



NANOLOGICA

AUDITORS REPORT
2023

AUDITORS REPORTS

**To the annual general meeting of the shareholders of Nanologica AB (publ)
corporate identity number 556664-5023.**

Report on the Annual Accounts and Consolidated Accounts

Statement

We have audited the annual accounts and consolidated accounts of Nanologica AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 31-115 in this document. In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and gives a true and fair view of the parent company's financial position as of December 31, 2023, and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide a true and fair view in all material respects of the group's financial position as of 31 December 2023 and of its financial results and cash flow for the year in accordance with international financial reporting standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The board of director's report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the annual general meeting adopts the income statement and balance sheet for the parent company and for the group. Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the parent company's audit committee in accordance with Article 11 of the

Audit Regulation (537/2014/EU).

Basis for statement

We have carried out the audit in accordance with International Standards on Auditing (ISA) and good auditing practice in Sweden. Our liability under these standards is described in more detail in the section "Auditor's liability". We are independent in relation to the parent company and the group in accordance with good auditor's practice in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements. This includes that, based on our best knowledge and beliefs, no prohibited services referred to in Article 5(1) of the Auditor Regulation (537/2014/EU) have been provided to the audited company or, where applicable, its parent companies or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Areas of particular significance

Particularly significant areas for the audit are those areas that, in our professional judgment, were the most significant for the audit of the annual accounts and consolidated accounts for the period in question. These areas were addressed in the context of the audit of, and in our position statement on, the annual accounts and the consolidated accounts as a whole, but we do not make separate statements on these areas.

Accounting for capitalized expenditure on development and similar works

The group's reported value for capitalized expenditure on development and similar works amounts to TSEK 21 809 per 31 december 2023 which refers to internally generated development expenses. Capitalized development expenses are recognized as intangible assets, provided that the criteria described in the group's accounting principles in Note 1 are met. The activation and subsequent valuation of internally incurred development expenses is based on the assessment by management of the company whether the project will be successful, given its commercial and technical capabilities. There is a risk that development expenses do not meet the requirements for activation and that the reported amount exceeds the recoverable amount, which may have a material impact on the group's earnings and financial position. Furthermore, there is a risk that these assets do not create economic benefit for the company over the entire useful life that management has deemed reasonable. For further information, please refer to information in Note 1 on key accounting policies, Note 3 on important estimates and judgments, and Note 16 on Capitalized expenditure for development and similar works.

How our audit took into account the area of particular significance

Our audit covered the following audit measures but was not limited to these

- Mapping of the process for capitalization, valuation and impairment testing of development expenditures and evaluation of the design and implementation of relevant controls
- Evaluation of the group's principles for capitalization of internally generated development costs
- Review of a sample of internally generated development expenditure and evaluation of management's assessment of its activability
- Studied internal reports and forecasts that formed the basis for management's evaluation

of the value of the assets.

- Review of the application of appropriate accounting policies and the disclosure of required disclosures

Information other than the annual report and consolidated financial statements

This document also contains information other than the annual report and the consolidated financial statements, which can be found on pages 2–30. It is the board of directors and the CEO who are responsible for this other information. Our statement regarding the annual accounts and consolidated financial statements does not include this information and we do not make a statement in support of this other information. In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially incompatible with the annual report and consolidated financial statements. In this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work that has been done regarding this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in that regard.

Responsibilities of the board of directors and the CEO

It is the board of directors and the CEO who are responsible for the preparation of the annual accounts and consolidated accounts and that they give a true and fair view in accordance with the Annual Accounts Act and, as regards to the consolidated financial statements, in accordance with IFRS as adopted by the EU. The board of directors and the CEO are also responsible for the internal control that they deem necessary to prepare an annual report and consolidated financial statements that do not contain any material misstatements, whether due to irregularities or mistakes.

When preparing the annual report and consolidated financial statements, the board of directors and the CEO are responsible for assessing the company's and the group's ability to continue operations. They indicate, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation does not apply if the board of directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of this.

The audit committee of the board shall, without prejudice to the board's responsibilities and tasks in general, among other things, monitor the company's financial reporting.

Auditor's responsibility

Our objectives are to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated financial statements as a whole do not contain any material misstatements, whether due to irregularities or mistakes, and to provide an auditor's report containing our statements.

