three years. The first delivery has an order value of around SEK 7 million, with planned delivery in Q4 2022.

- **10 Nov 2022:** Nomination committee appointed at Acuvi AB
- **11 Nov 2022:** Change of CEO at Acuvi AB

Acuvi announces that the Company's Chief Financial Officer, Olof Stranding, has been appointed Acting CEO.

## Events after the end of the financial year

- **19 January 2023:** In January 2023, Acuvi carried out two private placements. The purpose of the placements was to make the cash payment of the agreed additional consideration linked to the acquisition of TPA Motion. In total, 1,117,085 shares were issued, raising around SEK 11 million.
- **3 February 2023:** Acuvi receives its first order related to the hand-held diagnostics project. The revenue potential for Acuvi from this diagnostics application is estimated at about SEK 50 million per year.
- **23 March 2023:** Acuvi wins a SEK 18 million order.
- **4 April 2023:** Acuvi's subsidiary, Sensapex, enters into a collaboration and distribution agreement with Nikon in the USA.
- **2 May 2023:** Acuvi announces change of Certified Adviser from Redeye AB to Corpura Fondkommission AB.
- **24 May 2023:** The Board of Directors of Acuvi appoints Olof Stranding as permanent CEO. Stranding had assumed the position of acting CEO in November 2022.

## Consolidated revenue and profit/loss

Net sales amounted to SEK 185 million, with a total of SEK 24 million being sold by the Parent Company (Acuvi) in the period January to September and SEK 15 million sold from October to December in PiezoMotor AB. Total sales for the two companies reached SEK 39 (33) million. TPA Motion's sales totalled SEK 125 (4) million. Sensapex's sales for the year amounted to SEK 20 (14) million. During 2022, amortisation of goodwill in the Group corresponded to SEK 90.1 (14.8) million. In addition, the net sale value of SEK 29.7 (2.3) million, which arose in the acquisition analysis for TPA Motion, was settled. The goodwill and net sale value were recognised as a Cost of goods sold and, accordingly, affects gross profit/loss. Other depreciation/amortisation during the period amounted to SEK 6.2 (1.5) million.

Gross loss for 2022 was SEK -59.0 (-9.5) million. The gross margin was -32 percent (-18).

The operating loss for the period was SEK -115.9 (-46.9) million. Operating profit/loss excluding depreciation/amortisation (EBITDA), was SEK 11.2 (-21.7) million.

In conjunction with the acquisition of TPA Motion in December 2021, a USD loan between Acuvi AB and TPA Motion totalling USD 15.7 million was set up. At 31 December 2022, the loan totalled USD 17.5 million. The loan is in USD, which generates unrealised translation differences in Acuvi. This translation difference is recognised under financial items in profit or loss. In 2022, the Group and Parent Company had total unrealised exchange-rate gains of SEK 25.6 (2.0) million.

In the subsidiary TPA Motion, costs of SEK 11.7 million were recognised during the year, pertaining to additional acquisition costs linked to the acquisition of TPA Motion LLC in December 2021. The additional acquisition costs arose due to exchange-rate differences and Acuvi's share price.

## Cash flow, liquidity and financial position

The Group's non-current assets at the end of the period amounted to SEK 397 (445) million, and consist primarily of goodwill which arose as a consequence of the two acquisitions carried out during 2021. At the year-end, cash and cash equivalents amounted to SEK 15.2 (8.6) million. Cash flow from operating activities before changes in working capital totalled SEK 2.7 (-25.2) million in 2022.

## Personnel

The number of employees as at 31 December 2022 was 56 (58). Note 6 shows the geographical distribution and the gender distribution, as well as costs for personnel and management.

## Corporate governance

Acuvi is a Swedish joint-stock company listed on the Nasdaq First North Growth Market. Acuvi's corporate governance is, accordingly, based on Swedish legislation and Swedish regulations.

## Shareholders and shares

The share register is kept by Euroclear Sweden AB. The number of shareholders as at 31 December 2022 was just over 3,500. The number of shares in the Company as of that date was 25,016,220. As at 31 December 2022, Adam Dahlberg (privately and through a wholly-owned company) was the largest shareholder and the Chairman of the Board, with approximately 13.3 percent of all outstanding shares in the Company. Adam Dahlberg is a member of the Crafoord family and has been involved with Acuvi since PiezoMotor started operating in 1998. There are no other shareholders with voting rights in excess of 10 percent of the total number of votes. Ping Faulhaber, a resident of the USA, holds 9.1 percent of the outstanding shares in the Company (through his wholly-owned company, Gaudium IVST, LLC). All shares afford the same right to the Company's assets and profits and are entitled to an equal dividend.

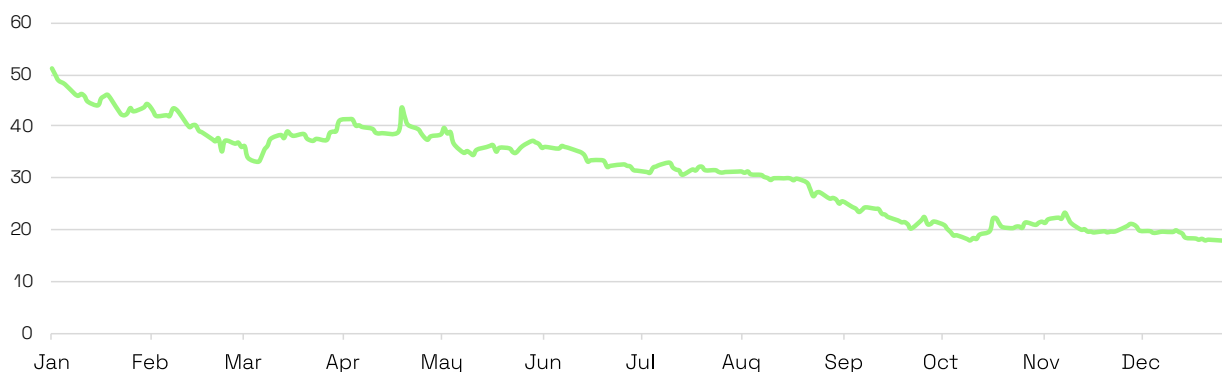
## General Meeting

Acuvi's highest decision-making body is the General Meeting of Shareholders. The Annual

Shareholders as at 31 Dec 2022	Number of shares	Votes and capital
Avanza Pension	3,354,214	13.4%
Adam Dahlberg (privately and through companies)	3,315,839	13.3%
Gaudium IVST, LLC	2,287,168	9.1%
Handelsbanken Microcap Sverige	2,039,882	8.2%
Swedbank Robur Ny teknik	1,968,000	7.9%
Dennis Barnes	1,581,397	6.1%
Management*	923,153	3.7%
Margareta Nilsson	451,030	1.8%
Gunvald Berger	388,503	1.5%
Tibia Konsult AB	315,672	1.3%
Other (approx. 3,500)	8,391,362	33.5%
<b>Total</b>	<b>25,016,220</b>	<b>100.0%</b>

\* Mikko Vähäsöyrinki (CTO) and family, 836,953. Olof Stranding (CFO), 86,500.





Performance of Acuvi shares in 2022 (SEK)

General Meeting must be held within six months of the start of the financial year. The Notice of the Annual General Meeting will be issued no earlier than six weeks and no later than four weeks before the Meeting. All shareholders who are included in the printout of the share register and who have notified the Company of their intention to participate in time, have the right to participate in the General Meeting and to vote. Shareholders who are unable to attend in person may be represented by proxies.

## 2022 Annual General Meeting

The most recent Annual General Meeting was held on 15 June in Stockholm as a 'hybrid meeting' with shareholders present and with postal voting permitted in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

The General Meeting approved the re-election of the following Members of the Board: Adam Dahlberg, Ping Faulhaber, Henrik Nittmar and Joakim Stenberg. Dennis Barnes was elected to the Board of Directors at the General Meeting. Adam Dahlberg was elected Chairman of the Board. In accordance with the proposal of the nomination committee, it was resolved that Directors' fees of a total of two price basic amounts shall be paid to each of the following members of the Board: Henrik Nittmar and Joakim Stenberg. The proposal that no dividend be distributed for financial year 2021 was

approved. A resolution authorised the Board of Directors, for the period until the next Annual General Meeting, on one or more occasions, to approve the issue of new shares equivalent to a maximum of 10 percent of the total number of shares and votes in the Company.

## The Board of Directors

Under the Companies Act, the Board of Directors is responsible for the Company's organisational structure and administration, as well as for the supervision of the financial statements, management of assets and the Company's financial situation in general. The Board of Directors determines the Company's overall strategy, objectives and policies. The Board also takes decisions on matters relating to acquisitions, disposals and major investments. The Board approves the annual report and interim reports and also proposes dividends and guidelines for the remuneration of senior executives for the decision of the Annual General Meeting. The Board of Directors of Acuvi must consist of a minimum of three and a maximum of eight ordinary members, and a maximum of eight alternates, elected by the Annual General Meeting. The Board currently consists of five ordinary members. Officers of the Company may present reports on matters to Board meetings. Two members of the Board, Henrik Nittmar and Joakim Stenberg, are independent of the Company's major shareholders and of the Company. However, Henrik Nittmar works closely with Adam Dahlberg within the



framework of Corline Biomedical AB (publ), in which Mr Nittmar is CEO and Mr Dahlberg the Chairman of the Board. During 2022, the Board of Acuvi held six minuted Board meetings. The Board meetings discuss the trends in sales and profitability, as well as the objectives and strategies for the operation.

The Board has adopted written rules of procedure for its work, which deal with matters such as the following:

- The number of Board meetings.
- The timing and content of notifications of Board meetings.
- The points that will normally be included in the agenda for the respective Board meetings.
- The minutes of Board meetings.
- The delegation of decisions to the CEO.

The Board's rules of procedure are revised annually and updated as required. The Instructions for the CEO set out the division of work between the Board and the CEO, as well as the CEO's responsibilities and authority.

## The executive management team

For personal information on the members of the executive management team, including shareholdings, see the Annual Report for 2022 'Senior Executives' on page 8, and the Company's website ([www.acuvi.com](http://www.acuvi.com)).

