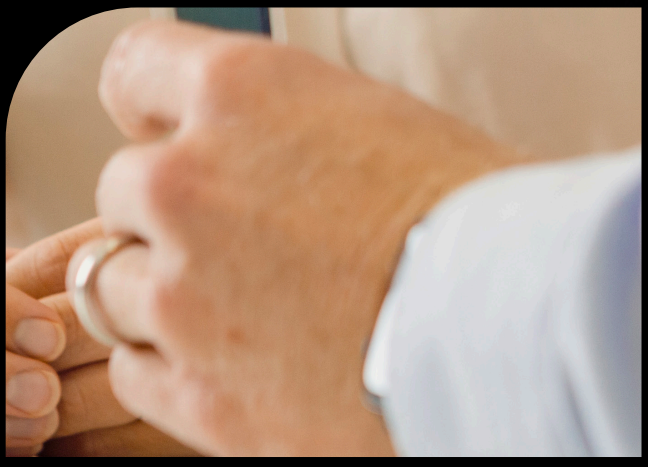
Epishine

Translated version of the official Annual Report (Swedish). Not an official document.

Financial year 2024

Annual Report for Epishine AB



Org.nr 559070-0422
Epishine AB | epishine.com

Epishine

A smarter way to power electronics

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About Epishine

Epishine is a Swedish energy impact company, reimagining the capture of light with market-leading printed organic solar cells.

Our technology captures indoor light to make electronics self-powered, making cables, disposable batteries, and unnecessary maintenance a thing of the past.

Epishine in numbers

Founded	2016
FTE's	41 (2024)
Headquarter	Linköping, Sweden
Based on	30 years of research
Products on the market	15+

Epishine's business

Printed Electronics for Sustainable Power Supply

As the world becomes increasingly connected, the demand for electronics with efficient and sustainable power sources continues to grow. Where today's solutions—such as batteries and cables—are inefficient, costly, and unsustainable, Epishine offers a smarter alternative: printed organic solar cells that convert indoor light into energy. With advanced technology and sustainable manufacturing processes, we meet the demands of future technology.

By 2029, the number of connected IoT devices is expected to reach 32 billion[1]. All of these electronic products require energy to function, but current solutions are insufficient. Wired electricity is reliable but expensive to install and lacks flexibility. Batteries offer greater mobility but come with high maintenance costs and negative environmental impact. For digitalization to continue at the same pace, we need smarter, more sustainable ways to power and produce our electronics.

Epishine provides a smarter solution: printed organic solar cells. Our solar cells capture indoor light from both artificial and ambient sources and convert it into energy—an innovation that can eliminate the need for both batteries and cables. Based on over 30 years of research in organic electronics and solar cell technology, we have developed a unique manufacturing process that combines unmatched scalability with high efficiency.

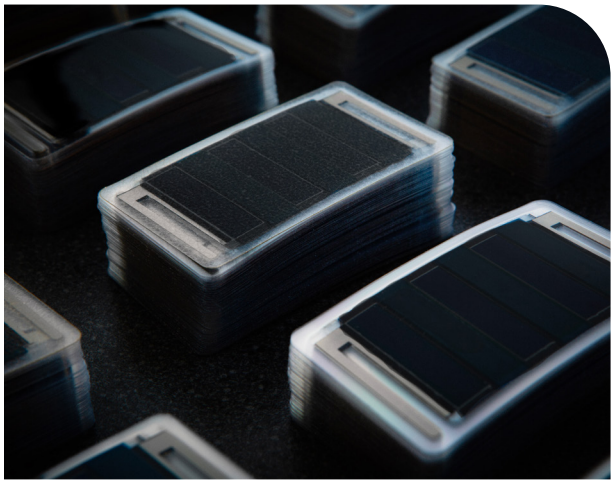
Products

Epishine offers two categories of groundbreaking indoor solar cells, specifically developed to perform in low-light conditions: Epishine MultiCell and Epishine OneCell. These solar cells are available in various sizes and formats, tailored to meet both technical requirements and the desired form factor of the product application.