Reasonable assurance is a high degree of assurance but is no guarantee that an audit carried out in accordance with ISA and good audit practice in Sweden will always detect a material misstatement if one exists. Inaccuracies may arise due to irregularities or mistakes and are considered material if they can reasonably be expected to affect the financial decisions that users make on the basis of the annual report and consolidated financial statements.

As part of an ISA audit, we use professional judgment and have a professionally skeptical attitude throughout the audit. Furthermore:

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- we identify and assess the risks of material misstatements in the annual accounts and consolidated financial statements, whether due to irregularities or mistakes, design and carry out audit procedures based, among other things, on the basis of these risks and obtain

audit evidence that is sufficient and appropriate to form a basis for our statements. The risk of not detecting a material misstatement as a result of irregularities is higher than that of a material error due to mistakes, as irregularities may include acting in collusion, falsification, intentional omissions, misinformation or breach of internal control.

- we acquire an understanding of the part of the company's internal control that is relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not to comment on the effectiveness of internal control.
- we evaluate the suitability of the accounting principles used and the reasonableness of the board of directors' and CEO's estimates in the financial statements and related disclosures.
- we conclude on the appropriateness of the board of directors and the CEO using the assumption of continued operation in the preparation of the annual report and consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether there is any material uncertainty factor relating to such events or circumstances that could lead to significant doubts about the company's and the group's ability to continue operations. If we conclude that there is a material uncertainty factor, we must draw attention in the auditor's report to the disclosures in the annual accounts and consolidated financial statements about the material uncertainty factor or, if such disclosures are insufficient, modify the statement of the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may mean that a company and a group can no longer continue operations.
- we evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

- we obtain sufficient and appropriate audit evidence regarding the financial information in the units or business activities within the group to make a statement regarding the consolidated financial statements. We are responsible for the governance, supervision and execution of the group audit. We are the sole responsible for our statements.

We must inform the board of directors about, among other things, the planned scope and direction of the audit and the timing of it. We must also inform about significant findings during the audit, including any significant deficiencies in internal control that we have identified.

We must also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence and address any relationships and other conditions that could reasonably affect our independence, as well as, where applicable, measures that have been taken to eliminate the threats or safeguards that have been taken.

Of the matters communicated to the board of directors, we determine which of these matters have been the most significant for the audit of the annual accounts and consolidated accounts, including the most significant assessed risks of material misstatement, and which are therefore the audit key audit matters. We describe these areas in the audit report unless laws or regulations prevent disclosure of the matter.

Report on Other Requirements Under Laws and Regulations

The auditor's review of management and proposals for the appropriation of the company's profit or loss

Statement

In addition to our audit of the annual report and consolidated financial statements, we have also carried out an audit of the management of the board of directors and the CEO of Nanologica AB

publ) for the year 2022 and of the proposed (appropriations regarding the company's profit or loss.

We recommend that the general meeting disposes of the profit in accordance with the proposal in the annual report and discharges the members of the board of directors and the CEO from liability for the financial year.

Basis for statement

We have carried out the audit in accordance with good auditing practice in Sweden. Our responsibilities according to this are described in more detail in the section "Auditor's responsibility". We are independent in relation to the parent company and the group in accordance with good auditor's practice in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Responsibilities of the board of directors and the CEO

The board of directors is responsible for the proposed appropriation of the company's profit or loss. A dividend proposal includes, among other things, an assessment of whether the dividend is justifiable with regard to the requirements that the company's and the group's business nature, scope and risks place on the size of the parent company's and the group's equity, consolidation needs, liquidity and position in general.

The board of directors is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's and the group's financial situation, and ensuring that the company's organization is designed so that accounting, asset management and the company's financial affairs in general are controlled in a satisfactory manner. The CEO shall manage the

day-to-day administration in accordance with the board's guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounting is carried out in accordance with the law and that the management of funds is managed in a satisfactory manner.

Auditor's responsibility

Our objective regarding the audit of the administration, and thus our discharge statement, is to obtain audit evidence in order to assess with a reasonable degree of certainty whether any board member or the CEO in any material respect:

- have taken any action or have been guilty of any negligence that may give rise to liability for compensation against the company, or
- otherwise acted in violation of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Reasonable assurance is a high degree of assurance, but no guarantee that an audit carried out in accordance with good auditing practice in Sweden will always detect actions or omissions that may result in liability for compensation against the company, or that a proposal for appropriation of the company's profit or loss is not compatible with the Swedish Companies Act.