Acuvi's executive management team consists of four members, including the CEO. On two occasions per year, the whole executive management team meets for full-day meetings, which enable the consideration of issues of a strategic nature. The formal work plan for the Board of Directors and the CEO was established at the inaugural Board meeting held in June 2022 governing the

distribution of work between the Board, the Chairman of the Board and the CEO.

## External audit

At the 2022 Annual General Meeting, Grant Thornton ('GT') was elected auditor through to the 2023 Annual General Meeting. The principal auditor is Stéphanie Ljungberg.

## The nomination committee

The nomination committee for the Annual General Meeting 2023 has been appointed in accordance with the principles adopted at the Annual General Meeting 2022.

## The most important elements in the Company's system of internal controls, follow-up and risk management

Under the Swedish Companies Act, the Board of Directors is responsible for internal controls. This section describes how internal controls in respect of the financial reports are organised, and refers to financial year 2022.

The purpose of internal controls on financial reports within Acuvi is to create an effective decision-making process in which the requirements, goals and frameworks are clearly defined. The ultimate aim of the checks is to protect the Company's assets and, through that, the shareholders' investment.

### Control environment

Acuvi's control environment consists, among other things, of sound values, integrity, competence, management philosophy, organisational structure, responsibility and authorities. Acuvi's internal formal work plan, instructions and policies provide guidance for members of staff. At Acuvi, a clear division of roles and responsibilities to enable the effective management

of the risks facing the operation is ensured, among other things, through the formal work plan of the Board and through the Instruction for the CEO. The CEO reports to the Board of Directors on a regular basis. In operating activities, the CEO is responsible for the system of internal checks required to create a control environment for significant risks. Acuvi has also established guidelines and policies relating to communication issues etc.

### Follow-up

The Board continuously evaluates the information provided by the executive management team, which includes more financial information and significant issues concerning internal checks. The Board continuously follows up the effectiveness of internal checks which include, over and above updating in the event of discrepancies, ensuring that actions are taken in respect of proposals for action, which may have emerged during the audit by the external auditors.

### Acquisitions and operational integration

Acuvi has acquired two international companies since June 2021. The Board continuously follows up the progress of the integration process after an acquisition.

## Information and communication

A proper provision of information and clear internal and external communication paths enable all parts of the operation to exchange and report relevant and significant information on the operation in an effective manner. To achieve this, Acuvi has drawn up a communication policy covering the management of information and the financial process. This has been communicated by the Board of Directors to the executive management team and onward to the members of staff. Guidelines are laid down for how communication with external parties should take place, who is authorised to provide certain types

of information and when, for example, a log-book must be kept. The ultimate purpose of the above-mentioned policies is to ensure that statutory protection and listing agreements are complied with and that investors are provided with accurate information at the appropriate time. The policy was updated in November 2022 for the purpose of increasing clarity and transparency.

## Risks and uncertainty factors

The risks to which the Group is exposed include commercial and financial risks. Commercial risks may be largely dependent on customers and/or suppliers, for example. In 2022, the Group had approximately 500 customers.

Financial risks are primarily currency risks, credit risks and risks to the Company's financing. The Company manages financial risks by making every effort to match revenue to costs so that any substantial revenue in a particular currency is covered by purchases in the same currency.

Finance risks are expected to diminish since the Group is showing a profit at EBITDA level. The Board and the executive management team assess the conditions for improving profits and generating positive cash flows as good. The Company works closely and continuously with its financial advisers to ensure that there are several possible sources of finance when the need arises.

Historically, bad debt losses have been negligible. Direct sales are made against advance payment unless the customer has an established business relationship with any of the Group companies. The Group ownership is stable and committed for the long term, and some of the shareholders have participated in and worked with the financing of the Company for more than 20 years. Commercial

risks are managed through having a broad customer base and having multiple suppliers for critical components.

The risk of bad debt losses is assessed as low, but will increase as a greater part of the Group's sales are direct rather than through distributors. To manage credit risks, the companies in the Group require advance payment where the risk is judged to be too high.

It is not believed that the ongoing war in Ukraine is affecting Acuvi's profit/loss at present.

There is a risk, however, that it could become more difficult to find certain types of materials due to global supply chain disruptions. This applies mainly to the purchase of electronics. The Board is actively monitoring developments and will take action as necessary to limit any possible effects.

At present, Acuvi has no supply problems as regards materials but, as a precaution, the stocks of certain critical components have been increased. The Company has noticed increased pressure from suppliers to raise prices due to increased costs across the world. In general, the Company has succeeded in offsetting price rises from suppliers by increasing prices to the end customer. This applies in particular to PiezoMotor, where, in many cases, the customer lacks good alternatives.

## Continuing finance

At 31 December 2022, the Group's cash and cash equivalents totalled SEK 15.2 million. In addition, Acuvi had unused overdraft facilities of approximately SEK 5 million. The Board of Directors deems that the Company will continue to have financing for the next 12 months. On the balance-sheet date, available cash and cash equivalents and current assets, together with the cash flows that will be generated by Group operations in the

next year, will cover the Parent Company and Group's financing needs for the next 12 months. The Group will balance any further investments or inputs against the available financial resources at the time. Acuvi's management team and Board of Directors are working continuously to ensure that the Company has appropriate financing in place.

## Related-party transactions during the year

In 2022, Acuvi implemented two private placements to senior executives in the US subsidiary, TPA Motion. The Group also has a small loan from a member of the Board. These transactions are explained in Note 29.

## The environment

Acuvi does not carry on any notifiable operations.

## Sustainability

Acuvi is committed to providing a sound work environment for its staff. We intend to formalise the implementation of CSR during 2023.

## Expected future trends

In the present situation, Acuvi is not making any forecasts, but in previous communications, the Company has expressed its ambition to be a fast-growing, profitable Group with positive cash flows. The target for profitability has been set in presentations as achieving over 20% EBITDA in the near term, with the aim of gradually increasing the level above 25%.

## Multi-annual comparison, Group

(SEK thousand)	2022	2021
Net sales	185,075	51,441
Operating loss	-115,870	-46,917
Total assets	495,192	537,118
Equity/assets ratio	69%	72%

## Multi-annual comparison, Parent Company

(SEK thousand)	2022	2021	2020	2019	2018
Net sales	23,704	33,227	27,382	30,696	25,962
Operating loss	-15,948	-27,871	-23,960	-15,768	-20,774
Total assets	502,279	431,080	59,736	59,122	80,336
Equity/assets ratio*	91%	94%	81%	81%	78%

\* See definition of key performance indicators in Note 1.

## Appropriation of profits

The following undistributed profits are at the disposal of the Annual General Meeting:

Share premium reserve	715,453,360
Retained earnings	-311,386,331
Net profit/loss for the year	19,658,752
SEK	423,725,781

The Board of Directors proposes that the profits be appropriated so that

is carried forward	423,725,781
SEK	423,725,781

The Company's profit/loss and position in general are set out in the following income statement and balance sheet with supplementary disclosures.

## Consolidated income statement

(SEK thousand)	Note	1 Jan 2022 31 Dec 2022	1 Jan 2021 31 Dec 2021
<b>Net sales</b>	3	<b>185,075</b>	<b>51,441</b>
Cost of goods sold		-244,121	-60,927
<b>Gross loss</b>		<b>-59,046</b>	<b>-9,486</b>
Selling expenses	6	-11,662	-7,377
Administrative expenses	4, 5, 6, 7	-32,051	-17,444
R&D expenses	4, 6, 7	-12,047	-14,535
Other operating income		4,288	7,065
Other operating expenses		-5,352	-5,140
<b>Operating loss</b>		<b>-115,870</b>	<b>-46,917</b>
<b>Profit/loss from financial investments</b>			
Interest income and similar financial income	28	25,637	0
Interest expenses and similar financial expenses	29	-14,402	-189
<b>Profit/loss after financial items</b>		<b>-104,635</b>	<b>-47,106</b>
Tax on profit/loss for the period	8, 17	8,217	-752
<b>Net profit/loss for the year</b>		<b>-96,418</b>	<b>-47,858</b>
Basic earnings per share	19	-3.88	-2.59
Diluted earnings per share	19	-3.88	-2.59
Average number of shares (thousand)	19	24,863	18,463
Number of shares at end of period (thousand)	19	25,016	24,281

## Consolidated balance sheet

Assets	Note	31 Dec 2022	31 Dec 2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised development expenditure	9	45,812	49,165
Patents	10	2,788	2,176
Goodwill	11	330,903	366,273
Other intangible assets	12	1,231	1,280
<b>Total intangible assets</b>		<b>380,734</b>	<b>418,894</b>
 <b>Property, plant and equipment</b>			
Buildings and land	13	0	8,445
Machinery and equipment	14	15,689	17,191
<b>Total property, plant and equipment</b>		<b>15,689</b>	<b>25,636</b>
 <b>Financial assets</b>			
Total non-current receivables		529	0
<b>Total financial assets</b>		<b>529</b>	<b>0</b>
 <b>Total non-current assets</b>		<b>396,952</b>	<b>444,531</b>
 <b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		22,461	10,348
Work in progress		7,591	12,495
Finished goods		12,877	5,208
<b>Total stocks</b>		<b>42,929</b>	<b>28,053</b>
 <b>Current receivables</b>			
Accounts receivable		25,826	20,201
Current tax assets		0	132
Income earned but not yet invoiced		3,250	650
Other receivables		7,834	30,695
Prepaid expenses and accrued income	18	3,180	4,285
<b>Total current receivables</b>		<b>40,090</b>	<b>55,963</b>
 Cash and bank balances		15,222	8,571
<b>Total current assets</b>		<b>98,241</b>	<b>92,587</b>
 <b>Total assets</b>		<b>495,192</b>	<b>537,118</b>

(SEK thousand)	Note	31 Dec 2022	31 Dec 2021
<b>Equity</b>			
Share capital		12,508	12,140
Other capital contribution		471,495	421,997
Other equity incl. net profit/loss for the year		-144,276	-47,858
<b>Total equity</b>	19	<b>339,726</b>	<b>386,279</b>
<b>Provisions</b>			
Deferred tax	21	6,785	12,969
Other provisions	21	20,874	18,057
<b>Total provisions</b>		<b>27,659</b>	<b>31,026</b>
<b>Non-current liabilities</b>			
Non-current liabilities to credit institutions	22	7,078	8,049
Other liabilities	23	64,509	28,940
<b>Total non-current liabilities</b>		<b>71,587</b>	<b>36,989</b>
<b>Current liabilities</b>			
Bank overdraft facilities utilised	24	5,263	0
Current liabilities to credit institutions	25	1,631	8,586
Advances from customers		396	0
Accounts payable		19,422	11,790
Other liabilities	23	16,265	50,183
Accrued expenses and prepaid income	26	13,243	12,264
<b>Total current liabilities</b>		<b>56,220</b>	<b>82,823</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>495,192</b>	<b>537,118</b>