MultiCell

Epishine's technology enables multicell modules, optimizing voltage for more cost-efficient electronics and enhanced LCA.

With the right input voltage, Epishine's MultiCell provides no losses in voltage conversion and thereby a higher system efficiency, smaller and cheaper electronics, and better total LCA for the entire system.



Epishine MultiCell

Epishine OneCell with cover foil

OneCell

Epishine is one of very few indoor solar cell actors that offer flexible solar cells for seamless integration.

Epishine's OneCell targets design-oriented customers, available with different laminated, transparent texture foils and is easily integrated into everyday products.

Segments

Smart Buildings

Properties and buildings are undergoing a major transformation, driven by digitalization and increasing demands for energy efficiency and sustainability. Buildings currently account for 40% of Europe's annual energy consumption[2] and 27% of global annual CO_2 emissions[3], making smarter energy solutions essential. IoT devices such as wireless sensors, smart thermostats, smoke detectors, and digital systems play a key role in creating more efficient and sustainable buildings.

Where there are people, there is light—making buildings an ideal environment for light-powered solutions. Epishine's innovative solar cells, optimized for indoor light, convert existing light into energy to power these devices. By replacing disposable batteries and cable-based solutions with light-powered alternatives, property owners can significantly reduce maintenance costs, minimize waste, and contribute to a more sustainable future.

Retail

In the retail sector, the use of digital solutions is increasing in order to streamline operations—ranging from electronic shelf labels (ESLs) to interactive product displays and logistics systems. In large stores with over 50,000 unique products,

Retail: Light-powered rail for electronic shelf labels

Consumer electronics: Light-powered remote control

Smart Buildings: Light-powered air quality sensor

Asset tracking: Light-powered trackers

large amounts of batteries are required to power the associated ESLs, leading to high maintenance costs and frequent battery replacements. With light-powered solutions, maintenance costs can be significantly reduced, while also cutting battery waste and environmental impact.

Consumer Electronics

Epishine's indoor solar cells are ideal for portable, low-power electronics such as remote controls and wireless keyboards. By replacing traditional batteries with light-powered solutions, carbon emissions related to power supply can be reduced by up to 85%[4]. With a wide range of customizable solar cells, product manufacturers don't have to compromise between technical functionality, user-friendliness, and design. Instead, they can create sleek, modern products that enhance the user experience while seamlessly blending into the consumer's everyday environment.

Asset tracking

Being able to track assets is a key part of modern logistics and security systems. However, traditional solutions like barcodes and QR codes require manual scanning and do not allow for real-time tracking, while battery-powered tags need regular battery replacements and can stop working unexpectedly. By using light-powered tags, companies can ensure maintenance-free, real-time tracking of location, temperature, and security.

1 IoT Analytics. (2024). State of IoT 2024: Number of connected IoT devices growing 13% to 18.8 billion globally
2 Europeiska kommissionen. (2020). Focus on energy efficiency in buildings
3 Liu, Y., & Wang, H. (2024). Building energy consumption and CO2 emissions: Current status and future prospects. Journal of Building Engineering, 42, 102512.
4 External and third party validated life cycle analysis of Epishine. www.epishine.com/LCA

Technology

As the number of electronic products on the market continues to grow, it becomes increasingly important to develop smarter manufacturing methods that can efficiently handle high volumes while keeping costs down. Epishine uses a roll-to-roll production method—similar to a newspaper printing press—to print our solar cells. This technique enables scalable and material-efficient production, making it possible to create thin, flexible, and lightweight electronics on a large scale.

Epishine's solar cells—known as organic photovoltaics (OPV)—are made from organic materials and are based on over 30 years of research. Through our patented lamination process, we've solved challenges such as short circuits, which have previously limited the development of indoor solar cells. This allows us to offer stable and reliable performance, specifically optimized for indoor environments.

Comment from CEO

Strategic Transformations and a Strengthened Commercial Focus

2024 has been a year marked by major progress and strategic changes that have reinforced Epishine's position in the market. By realigning our focus, broadening our customer base, and investing in product development and internal processes, we have established a solid foundation for future growth.