As part of an audit according to good audit practice in Sweden, we use professional judgment and have a professionally skeptical attitude throughout the audit. The review of the management and the proposal for appropriations of the company's profit or loss is primarily based on the audit of the accounts. The additional audit procedures performed are based on our professional assessment based on risk and materiality. This means that we focus the review on such measures, areas and conditions that are essential to the business and where deviations and violations would have a special impact on the company's situation. We review and examine decisions made, decision-making documents,

measures taken and other circumstances relevant to our discharge statement. As a basis for our statement on the board of directors' proposal for appropriations regarding the company's profit or loss, we have reviewed whether the proposal is compatible with the Swedish Companies Act.

Auditor's Review of the ESEF Report Statement

In addition to our audit of the annual accounts and consolidated accounts, we have also carried out an audit that the board of directors and the CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) in accordance with Chapter 16 section 4a of the Securities Market Act (2007:528) for the year 2023.

Our review and statement relate only to the statutory requirement.

In our view, the ESEF report has been drawn up in a format that essentially allows for uniform electronic reporting.

Basis for statement

We have carried out the audit in accordance with FAR's recommendation RevR 18 The auditor's review of the ESEF report. Our responsibilities under this recommendation are described in more detail in the section Auditor's responsibilities. We are independent in relation to Nanologica AB (publ) in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility according to these requirements.

We believe that the evidence we have obtained is sufficient and appropriate as a basis for our statement.

Responsibilities of the board of directors and the CEO

It is the responsibility of the board of directors and

the CEO to ensure that the ESEF report has been prepared in accordance with Chapter 16. Section 4a of the Securities Market Act (2007:528), and because there is such internal control as the board of directors and the CEO deem necessary to prepare the ESEF report without material misstatements, whether these are due to irregularities or mistakes.

Responsibilities of the auditor

Our task is to express ourselves with reasonable certainty whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16 section 4a of the Securities Market Act (2007:528), on the basis of our review. RevR 18 requires us to plan and implement our audit measures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high degree of certainty but is no guarantee that an audit conducted in accordance with RevR 18 and good auditing practice in Sweden will always detect a material misstatement if one exists. Inaccuracies may arise from irregularities or mistakes and are considered material if, individually or collectively, they can reasonably be expected to influence the financial decisions made by users on the basis of the ESEF report.

The audit firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and manage a quality management system including policies or procedures regarding compliance with professional ethics requirements, professional standards and applicable requirements in laws and regulations.

The audit includes obtaining, through various measures, evidence that the ESEF report has been prepared in a format that allows for uniform electronic reporting of the annual accounts and consolidated accounts. The auditor chooses which

actions to perform, including by assessing the risks of material misstatements in reporting, whether these are due to irregularities or mistakes. In this risk assessment, the auditor takes into account those parts of the internal control that are relevant to how the board of directors and the CEO produce the documentation for the purpose of designing audit measures that are appropriate to the circumstances, but not for the purpose of making an opinion on the effectiveness of internal control. The review also includes an evaluation of the appropriateness and reasonableness of the board's and CEO's assumptions.

The audit measures mainly include the validation of the preparation of the ESEF report in a valid XHTML format and the reconciliation of the consistency of the ESEF report with the audited annual accounts and consolidated accounts. Furthermore, the review also includes an assessment of whether the group's earnings, balance sheet and equity accounts, cash flow statement and notes in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF Regulation.

BDO Mälardalen AB, Sveavägen 53, SE-113 59 Stockholm, Sweden, was appointed Nanologica AB's auditor by the Annual General Meeting on 4 May 2023 and has been the company's auditor since 18 June 2020.

Stockholm 22 March 2024

BDO Mälardalen AB

Niclas Nordström
Authorized Public Accountant



NANOLOGICA

Nanologica AB (publ)

Forskargatan 20 G, SE-151 36 Södertälje

Sweden

Ph: +46-8-410 749 49

info@nanologica.com

www.nanologica.com