## Change in Group's equity (SEK thousand)

	Share capital	Other contributed capital	Acc. ex-change-rate differences	Retained earnings including net profit/loss for the year	Total
Equity as at 1 Jan 2021	7,740	40,936			48,676
Net profit/loss for the year				-47,858	-47,858
New share issue	4,400	334,276			338,676
Translation differences			-239		-239
Shareholder contributions received		60,372			60,372
Issue expenses		-13,348			-13,348
<b>Equity as at 31 Dec 2021</b>	<b>12,140</b>	<b>422,236</b>	<b>-239</b>	<b>-47,858</b>	<b>386,279</b>
Equity as at 1 Jan 2022	12,140	422,236	-239	-47,858	386,279
Net profit/loss for the year				-96,418	-96,418
Translation differences			20,061		20,061
New share issue	368	29,436			29,804
<b>Equity as at 31 Dec 2022</b>	<b>12,508</b>	<b>451,672</b>	<b>19,822</b>	<b>-144,276</b>	<b>339,726</b>



# Consolidated statement of cash flows

(SEK thousand)	Note	1 Jan 2022 31 Dec 2022	1 Jan 2021 31 Dec 2021
Profit/loss before financial items		-115,870	-46,917
Adjustment for non-cash items			
Amortisation/depreciation/impairment	30	97,741	22,278
Other	30	30,041	-583
Interest paid		-3,156	0
Other financial expenses		-5,624	0
		<b>119,002</b>	<b>21,695</b>
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,133</b>	<b>-25,222</b>
<b>Changes in working capital</b>			
Inventories		-13,182	3,252
Operating receivables		-8,558	-3,565
Operating liabilities		594	1,480
		<b>-21,146</b>	<b>1,167</b>
<b>Cash flow from operating activities</b>		<b>-18,013</b>	<b>-24,055</b>
<b>Investing activities</b>			
Acquisition of intangible assets	9, 10, 11, 12	-4,474	-6,865
Acquisition of shares in Group companies	15, 27	0	-227,592
Acquisition of property, plant and equipment	13, 14	-946	-867
Property, plant and equipment sold	13	8,435	0
Investments in other financial assets		-529	0
<b>Cash flow from investing activities</b>		<b>2,486</b>	<b>-235,324</b>
<b>Financing activities</b>			
New issue net after issue expenses		0	187,948
Shareholder contributions received		0	60,372
Reduction of financial liabilities		-470	0
Newly taken out loans		34,370	3,427
Amortisation of loans		-12,190	-1,117
<b>Cash flow from financing activities</b>		<b>21,711</b>	<b>250,630</b>
Cash flow for the period		6,184	-8,749
Exchange rate differences in cash and cash equivalents		467	0
Opening cash and cash equivalents		8,571	17,320
<b>Closing cash and cash equivalents</b>		<b>15,222</b>	<b>8,571</b>

## Parent Company's income statement

(SEK thousand)	Note	1 Jan 2022 31 Dec 2022	1 Jan 2021 31 Dec 2021
<b>Net sales</b>	3	<b>23,704</b>	<b>33,227</b>
Cost of goods sold		-24,103	-29,920
<b>Gross loss</b>		<b>-399</b>	<b>3,307</b>
Selling expenses	6	-8,374	-5,801
Administrative expenses	4, 5, 6, 7	-26,294	-15,442
R&D expenses	6, 7	-6,140	-11,576
Other operating income		30,425	6,969
Other operating expenses		-5,166	-5,328
<b>Operating loss</b>		<b>-15,948</b>	<b>-27,871</b>
<b>Profit/loss from financial investments</b>			
Interest income and similar financial income	28	38,455	0
Interest expense and similar financial expenses	29	-2,848	-32
<b>Profit/loss after financial expenses</b>		<b>19,659</b>	<b>-27,903</b>
Tax on profit/loss for the period	8, 17	0	-752
<b>Net profit/loss for the year</b>		<b>19,659</b>	<b>-28,655</b>

## Parent Company's balance sheet

Assets	Note	31 Dec 2022	31 Dec 2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised development expenditure	9	18,921	15,631
Patents	10	2,489	1,899
Other intangible assets	12	1,231	1,280
<b>Total intangible assets</b>		<b>22,642</b>	<b>18,810</b>
 <b>Property, plant and equipment</b>			
Machinery and equipment	14	386	5,207
<b>Total property, plant and equipment</b>		<b>386</b>	<b>5,207</b>
 <b>Financial assets</b>			
Shares in Group companies	15	228,681	226,078
Receivables from Group companies	16	199,966	142,257
<b>Total financial assets</b>		<b>428,647</b>	<b>368,335</b>
 <b>Total non-current assets</b>		<b>451,675</b>	<b>392,352</b>
 <b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		0	7,370
Work in progress		0	952
Finished goods		0	3,218
<b>Total stocks</b>		<b>0</b>	<b>11,540</b>

**Current receivables**

Accounts receivable	6,627	5,807
Current tax assets	0	60
Income earned but not yet invoiced	3,250	650
Other receivables	4,538	3,387
Receivables from Group companies	33,156	7,268
Prepaid expenses and accrued income	18	4,285
<b>Total current receivables</b>	<b>49,092</b>	<b>21,457</b>

Cash and bank balances	1,512	5,731
<b>Total current assets</b>	<b>50,604</b>	<b>38,728</b>

<b>Total Assets</b>	<b>502,279</b>	<b>431,080</b>
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Equity	Note	31 Dec 2022	31 Dec 2021
<b>Restricted equity</b>			
Share capital	19, 20	12,508	12,140
Development expenditure reserve		18,921	15,631
<b>Total restricted equity</b>		<b>31,429</b>	<b>27,771</b>
<b>Non-restricted equity</b>			
Share premium reserve		715,453	686,047
Retained earnings		-311,386	- 279,441
Net profit/loss for the year		19,659	-28,655
<b>Total non-restricted equity</b>		<b>423,726</b>	<b>377,951</b>
<b>Total equity</b>		<b>455,155</b>	<b>405,722</b>
<b>Non-current liabilities</b>			
Other liabilities	23	25,370	0
<b>Total non-current liabilities</b>		<b>25,370</b>	<b>0</b>
<b>Current liabilities</b>			
Bank overdraft facilities utilised	24	5,263	0
Current liabilities to credit institutions	25	0	93
Accounts payable		10,512	8,863
Advances from customers		96	0
Other liabilities	23	581	6,817
Accrued expenses and prepaid income	26	5,302	9,585
<b>Total current liabilities</b>		<b>21,754</b>	<b>25,358</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>502,279</b>	<b>431,080</b>

## Change in Parent Company's equity (SEK thousand)

	Restricted equity		Non-restricted equity			Total
	Share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
<b>Equity as at 1 Jan 2021</b>	<b>7,740</b>	<b>9,606</b>	<b>365,119</b>	<b>-309,710</b>	<b>-24,078</b>	<b>48,676</b>
Appropriation of preceding year's net profit/loss				-24,078	24,078	
Development costs		6,025		-6,025		
New share issue	4,400		334,276			338,676
Shareholder contribution				60,372		60,372
Issue expenses			-13,348			-13,348
Net profit/loss for the year					-28,655	-28,655
<b>Equity as at 31 Dec 2021</b>	<b>12,140</b>	<b>15,631</b>	<b>686,047</b>	<b>-279,441</b>	<b>-28,655</b>	<b>405,721</b>

	Restricted equity		Non-restricted equity			Total
	Share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
<b>Equity as at 1 Jan 2022</b>	<b>12,140</b>	<b>15,631</b>	<b>686,047</b>	<b>-279,441</b>	<b>-28,655</b>	<b>405,721</b>
Appropriation of preceding year's net profit/loss				-28,655	28,655	0
Development costs		3,290		-3,290		0
New share issue	368		29,406			29,774
Net profit/loss for the year					19,659	19,659
<b>Equity as at 31 Dec 2022</b>	<b>12,508</b>	<b>18,921</b>	<b>715,453</b>	<b>-311,386</b>	<b>19,659</b>	<b>455,155</b>

# The Parent Company's statement of cash flows

(SEK thousand)	Note	1 Jan 2022 31 Dec 2022	1 Jan 2021 31 Dec 2021
Profit/loss before financial items		-15,948	-27,902
Adjustment for non-cash items			
Amortisation/depreciation/impairment	30	642	1,822
Other	30	243	432
Interest paid		-2,848	0
<b>Total adjustments</b>		<b>-1,963</b>	<b>2,254</b>
<b>Cash flow from operating activities before changes in working capital</b>		<b>-17,911</b>	<b>-25,648</b>
<b>Changes in working capital</b>			
Inventories		0	-437
Operating receivables		-1,315	-10,214
Operating liabilities		-802	9,415
<b>Changes in working capital</b>		<b>-2,117</b>	<b>-1,236</b>
<b>Cash flow from operating activities after changes in working capital</b>		<b>-20,028</b>	<b>-26,884</b>
<b>Investing activities</b>			
Acquisition of intangible assets	9, 10, 11, 12	-4,474	-6,086
Acquisition of property, plant and equipment	13, 14	0	-868
Acquisition of subsidiaries	15, 27	0	-88,698
Loans to Group companies	28	0	-142,257
<b>Cash flow from investing activities</b>		<b>-4,474</b>	<b>-237,909</b>
<b>Financing activities</b>			
New issue after issue expenses		0	187,949
Shareholder contributions received		0	60,372
Loans to Group companies		-4,108	0
Newly taken out loans		33,633	6,000
Amortisation of loans		-9,000	-1,117
<b>Cash flow from financing activities</b>		<b>20,525</b>	<b>253,204</b>
Cash flow for the period		-3,977	-11,589
Exchange rate differences in cash and cash equivalents		-242	0
Opening cash and cash equivalents		5,731	17,320
<b>Closing cash and cash equivalents</b>		<b>1,512</b>	<b>5,731</b>

# Notes

## 1 Accounting and valuation policies

### General

The financial statements of the Group and the Parent Company have been drawn up in accordance with the Swedish Annual Accounts Act (1995:1554) and BFAR 2012:1 [the Swedish Accounting Standards Board Regulation 2012:1] Annual Accounts and Consolidated Financial Statements (K3). The policies are unchanged from the preceding year. The most important accounting and valuation policies used in the preparation of these financial statements are summarised below. Wherever the Parent applies differing policies, this is stated under the Parent Company's valuation policies below.