This year has brought significant changes to Epishine. We have revised our overall commercial strategy and priorities, strengthening our commercial focus across the organization. These changes have positioned us to better meet the needs of our customers and further solidify our market position. As a result, we are now seeing a broader range of customer projects entering our pipeline, with increased diversity in geography, volume, and application areas.

Rapid Pipeline Development and Key Customer Projects

Through our shift in geographic focus, customer priorities, and adapted product offering, we have driven strong development in our commercial pipeline throughout the year. By year-end, it includes several strategically important projects in Asia, as well as collaborations with major customers across various application areas—a significant shift from the start of the year.

One of the year's most important milestones came in Q4, when we received official confirmations from several key customers regarding upcoming product launches featuring our technology. This represents a major success for Epishine and serves as strong validation of the attractiveness of our product offering.

We have continued to invest in our product platform throughout the year, which has enabled us to rapidly adapt our solutions to market demands. As a result, we now have several exciting new products in development, scheduled for launch in the near future.

Thanks to the stability and efficiency we've achieved in our production processes and product platform, we are now highly competitive in the market—a position consistently confirmed by customer feedback.

Improved Organization and Financial Stability

To ensure that we remain an attractive employer and an efficient organization, we initiated several internal improvements during 2024. We streamlined our organizational structure, internal processes, and how we set and follow up on goals—all with a strong emphasis on clarity and accountability.

We conduct regular employee surveys to monitor how the company is perceived internally, and it is rewarding to see very high satisfaction scores in these evaluations.

Another important step this year was our successful capital raise in May, in which we secured SEK 69 million. The funding came primarily from existing shareholders, but we also welcomed several new investors to Epishine. This capital has provided a solid foundation for our continued growth initiatives. We also plan to conduct another funding round in 2025 to accelerate our journey toward achieving our strategic goals.

Looking Ahead with Confidence

Thanks to the transformations and progress made in 2024, we look to the future with great confidence. Our strengthened market position, growing customer base, and competitive product platform provide us with excellent opportunities to create long-term value for our shareholders.

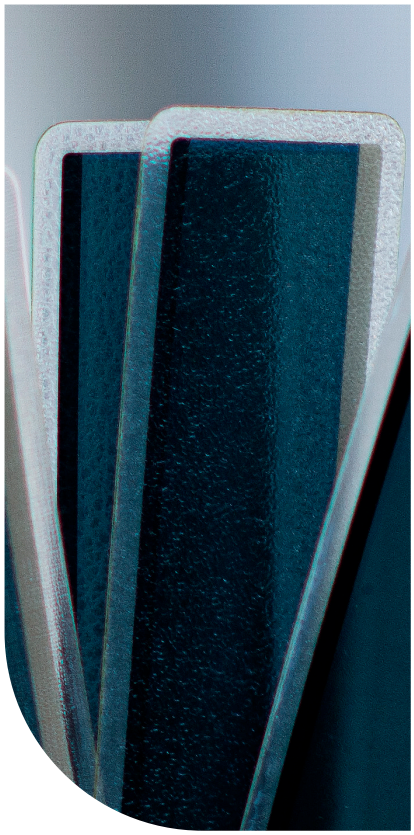
For a better future

Our Commitment to Sustainability

At Epishine, sustainability is at the core of everything we do—from production to end-of-life. By using resource-efficient materials, sustainable manufacturing processes, and low-temperature technology, we strive to minimize our climate impact. Our innovative solar cells are made of over 99% organic PET material, making them both high-performing and environmentally friendly. With a vision to reduce the need for disposable batteries, we are paving the way for a more sustainable future—where electronics are self-powered and resources are used responsibly.