### Consolidated financial statements

#### The foundations of the consolidated financial statements

The Company prepares consolidated financial statements. Information on Group companies can be found in the note on participations in Group companies. Subsidiaries are recognised in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements are presented in Swedish Kronor, SEK, which is also the Parent Company's presentation currency. Profits/losses from subsidiaries which were acquired or divested during the year are recognised from the date on which the acquisition took effect or the date on which the divestment took effect, as appropriate.

Amounts recognised in respect of subsidiaries in the financial statements have been adjusted where necessary to ensure conformity with the Group's accounting policies.

#### Transactions which are eliminated on consolidation

Internal Group transactions and balance sheet items are eliminated in their entirety on consolidation, including unrealised gains and losses on transactions between Group companies. Whenever unrealised losses on internal Group assets are reversed on consolidation, an impairment test is also carried out on the underlying asset from a Group perspective.

#### The acquisition method

The Group's financial statements have been prepared in accordance with the acquisition method. The date of acquisition is the date on which the controlling influence is acquired.



The Parent Company prepares an acquisition analysis as at the acquisition date to identify the cost to the Group, both for the shares and for the subsidiary's assets, provisions and liabilities. The business combination is recognised by the Group from the date of acquisition. The cost of the acquired unit is calculated as the total of the consideration, i.e.

- the fair value of the assets paid for with the addition of incurred and assumed liabilities, as well as issued equity instruments.
- expenditure which is directly attributable to the business combination.
- supplementary consideration or the equivalent if this can be estimated reliably.

Goodwill consists of the difference between the acquired identifiable net assets on the date of acquisition and the cost including the value of non-controlling interests and is initially recognised at cost.

### **Translation of foreign operations**

On consolidation, assets and liabilities, including goodwill and other Group surpluses and negative surpluses, are translated to SEK at the closing-day rate. Income and expense are translated to SEK using an average exchange rate over the reporting period which represents an approximation of the transaction exchange rate.

Exchange rate differences which arise on translating foreign operations are recognised in equity.

## **Income statement**

### **Revenue**

Revenues are generated through sales of goods and the provision of services in the form of projects and are recognised under 'Net sales' in the income statement. Revenues are recognised at the fair value of the

remuneration that is or will be received for the goods and services, i.e. at sales price after the deduction of discounts and other similar deductions and value added tax. Revenue on product sales is recognised when the revenue can be estimated reliably and when essentially all risks and rights associated with the product have been transferred to the purchaser. This normally takes place on delivery.

Service assignments at fixed price in respect of projects are recognised using the principle of revenue recognition over time, which means that revenue is recognised in accordance with the percentage of completion of the individual assignment. When the outcome can be calculated reliably, the assignment revenue and attributable assignment expenditure are recognised in profit or loss on the basis of the percentage of completion of the activities in the contract at the end of the reporting period.

The percentage of completion is determined by comparing the assignment expenditure incurred to date with total assignment expenditure. When the Group cannot calculate the outcome of an assignment reliably, assignment revenue is recognised at an amount which is equivalent to the assignment expenditure incurred which it is probable will be reimbursed by the customer.

On all occasions when it is probable that the total assignment expenditure will exceed the total assignment revenue, the anticipated loss is recognised immediately in profit or loss.

When it is no longer probable that payment will be received for amounts which have already been recognised as revenue, the amount which it is probable will not be received is recognised as an expense.

Revenue from service assignments with an indeterminate number of activities over a determined time period are recognised on a

straight-line basis over that time period.

The gross amount which is to be paid by customers in respect of assignments is recognised in the item accrued costs and deferred income for assignments in progress where assignment expenditure and recognised profits (after the deduction of recognised losses) exceed invoiced amounts. The gross amount which is to be paid by customers in respect of assignments is recognised in the item accrued costs and deferred income for assignments in progress where assignment expenditure and recognised profits (after the deduction of recognised losses) exceed invoiced amounts.

### Costs

Costs which are directly attributable to the production of a good, as well as fixed costs and depreciation/amortisation associated with production, are recognised as a cost of goods sold. Indirect costs which are considered to be attributable to production are recognised as a cost of goods sold. To this is added amortisation of capitalised development expenditure. In the event that capitalised research and development costs are impaired or disposed of, these are regarded as being R&D costs. During the year, engineering resources used to implement major projects were also recognised as a cost of goods sold.

## Balance sheet

### Intangible assets

Intangible assets are recognised at cost minus accumulated amortisation/impairment. Acuvi capitalises research and development expenditure.

For capitalisation it is required that

- it is technically possible to complete the asset so that it can be used or sold

- the Group intends to complete the asset and use or sell it
- the Group has the ability to use or sell the asset
- it is probable that the asset will generate future economic benefits
- there are sufficient resources to complete the asset and to use or sell it
- the development expenditure can be measured reliably

Research and development expenses are capitalised in the period in which they arise provided that the above criteria are met. A corresponding amount is transferred to the development expenditure reserve. Acquisition cost for capitalised expenses includes expenses for production of the asset. Directly attributable expenses include staff costs which have arisen in connection with development and an appropriate proportion of indirect expenses. Development expenses which do not meet the criteria are expensed in the period in which they arise. Every quarter, Acuvi performs a check to determine whether the criteria for capitalising research and development costs are still met, or whether there are any indications that the fair value of the asset is less than the carrying amount. Impairment is implemented if it becomes apparent that the recovery value calculated as the fair value excluding selling costs or the value in use, whichever is higher, is less than the recognised value. The asset is disposed of if the criteria for capitalising the asset are no longer met.

Goodwill represents the difference between the cost of a business combination and the fair value of the acquired assets, liabilities and contingent liabilities.

Expenditure on the development, purchase

and installation of websites is posted as 'Other intangible assets' and capitalised.

Intangible assets are amortised on a straight-line basis over the expected useful life of the respective asset, starting when the asset is taken into use. The useful life is reviewed at the end of each reporting period.

The following amortisation percentages are applied:

Capitalised development costs	10–20%
Patents	5–10%
Goodwill	20%
Buildings	2–5%

Intangible assets are eliminated from the balance sheet upon disposal or sale. In the case of sale, the capital gain is determined as the difference between the sale price and the carrying amount of the asset, and is recognised in profit or loss as 'Other operating income' or 'Other operating expense'.

### Property, plant and equipment

Property, plant and equipment are valued at cost. Cost includes the purchase price and other directly attributable expenses, e.g. for delivery, handling, installation, assembly and consultancy services.

Intangible assets are amortised on a straight-line basis over the expected useful life of the respective asset, starting when the assets are taken into use. The useful life is reviewed at the end of each reporting period.

The following amortisation percentages are applied:

Portable computer equipment	33%
Other computer equipment	20%
Other machinery and equipment	10%

Property, plant and equipment is eliminated from the balance sheet on disposal or sale. In the case of sale, the capital gain is determined as the difference between the sale price and the carrying amount of the asset, and is recognised in profit or loss as 'Other operating income' or 'Other operating expense'.

### Operating leases

The Company's lease charges are recognised as operating leases and allocated linearly over the lease period, as this is judged to best reflect the financial benefit over the period.

### Impairment testing of intangible assets and property, plant and equipment

At the end of each reporting period, an assessment is made to ascertain whether there is any indication that the value of an asset is lower than its carrying amount. If there is such an indication, the recoverable amount of the asset is calculated. If the recoverable amount is below the carrying amount, an impairment is expensed. An internally generated intangible asset which is not yet ready for use or sale at the end of the reporting period is always impairment tested.

The recoverable amount of an asset is assessed as the fair value minus selling costs or the value in use, whichever is greater.

Fair value minus selling costs consists of the price which the Group/Parent Company estimates could be received in the event of sale between knowledgeable willing parties which are independent of each other and which have an interest in completing the transaction. Costs directly attributable to the sale are deducted.

The value in use is the expected future cash flows that an asset or a cash-generating unit is expected to give rise to.

In impairment testing, the assets are grouped in cash-generating units. A cash-generating

unit is the smallest identifiable group of assets that generates independent cash flows. The consequence is that the impairment need of certain assets is tested individually and certain others are tested at the level of the cash-generating unit. Goodwill is allocated to the cash-generating units which are expected to benefit from the synergy effects of the attributable business combinations and represent the lowest level in the Group at which goodwill is monitored.

Impairment in relation to cash-generating units first reduces the carrying amount of the goodwill allocated to the cash-generating unit. Any remaining impairment reduces the other assets in the cash-generating units pro rata.

A new assessment is made of all assets with the exception of goodwill for indications that a previous impairment is no longer justified. Impairment is reversed if the recoverable amount of the asset or the cash-generating unit exceeds the carrying amount and is allocated pro rata across all assets (except goodwill).

#### **Receivables and liabilities in foreign currency**

Receivables are recognised at the amounts expected to be received.

Receivables and liabilities in foreign currencies are recognised at the rate in force at the year end. Acuvi has decided not to hedge currency risks. Around 70 percent of the Group's invoicing was in USD.

The cost base is predominantly in SEK, but a major part of materials purchases are in USD or EUR.

Current liabilities are those that fall due within one year. Other liabilities are counted as non-current. Those parts of loans that fall due within one year have been recognised as current, while the remainder are regarded as non-current.

Other assets and liabilities have been recognised at cost unless otherwise stated.

#### **Financial instruments**

Financial instruments are recognised when the Company becomes party to the instrument's contractual conditions and are valued both on initial recognition and in the event of subsequent valuations based on cost. Every quarter, the Company carries out an assessment to determine whether there is any indication of a need to impair financial assets. This assessment is carried out individually on an item-by-item basis. If a need for impairment is identified, the carrying amount is written down to the fair value minus selling costs or the present value of the asset's expected future cash flows, whichever is greater.

#### **Inventories**

Inventories have been valued in accordance with the lowest value principle at the lower of cost and net realisable value. Cost includes all expenses attributable to the manufacturing process and a reasonable proportion of indirect manufacturing costs based on normal capacity.

Cost is calculated according to the first-in, first-out principle (FIFO). The net realisable value is defined as the estimated price at which the goods can be sold within the lines for normal activity, minus any selling costs directly attributable to the transaction.

#### **Income tax**

Income tax consists of current tax and deferred tax. Income tax is recognised in profit or loss except when the underlying transaction is recognised in equity, in which case the associated tax effect is also recognised in equity.

Current tax means income tax for the current financial year, as well as that part of income tax from previous financial years which has not yet been recognised. Current tax is calculated on the basis of the tax rate which

applies at the end of the reporting period.

Deferred tax is income tax relating to future financial years in consequence of previous events. Recognition is in accordance with the balance sheet method. Under this approach, deferred tax liabilities and deferred tax assets are recognised on temporary differences that arise between the carrying amount and the taxable value of assets and liabilities, as well as for other allowances or losses.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash funds and disposable bank balances.

### **Equity**

The Group's equity consists of the following items:

- Share capital consisting of the nominal value for issued and registered shares
- Other capital contributions include premiums received from new issues of share capital and the injection from quota value issues Any transaction costs attributable to issues of new shares are deducted from the premium taking account of any income tax effects.
- Other equity including the net profit/loss for the year. In Acuvi's case, this comprises retained earnings and the net profit/loss for the year

### **Provisions**

Provisions for supplementary consideration, deferred tax or other claims are recognised when the Group has a legal or constructive obligation as a result of an event that has occurred, when it is likely that an outflow of resources will be required in order to fulfil the obligation and when the amount can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are not recognised for expenses that are attributable to future activity.

Provisions are initially estimated at the amount that is required in order to fulfil the existing obligation, based on the most reliable information that is available as of the balance-sheet date.

The provision is utilised only for the expenditure for which the provision was originally intended.

The provision is reviewed every balance-sheet date and adjusted in the income statement and/or the balance sheet.

### **Contingent liabilities**

The following are recognised as contingent liabilities:

- a possible obligation as a result of events that have occurred, whose occurrence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, entirely or partially outside the control of the Group; or
- a present obligation as a result of events which have occurred, which is not recognised as a liability or provision as it is likely that an outflow of resources will be required in order to fulfil the obligation or because the magnitude of the obligation cannot be determined with sufficiently reliability.

### **Remuneration of employees**

Remuneration of employees means all types of remuneration that the Company provides to employees. The Company's remuneration includes salaries, paid holidays, paid leave of absence and remuneration after employment ends (pensions). These are recognised as they are vested. Remuneration to employees after employment ends refers to defined-contribution pension plans. Plans under which defined contributions are paid

and in which there are no obligations, either legal or constructive, to make any additional payments over and above these contributions, are classified as defined-benefit plans. The Company has no other long-term remuneration of employees.

## Statement of cash flows

The indirect method is used for the statement of cash flows. This means that the overall net amount of incoming and outgoing payments from operating activities is recognised, unlike the direct method, where the transactions are recognised on an item-by-item basis. The net amount is determined by adjusting the operating profit for items which have no impact on the cash flow, e.g. depreciation.

The statement of cash flows is presented broken down into three parts: cash flow from operating activities, cash flow from investing activities and cash flow from financial activities.

## The Parent Company's valuation policies

The Parent Company applies the same valuation policies as the Group, with the following exceptions:

### Shares in subsidiaries

Shares in subsidiaries valued at cost The value of the asset is reviewed and impaired in the event of an indication of a reduction in value.

### Translation of foreign subsidiaries

The income statement and balance sheets of foreign subsidiaries are translated using the current method, i.e. the income statement at the average exchange rate and the balance sheet at the closing-day rate.

## Calculation of key ratios

**The equity/assets ratio** is calculated by dividing equity by total assets.

**Gross profit/loss** is calculated as net sales minus cost of goods sold.

**Gross margin** is calculated as the gross profit/loss divided by net sales.

**Gross margin excluding depreciation/amortisation** is calculated as gross margin minus depreciation/amortisation attributable to cost of goods sold.

**EBITDA** is calculated by taking the operating profit/loss excluding depreciation/amortisation.

**The EBITDA margin** is calculated by dividing EBITDA by net sales.

**Basic earnings per share** are calculated by dividing profit/loss after financial items by the average number of shares outstanding during the period.

**Earnings per share after dilution** are calculated by dividing profit/loss after financial items by the average number of shares outstanding during the period plus options which are 'in the money' (i.e. have an exercise price which is above the closing price for Acuvi AB at the end of the reporting period).

## 2 Estimates and judgements

When financial statements are drawn up, the Board of Directors and the Chief Executive Officer, in conformity with the current accounting and valuation policies, must make certain estimates, judgements and assumptions which affect the recognition and valuation of assets, liabilities, revenue and costs. The areas in which such estimates and judgements may have major significance for the Group and which, accordingly, may affect the income statements and balance sheets in the future, are described below.

### Significant judgements

The following significant judgements have been made in the application of the Group's accounting policies with the most significant impact on the financial reports.

#### Capitalisation of intangible assets

Acuvi has capitalised development costs. These have been evaluated by estimating the future cash flows they have been assumed to generate. Following capitalisation, a check is performed to ensure that the accounting requirements for development costs are still met. An impairment assessment is performed in the event of an indication of a fall in value of an asset.

The value of goodwill and shares in subsidiaries is reviewed by assessing the discounted cash flows from the assets. If the discounted value is less than the carrying amount, the asset is impaired.

Capitalised semi-finished intangible assets also undergo impairment assessment each quarter. In order for this to be possible, an estimate is made of the future cash flows that are attributable to the asset.

#### Recognition of deferred tax assets

The assessment of the extent to which deferred tax assets can be recognised is based on the assessment of the probability of the consolidated future taxable revenue against which deferred tax assets can be utilised. In addition, important considerations are required in assessing the effect of certain legal and financial limitations or uncertainties in different jurisdictions.

#### Recognition of bad debts

Accounts receivable are recognised at the cash flow that they are expected to generate. An item-by-item review was carried out in connection with the preparation of the financial statements to ensure that no items needed to be adjusted or impaired.

#### Fixed-price contract

Acuvi has an assignment in progress in which the Company has a contract with a partner to develop a solution for high-volume applications. The project has been recognised as revenue in accordance with the time spent in relation to the budgeted for the full project.

### Uncertainty in estimates

The estimates and assumptions below are considered to have a significant impact on recognition and measurement, and the outcome based on these estimates and assumptions may differ considerably.

#### Impairment

To assess the impairment need, the recoverable amount of each asset or cash-generating unit is estimated, based on its future expected cash flows, and an appropriate discount rate is applied to the cash flow. There are uncertainties in the assumptions of future cash flows and the determination of an appropriate discount rate.

### Inventories

Inventories have been valued on the basis of an assumption of the net realisable value given the most reliable information that is available. However, future sales value may be affected by future technology and other changes in the market, which creates uncertainty in the assessment.

### Supplementary consideration

Acuvi acquired all the shares in Sensapex Oy in 2021. Under the provisions of the agreement, Acuvi is liable to pay supplementary consideration in the event that Sensapex Oy increases its sales to certain set levels. The supplementary consideration is based on Sensapex's rolling 12-month sales on 30 June 2023 and is limited to a total of EUR 22.0 million (EUR 2 million). In the financial statements on 31 December 2022, it was judged that the conditions for any supplementary consideration to be paid are not present and no provision or reserve for this has been recognised in the accounts.

Through subsidiaries, Acuvi acquired TPA Motion LLC through a merger for a consid-

eration. The consideration was paid both in shares and in cash. The merger agreement states that TPA Motion LLC has to be paid supplementary consideration after 1 and 2 years respectively from the acquisition date. (USD 1+1 million). The supplementary consideration has been recognised as a provision.

### Stay-on bonus

TPA Motion LLC, the company acquired by Acuvi, has an agreement on a stay-on bonus for two key individuals. The bonus replaces a previous profit-sharing system under which the two individuals shared 35% of the profit, as well as the increased probability of retaining the two individuals concerned for at least 24 months while the company's expertise is secured. In the consolidated financial statements, it has been judged likely that the bonus will be paid, and that part of the liability that falls due during 2022 has been recognised as under other current liabilities in the consolidated financial statements on 31 December 2022. That part that falls due in 2024 has been posted under other non-current liabilities.

## 3 Distribution of net sales

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Sweden	1,304	1,381	953	1,381
Rest of Europe	29,638	23,357	13,154	17,898
USA	134,725	16,999	1,173	7,057
Rest of the world	19,408	9,703	8,424	6,891
<b>Total sales</b>	<b>185,075</b>	<b>51,440</b>	<b>23,704</b>	<b>33,227</b>



## 4 Leases

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
The Company's leasing costs during the year amounted to:	6,400	4,271	4,506	3,893

The Company has entered into leases for premises, plant and machinery and equipment as follows:

Charges which fall due in:

2023	6,728	3,882	1,842	3,504
2024 – 2027	13,986	11,597	7,743	11,219
2028 –	172	182	172	182

## 5 Remuneration of auditors

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Grant Thornton</b>				
Audit assignment	1,582	994	1,582	994
Audit activities in addition to the audit assignment	200	269	200	269
Other services	39	882	39	882
<b>Total remuneration</b>	<b>1,822</b>	<b>2,145</b>	<b>1,822</b>	<b>2,145</b>

### PWC

Audit assignment	0	299	0	299
Audit activities in addition to the audit assignment	0	0	0	0
<b>Total remuneration</b>	<b>0</b>	<b>299</b>	<b>0</b>	<b>299</b>

### Revnor Oy

Audit assignment	63	25	0	0
<b>Total remuneration</b>	<b>63</b>	<b>25</b>	<b>0</b>	<b>0</b>

The Note refers to invoiced remuneration

## 6 Salaries and other remuneration to employees

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Average number of employees</b>				
Women	15	15	12	14
Men	39	31	18	25
	<b>54</b>	<b>46</b>	<b>29</b>	<b>39</b>

<b>Salaries, remuneration and social security contributions</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Salaries/invoiced fees and other remuneration to the Board of Directors and the CEO	4,224	2,402	4,224	2,402
Social security contributions on remuneration to the Board of Directors and the CEO	305	415	305	415
Salaries and other remuneration to other employees	34,032	21,615	17,878	18,308
Pension costs for the Board of Directors and the CEO	0	0	0	0
Pension costs for other employees	3,136	2,413	1,751	1,781
Other social security contributions	7,291	6,228	5,188	6,104
<b>Total salaries, remuneration and social security contributions</b>	<b>48,987</b>	<b>33,073</b>	<b>29,345</b>	<b>29,010</b>

The Board of Directors has two independent members: Henrik Nittmar and Joakim Stenberg. At the Annual General Meeting held in June 2021, it was resolved that these two independent directors would be remunerated at a rate of two

price base amounts excluding social security contributions, which is equivalent to SEK 95,200.

Other members of the Board receive no remuneration.

Gender balance in the management team	Group 31 Dec 2022	Group 31 Dec 2021
<b>Board of Directors</b>		
Women	1	1
Men	4	3
<b>Management team</b>		
Women	0	0
Men	5	6
<b>Number of employees, Group</b>		
Sweden	29	37
Finland	10	10
Switzerland	6	2
USA	11	9
<b>Total</b>	<b>56</b>	<b>58</b>

## 7 Depreciation/amortisation

### Depreciation/amortisation per department

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Cost of goods sold	96,315	21,158	682	803
of which goodwill	90,130	14,806	0	0
Administrative expenses	794	961	733	809
R&D expenses	234	217	206	211
	<b>97,343</b>	<b>22,336</b>	<b>1,621</b>	<b>1,823</b>

## 8 Tax on profit/loss for the year

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Current tax	0	0	0	0
Change in deferred tax asset in respect of loss carry-forward	8,217	-752	0	-752
<b>Total tax recognised</b>	<b>8,217</b>	<b>-752</b>	<b>0</b>	<b>-752</b>
Average effective tax rate	0%	0%	0%	0%

### Reconciliation of effective tax rate

<b>Net profit/loss for the year before tax</b>	<b>-104,636</b>	<b>-47,106</b>	<b>19,659</b>	<b>-27,903</b>
Tax on recognised revenue in accordance with the applicable tax rate	21,555	-9,588	-4,050	-5,748

### Tax effect of:

Other non-deductible costs	-210	28	-48	28
Amortisation of goodwill	-14,203	0	0	0
Loss carry-forwards where the tax value is not recognised as an asset	-3,959	10,312	0	6,472
Utilisation of previously non-capitalised loss carry-forwards	4,097	0	4,097	0
Cancellation of deferred tax asset from previous year(s)	0	-752	0	-752
Difference attributable to foreign tax rates	937	0	0	0
<b>Total tax recognised</b>	<b>8,217</b>	<b>-752</b>	<b>0</b>	<b>-752</b>
Effective tax rate	0%	0%	0%	0%

## 9 Capitalised development expenditure

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Accumulated cost</b>				
Opening cost	79,732	0	40,877	34,852
Parent Company's opening cost	0	34,852	0	0
Capitalised expenditure for the year, internal development	3,290	6,025	3,290	6,025
Investment for the year through business combinations	0	38,855	0	0
Translation differences	-2,892	0	0	0
<b>Closing accumulated cost</b>	<b>80,130</b>	<b>79,732</b>	<b>44,167</b>	<b>40,877</b>
<b>Accumulated amortisation</b>				
Opening amortisation	-23,619	0	-18,298	-18,298
Parent Company's opening cost	0	-18,298	0	0
Amortisation for the year	-3,134	-5,321	0	0
Translation differences	-617	0	0	0
<b>Closing accumulated amortisation</b>	<b>-27,370</b>	<b>-23,619</b>	<b>-18,298</b>	<b>-18,298</b>
<b>Accumulated impairment</b>				
Opening impairment	-6,948	0	-6,948	-6,948
Parent Company's opening cost	0	-6,948	0	0
<b>Closing accumulated impairment</b>	<b>-6,948</b>	<b>-6,948</b>	<b>-6,948</b>	<b>-6,948</b>
<b>Carrying amount</b>	<b>45,812</b>	<b>49,165</b>	<b>18,921</b>	<b>15,631</b>

The Parent Company's development costs in respect of the new ULTRA product platform During 2022, this primarily involved consulting expenses. Other development costs in the Group relate to balance sheet items from acquired goodwill from Sensapex Oy.

## 10 Patents

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Accumulated cost</b>				
Opening cost	10,428	0	9,975	9,975
Parent Company's opening cost	0	9,975	0	0
Translation differences	41	0	0	0
Investment for the year	760	0	760	0
Investment for the year through business combinations	0	453	0	0
<b>Closing accumulated cost</b>	<b>11,231</b>	<b>10,428</b>	<b>10,735</b>	<b>9,975</b>
<b>Accumulated depreciation</b>				
Opening amortisation	-7,085	0	-6,909	-6,738
Parent Company's opening cost	0	-6,738	0	0
Amortisation for the year	-192	-347	-171	-171
<b>Closing accumulated amortisation</b>	<b>-7,277</b>	<b>-7,085</b>	<b>-7,080</b>	<b>-6,909</b>
<b>Accumulated impairment</b>				
Opening impairment	-1,166	0	-1,166	-1,166
Parent Company's opening cost	0	-1,166	0	0
<b>Closing accumulated amortisation</b>	<b>-1,166</b>	<b>-1,166</b>	<b>-1,166</b>	<b>-1,166</b>
<b>Carrying amount</b>	<b>2,788</b>	<b>2,177</b>	<b>2,489</b>	<b>1,900</b>

In total, the Group has 26 patent families and a total of 60 individual patents, of which two are licensed to the Group. The most recently approved patent expires in 2039.

## 11 Goodwill

	Group 31 Dec 2022	Group 31 Dec 2021
<b>Accumulated cost</b>		
Opening cost	381,079	0
Investment for the year	0	381,535
Translation differences	51,382	-456
<b>Closing accumulated cost</b>	<b>432,461</b>	<b>381,079</b>
<b>Accumulated amortisation</b>		
Opening amortisation	-14,806	0
Amortisation for the year	-83,810	-14,806
Translation differences	-2,942	0
<b>Closing accumulated amortisation</b>	<b>-101,558</b>	<b>-14,806</b>
<b>Carrying amount</b>	<b>330,903</b>	<b>366,273</b>

The goodwill is attributable to the acquisitions of Sensapex and TPA Motion which were carried out in 2021.

## 12 Other intangible assets

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Accumulated cost</b>				
Opening cost	2,226	0	2,226	2,165
Parent Company's opening cost	0	2,165	0	0
Investment for the year	422	61	422	61
<b>Closing accumulated cost</b>	<b>2,648</b>	<b>2,226</b>	<b>2,648</b>	<b>2,226</b>
<b>Accumulated amortisation</b>				
Opening amortisation	-946	0	-946	-510
Parent Company's opening cost	0	-510	0	0
Amortisation for the year	-471	-436	-471	-436
<b>Closing accumulated amortisation</b>	<b>-1,417</b>	<b>-946</b>	<b>-1,417</b>	<b>-946</b>
<b>Carrying amount</b>	<b>1,231</b>	<b>1,280</b>	<b>1,231</b>	<b>1,280</b>

Other intangible expenses refer primarily to development costs associated with websites.

## 13 Buildings and land

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Accumulated cost</b>				
Opening cost	8,655	0	0	0
Investment for the year through business combinations	0	8,655	0	0
Sale of assets	-8,655	0	0	0
<b>Closing accumulated cost</b>	<b>0</b>	<b>8,655</b>	<b>0</b>	<b>0</b>
<b>Accumulated amortisation</b>				
Opening amortisation	-210	0	0	0
Amortisation for the year	0	-210	0	0
Sale of assets	210	0	0	0
<b>Closing accumulated amortisation</b>	<b>0</b>	<b>-210</b>	<b>0</b>	<b>0</b>
<b>Carrying amount</b>	<b>0</b>	<b>8,445</b>	<b>0</b>	<b>0</b>



## 14 Machinery and equipment

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Accumulated cost</b>				
Opening cost	29,261	0	17,277	16,409
Parent Company's opening cost	0	16,409	0	0
Purchases	940	868	343	868
Translation differences	900	-693	0	0
Transfer of assets and liabilities to Group companies	0	0	-16,256	0
Investment for the year through business combinations	0	12,677	0	0
<b>Closing accumulated cost</b>	<b>31,101</b>	<b>29,261</b>	<b>1,364</b>	<b>17,277</b>
<b>Accumulated amortisation</b>				
Opening amortisation	-12,070	0	-12,070	-10,854
Transfer of assets and liabilities to Group companies	0	0	12,070	0
Translation differences	-125	0	0	0
Parent Company's opening cost	0	-10,854	0	0
Amortisation for the year	-3,217	-1,216	-978	-1,216
<b>Closing accumulated amortisation</b>	<b>-15,412</b>	<b>-12,070</b>	<b>-978</b>	<b>-12,070</b>
<b>Carrying amount</b>	<b>15,689</b>	<b>17,191</b>	<b>386</b>	<b>5,207</b>

## 15 Shares in Group companies

See also Note 28.

	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Accumulated cost</b>		
Opening cost	226,078	0
Shareholder contribution	2,500	0
Purchases	103	226,078
<b>Closing accumulated cost</b>	<b>228,681</b>	<b>226,078</b>
<b>Carrying amount</b>	<b>228,681</b>	<b>226,078</b>

### TPA Motion LLC

Registered office	Fort Mill, SC 29708, USA
Corporate ID No.	87382-7536
Number of shares	4,003,537
Voting share	100%
Carrying amount	81,895

### PiezoMotor AB

Registered office	Uppsala, Sweden
Corporate ID No.	559333-7446
Number of shares	25,000
Voting share	100%
Carrying amount	25

### Sensapex Oy

Registered office	Oulu, Finland
Corporate ID No.	3459-6759
Number of shares	8,977,012
Voting share	100%
Carrying amount	144,183

### Acuvi GmbH

Registered office	Zug
Corporate ID No.	10,037,994
Number of shares	100
Voting share	100%
Carrying amount	0

### Sensapex Inc

Registered office	Fort Mill, SC 29078, USA
Corporate ID No.	46556-9441
Number of shares	100
Voting share	100%
Carrying amount	78

## 16 Receivables from Group companies

	Parent 31 Dec 2022	Parent 31 Dec 2021
Opening accumulated cost	142,257	0
New receivables	60,209	142,257
Group contribution	-2,500	0
Closing accumulated cost	199,966	142,257
<b>Carrying amount</b>	<b>199,966</b>	<b>142,257</b>

The loan was provided in connection with the acquisition of TPA Motion LLC (see also Note 28).

## 17 Deferred tax asset

Deferred taxes which arise as a result of temporary differences and unutilised loss carry-forwards in accordance with the following:

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Opening cost	0	0	0	752
Parent Company's opening cost	0	752	0	0
Reversal of tax assets	0	-752	0	-752
<b>Carrying amount</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Company's accumulated loss carry-forward up to and including 31 December 2021 amounted to SEK 419,614,475. Together with the taxable loss for the year of SEK 19,427,114, the Company's accumulated tax loss as at 31 December 2022 amounted to SEK 400,187,361. These loss carry-forwards can be utilised to

reduce the tax on future profits. When it is highly likely that taxable profit will be generated in the near future, the Company will recognise a deferred tax asset. The management team has judged that the conditions are not yet in place to permit the recognition of a deferred tax asset.

## 18 Prepaid expenses and accrued income

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Rent	928	824	368	824
Insurance	206	192	206	192
IT systems	163	418	105	418
Patents, cost of annual fees	75	143	75	143
Accrued income	702	1,204	0	1,204
Personnel	0	142	0	142
Other	1,105	1,362	767	1,362
	<b>3,180</b>	<b>4,285</b>	<b>1,521</b>	<b>4,285</b>

## 19 Share capital, number of shares and earnings per share

The number of shares as at 31 December 2022 was 25,016,220. The quota value is SEK 0.5 per share.

The average number of shares during the year was 24,862,635.

Earnings per share is calculated by dividing the profit/loss for the period by the average number of shares. The average number of shares is the weighted number of outstanding shares during the year after the buyback of the Company's own shares. There is no dilution effect.

## 20 Proposed appropriation of profit

The following undistributed profits are at the disposal of the Annual General Meeting:

Share premium reserve	715,453,360
Retained earnings	-311,386,331
Net profit/loss for the year	19,658,752
SEK	423,725,781
The Board of Directors proposes that the profits be appropriated so that	
is carried forward	423,725,781
SEK	423,725,781

## 21 Provisions

The carrying amounts of provisions and changes in these are as follows:

	Group 31 Dec 2022	Group 31 Dec 2021
<b>Provisions for deferred tax</b>		
Amount at start of year	12,969	0
Provisions for the year	0	14,026
Claimed amounts during the year	-8,217	-1,057
Translation differences	2,033	0
<b>Total</b>	<b>6,785</b>	<b>12,969</b>
<b>Provisions for supplementary consideration</b>		
Amount at start of year	18,057	0
Provisions for the year	0	18,057
Translation differences	2,817	0
<b>Total</b>	<b>20,874</b>	<b>18,057</b>
<b>Total</b>	<b>27,659</b>	<b>31,026</b>

## 22 Non-current liabilities to credit institutions

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Fall due between 1 and 5 years after accounting year end</b>				
Liabilities to credit institutions	7,078	8,049	0	0
<b>Fall due more than 5 years after the balance-sheet date</b>				
Liabilities to credit institutions	0	0	0	0
	<b>7,078</b>	<b>8,049</b>	<b>0</b>	<b>0</b>

## 23 Other liabilities

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
<b>Non-current</b>				
Stay-on bonus	39,139	28,940	0	0
Loans from private stakeholders	20,370	0	20,370	0
Other	5,000	0	5,000	0
	<b>64,509</b>	<b>28,940</b>	<b>25,370</b>	<b>0</b>
<b>Current</b>				
Stay-on bonus	10,959	43,410	0	0
Other	5,306	6,773	581	6,817
	<b>16,265</b>	<b>50,183</b>	<b>581</b>	<b>6,817</b>

## 24 Overdraft facilities

Acuvi AB has utilisable overdraft facilities of SEK 10 million.

## 25 Other current liabilities to credit institutions

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Current part of long-term loans	1,631	8,586	0	93
	<b>1,631</b>	<b>8,586</b>	<b>0</b>	<b>93</b>

## 26 Accrued expenses and deferred income

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Salaries/holiday pay	3,032	2,918	923	2,225
Social security contributions	1,002	699	290	699
Legal expenses before closing, TPA Motion	0	2,610	0	0
Consulting expenses	124	366	124	366
Restructuring costs	6,477	0	1,932	0
Other items	2,608	5,671	2,033	6,295
	<b>13,243</b>	<b>12,264</b>	<b>5,302</b>	<b>9,585</b>

## 27 Purchases and sales among Group companies

0% (0) of the Parent Company's net sales consisted of sales to other Group companies.

0% (0) of operating expenses consisted of expenses towards other Group companies.

## 28 Interest income and similar financial income

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Exchange-rate differences for long-term receivables	25,637	0	25,637	0
Interest income from Group companies	0	0	12,817	0
	<b>25,637</b>	<b>0</b>	<b>38,455</b>	<b>0</b>

## 29 Interest expense and similar financial expenses

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Additional acquisition costs for TPA Motion LLC	-11,731	0	0	0
Interest expenses on other liabilities	-2,277	0	-2,277	0
Other	-394	-189	-571	-32
	<b>-14,402</b>	<b>-189</b>	<b>-2,848</b>	<b>-32</b>

## 30 Adjustment for non-cash items

	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Amortisation/depreciation/ impairment	97,741	22,278	642	1,822
Settlement of net sales value	29,655	0	0	0
Other	255	0	0	0
Income tax paid	131	-583	885	432
	<b>127,782</b>	<b>21,695</b>	<b>2,065</b>	<b>2,254</b>

## 31 Changes in the Group's composition

In January 2022, Sensapex Oy sold its subsidiary, Sensapex Inc to Acuvi AB at the carrying amount Sensapex Inc has only operated as a sales company in the USA.

In May 2022, the Parent Company, PiezoMotor, changed its name to Acuvi. Simultaneously, a new company was established under the name of PiezoMotor AB. In October 2022, an agreement on the transfer of assets and liabilities was executed from Acuvi AB to PiezoMotor AB, in which all associated production and development was transferred. Personnel who are not part of the sales, marketing and finance functions are assigned to the new company, PiezoMotor AB, under the agreement for the transfer of assets and liabilities.

The agreement for the transfer of assets and liabilities has had no impact at Group level, but the Parent Company's income statement and balance sheet have been affected. With effect from and including 1 October, all invoicing, apart from for licences, has taken place through PiezoMotor AB. As a consequence of this, the costs of goods sold have been recognised in PiezoMotor AB as from 1 October. The balance sheet has been issued item by item. Those parts that have been judged to refer to production and Uppsala have been included in the transfer of assets and liabilities and are located with effect from and including 1 October in PiezoMotor Uppsala AB.

## 32 Transactions with related parties

### Related-party relationships

During 2022, no sales took place to any party which can be considered a related party.

### Transactions with key management personnel

Over and above what was stated in Note 6, Employees and personnel costs, there have been no transactions with natural persons who are related parties, With the exception of a loan of SEK 5 million to Acuvi from the Chairman of the Board. The loan is interest-free, and has no set repayment date. The intention is to settle the loan on a suitable association.

In connection with the acquisition of TPA Motion in December 2021, Acuvi entered into an agreement with two senior executives on a stay-on bonus. Payment can be made in cash or through newly issued shares. On two occasions during 2022, Acuvi issued shares for the first payments, which corresponded to 40% of the total liability. In total, 735,404 shares have been issued for this purpose.

## 33 Events after the end of the financial year

- Acuvi receives its first order related to the hand-held diagnostics project. The revenue potential for Acuvi from this diagnostics application is estimated at about SEK 50 million per year.
- In January 2023, Acuvi carried out two private placements. The purpose of the placements was to make the cash payment of the agreed additional consideration linked to the acquisition of TPA Motion.
- **23 March 2023:** Acuvi wins a SEK 18 million order.
- **4 April 2023:** Acuvi's subsidiary, Sensapex, enters into a collaboration and distribution agreement with Nikon in the USA.
- **2 May 2023:** Acuvi announces change of Certified Adviser from Redeye AB to Corpura Fondkommission AB.
- **24 May 2023:** The Board of Directors of Acuvi appoints Olof Stranding as permanent CEO. Stranding had assumed the position of acting CEO in November 2022.

## 34 Pledged assets and contingent liabilities

Pledged assets	Group 31 Dec 2022	Group 31 Dec 2021	Parent 31 Dec 2022	Parent 31 Dec 2021
Floating charge	10,000	7,250	10,000	7,250
Blocked bank accounts	425	425	425	425

Acuvi has provided PiezoMotor AB with a general guarantee of SEK 5,000,000.



## 35 Changes between annual report and published year-end report

### Effects on consolidated profit/loss for 2022.

The differences between the consolidated income statement in the annual report and the year-end report are shown in the table below.

Group, SEK million	Annual report	Year-end report	Variance
Net sales	185	185	0
Cost of goods sold	-244	-244	0
<b>Gross loss</b>	<b>-59</b>	<b>-59</b>	<b>0</b>
Selling expenses	-12	-12	0
Administrative expenses	-32	-32	0
Research and development costs	-12	-12	0
Other operating income	4	4	1
Other operating expenses	-5	-5	0
Unallocated costs	0	0	0
<b>Operating loss</b>	<b>-116</b>	<b>-116</b>	<b>0</b>
<b>Profit/loss before financial items</b>			<b>0</b>
Other interest income and similar income statement items	26	23	3
Interest expense and similar profit/loss items	-14	-12	-3
			0
<b>Profit/loss after financial items</b>	<b>-105</b>	<b>-105</b>	<b>0</b>
Tax on profit/loss for the year	8	8	1
<b>Net profit/loss for the year</b>	<b>-96</b>	<b>-97</b>	<b>1</b>
Basic earnings per share	-4.00	-4.00	0.00
Diluted earnings per share	-4.00	-4.00	0.00

**Effects on consolidated profit/loss for 2022.**

The differences between the consolidated balance sheet in the annual report and the year-end report are shown in the table below.

Group, SEK million	Annual report	Year-end report	Difference
<b>Intangible assets</b>			
Capitalised development expenditure	46	45	1
Patents	3	3	-1
<b>Total intangible assets</b>	<b>49</b>	<b>49</b>	<b>0</b>
Accounts receivable	26	26	0
Other receivables	8	7	1
Prepaid expenses and accrued income	3	3	1
<b>Total current receivables</b>	<b>37</b>	<b>35</b>	<b>2</b>
<b>Equity</b>			
Other capital contribution	471	472	-1
Other equity incl. net profit/loss for the year	-144	-145	1
<b>Total equity</b>	<b>327</b>	<b>327</b>	<b>0</b>
Non-current liabilities			
Liabilities to credit institutions	7	5	2
Other liabilities	65	30	34
<b>Total non-current liabilities</b>	<b>72</b>	<b>35</b>	<b>36</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	2	24	-22
Advances from customers	0	0	0
Accounts payable	19	19	0
Other liabilities	16	29	-13
<b>Total current liabilities</b>	<b>38</b>	<b>72</b>	<b>-35</b>

Uppsala xx May 2023

**Adam Dahlberg**  
Chair of the Board

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**Ping Faulhaber**  
Board Member

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**Dr.Henrik Nittmar**  
Board Member

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**Joakim Stenberg**  
Board Member

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**Dennis Barnes**  
Board Member

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**Olof Stranding**  
CEO

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Our audit report was submitted on the date  
indicated by the electronic signature

Grant Thornton Sweden AB

**Stéphanie Ljungberg**  
Authorised Public Accountant

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## Auditor's report

To the shareholders' meeting of Acuvi AB  
Corporate ID number 556539-6396

### Report on the annual report and the consolidated financial statements

#### Opinion

We have carried out an audit of the annual report and the consolidated financial statements of Acuvi AB for the year 2022.

The Company's annual report and consolidated financial statements are presented on pages 12–59 of this document.

In our opinion, the annual report and the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and give, in all material respects, a fair presentation of the Parent Company and Group's financial position as at 31 December 2022, and of its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The Board of Directors' report is consistent with the other parts of the annual report and the consolidated financial statements.

Accordingly, we recommend that the shareholders' meeting adopt the income statements and the balance sheets for the Parent Company and for the Group.

#### Basis for our opinion

We have carried out the audit in accordance with International Standards on Auditing (ISA) and generally accepted accounting standards in Sweden. Our responsibility in accordance with this is described in greater detail in the 'Auditor's responsibility' section. We are independent of the Parent Company and the Group in accordance with generally accepted accounting standards in Sweden

and have otherwise fulfilled our professional ethics in accordance with the standards.

We consider that the audit evidence we have obtained sufficient and appropriate as a basis for our opinions.

#### Information other than the annual report and the consolidated financial statements

This document also contains information other than the annual report and consolidated financial statements. This is presented on pages 1 – 11 and 64. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our declaration in respect of the annual report and the consolidated financial statements does not cover this information, and we make no confirmatory declaration in respect of this other information.

As part of our audit of the annual report and the consolidated financial statements, it is our responsibility to read the information identified above and consider whether that information, to any significant extent, is incompatible with the annual report and the consolidated financial statements. In this review, we also take into account the knowledge we have otherwise obtained during the audit and also consider whether the information in other respects appears to contain material errors.

If, on the basis of the work we have carried out in relation to this information, we reach the conclusion that the other information contains a material error, we are obliged to report this. We have nothing to report in this respect

#### The responsibility of the Board of Directors and the Chief Executive Officer

It is the Board of Directors and the Chief Executive Officer who are responsible for ensuring that the annual report and the consolidated

financial statements are drawn up and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for the internal control which they consider necessary for preparing an annual report and consolidated financial statements which do not contain any material errors, whether these are due to irregularities or mistakes.

In preparing the annual report and the consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the ability of the Company and the Group to continue as a going concern. They disclose, when appropriate, any circumstances which may affect the ability to continue as a going concern and to use the assumption of a going concern. The going concern assumption does not, however, apply if the Board of Directors and the Chief Executive Officer intend to liquidate the Company, cease trading or have no realistic alternative to one of these courses of action.

### **Responsibility of the auditors**

Our objective is to reach a reasonable degree of assurance on whether the annual report and consolidated financial statements as a whole do not contain any material errors, whether any errors are due to irregularities or mistake, and to submit an auditor's report which contains our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with ISA and generally accepted accounting standards in Sweden will always detect a material error if any such exists. Errors may arise as a result of irregularities or mistakes and be regarded as material if, individually or together, they may reasonably be expected to affect the financial decisions taken on the basis of the annual report and the consolidated financial statements.

As part of an audit in accordance with ISA, we

use our professional judgement and adopt an attitude of professional scepticism throughout the audit. In addition,

- we identify and assess the risks of material errors in the annual report and the consolidated financial statements, whether these are due to irregularities or mistake, formulate and carry out audit actions partly on the basis of these risks and obtain audit evidence which is sufficient and appropriate to constitute a basis for our declarations. The risk of not detecting a material error resulting from irregularities is higher than for a material error due to a mistake, since irregularities may involve acting in collusion, fraud, intentional omissions, incorrect information or circumventing internal controls.
- We acquire an understanding of that part of the Company's internal controls which are significant for our audit in formulating audit actions which are appropriate with respect to the circumstances, but not for us to express an opinion on the effectiveness of the internal control.
- We evaluate the suitability of the accounting policies applied and the reasonableness of the estimates made by the Board of Directors and the Chief Executive Officer in the annual report and associated disclosures.
- We come to a conclusion on the appropriateness of the going concern assumption made by the Board of Directors and the Chief Executive Officer in preparing the annual report and the consolidated financial statements. We also come to a conclusion, on the basis of the audit evidence collected, on whether there are any significant uncertainty factors which refer to events or circumstances which could give rise to significant doubt over the ability of the Company and the Group to continue as a going concern. If we conclude that there is a significant uncertainty factor, we must draw attention in the audit

report to the information in the annual report and the consolidated financial statements about the significant uncertainty factor or, if such information is insufficient, modify the declaration on the annual report and the consolidated financial statements. Our conclusions are based on the audit evidence collected up until the date of the audit report. Future events or circumstances, however, may mean that a Company and a Group can no longer continue as a going concern.

- We evaluate the overall presentation, structure and content of the annual report and consolidated financial statements, including disclosures, and whether the annual report and the consolidated financial statements reflect the underlying transactions and events in a manner which gives a fair presentation.
- We obtain sufficient and appropriate audit evidence in respect of the financial information in the units or business activities within the Group to enable us to make a declaration in respect of the consolidated financial statements.

We are responsible for controlling, supervising and implementing the Group audit. We are solely responsible for our declaration.

We must inform the Board of Directors on matters such as the planned scope and focus of the audit, as well as the date. We must also disclose any significant observations made during the audit, including any significant deficiencies we have identified in the internal control.

## Report on other requirements in accordance with statutes and other ordinances

### Opinion

Over and above our audit of the annual report and the consolidated financial statements, we

have also carried out an audit of the administration of Acuvi AB by the Board of Directors and the Chief Executive Officer for the year 2022, as well as the proposed appropriation of the Company's profit or loss.

We recommend that the annual general meeting appropriates the profit in accordance with the proposal in the Board of Directors' report and discharges the members of the Board of Directors and the Chief Executive Officer from liability for the financial year.

### Basis for our opinion

We have carried out the audit in accordance with generally accepted accounting standards in Sweden. Our responsibility in accordance with this is described in greater detail in the section on the 'Auditor's responsibility'. We are independent of the Parent Company and the Group in accordance with generally accepted accounting standards in Sweden and have otherwise fulfilled our professional ethics in accordance with the standards.

We consider that the audit evidence we have obtained sufficient and appropriate as a basis for our opinions.

### The responsibility of the Board of Directors and the Chief Executive Officer

It is the Board of Directors and the Chief Executive Officer who are responsible for the proposed appropriation of the Company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable with respect to the requirements which the Company's and the Group's type of operation, scope and risks place on the level of equity for the Parent Company and the Group, the consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organisation and the administration of the Company's affairs. This includes continuously assessing the financial situ-

ation of the Company and the Group and ensuring that the Company's organisation is so designed that the bookkeeping, administration of funds and the Company's financial affairs in general are being controlled in a prudent manner. The Chief Executive Officer shall run the ongoing administration in accordance with the Board's guidelines and instructions and, among other things, take the measures necessary to ensure that the Company's bookkeeping is carried out in conformity with the law and that the administration of funds shall be run on a prudent basis.

### **Responsibility of the auditors**

Our objective in respect of the audit of the administration and, accordingly, our opinion on discharge from liability, is to obtain audit evidence to enable us to assess with a reasonable degree of assurance whether any Board member or the Chief Executive Officer has in any significant respect:

- taken any action or been guilty of any omission which may lead to a liability for damages against the Company; or
- in any other way acted in breach of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in respect of the audit of the proposed appropriation of the Company's profit or loss and, accordingly, our opinion on this, is to assess with a reasonable degree of assurance whether the proposal is in conformity with the Companies Act.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit which has been carried out in accordance with generally accepted accounting standards in Sweden will always discover actions or omissions which may lead to a liability for damages against the Company, or that a proposal for appropriations of the Company's profit or loss is not in conformity with the Companies Act.

As part of an audit in accordance with generally accepted accounting standards in Sweden, we use our professional judgement and adopt an attitude of professional scepticism throughout the audit. The audit of the administration and the proposed appropriation of the Company's profit or loss is based primarily on the audit of the financial records. Any additional audit actions carried out are based on our professional judgement based on risk and materiality. This means that we focus the audit on the actions, areas and circumstances which are material to the operation and where deviations or breaches would have particular significance for the situation of the Company. We review and examine decisions taken, decision data, actions taken and other circumstances relevant to our opinion on discharge of liability. As a basis for our opinion on the Board's proposed appropriation of the Company's profit or loss, we have examined whether the proposal is in conformity with the Companies Act.

Uppsala, in accordance with the date indicated by the electronic signature.

Grant Thornton Sweden AB

### **Stéphanie Ljungberg**

Authorised Public Accountant