Learn more about our sustainability efforts at epishine.com/LCA

37 g
CO_2 equivalents per 50x50 module



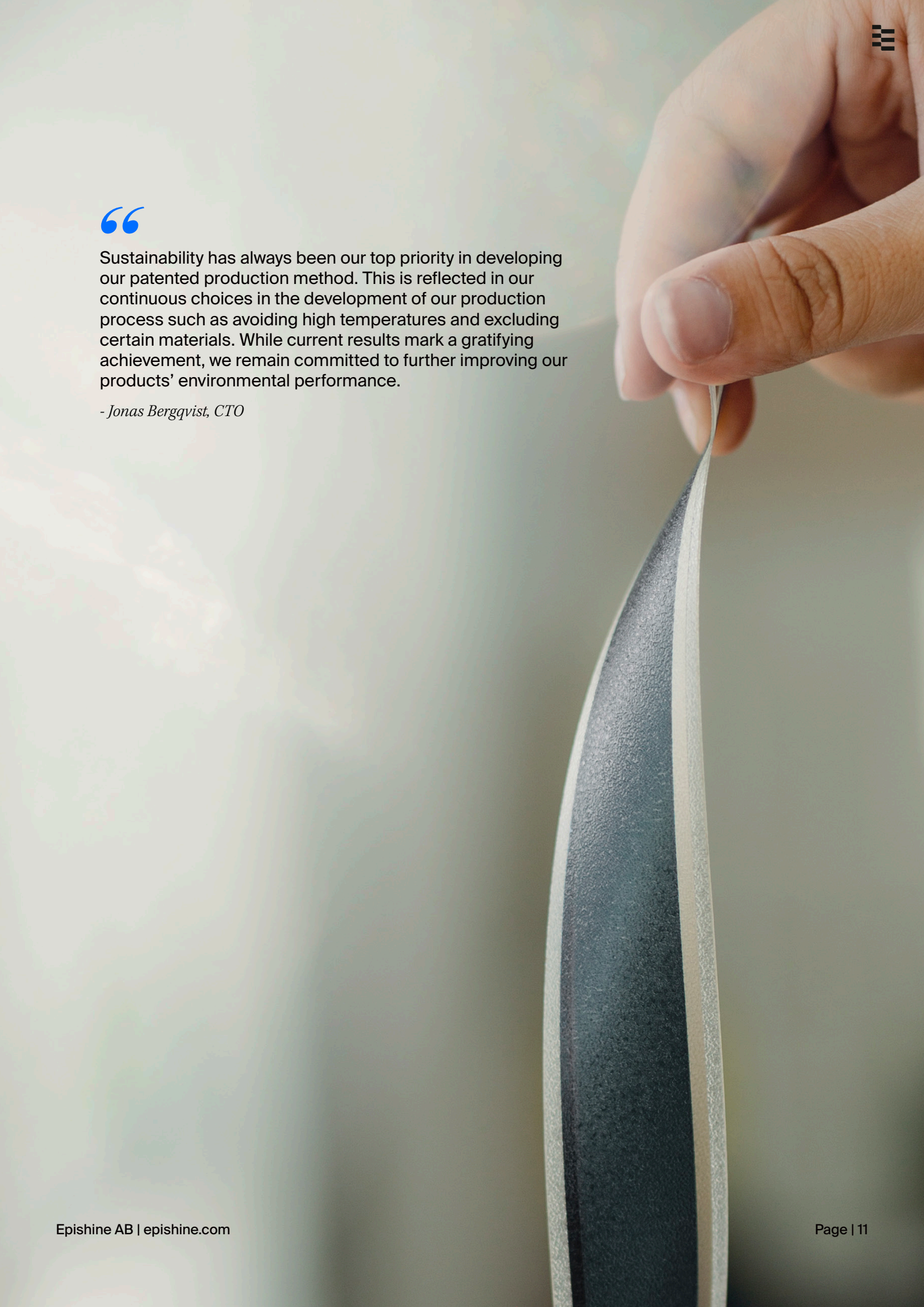
200 x
thinner than a strand of hair, with 0,5 µm active material

50 x
less material compared to batteries

10+ years
increased battery lifetime for product

Up to 85 %
Less power-related CO_2 emission compared to if the product was powered with traditional batteries

99 %
organic PET-material in the composition



Sustainability has always been our top priority in developing our patented production method. This is reflected in our continuous choices in the development of our production process such as avoiding high temperatures and excluding certain materials. While current results mark a gratifying achievement, we remain committed to further improving our products' environmental performance.

- Jonas Bergqvist, CTO

Financial year 2024

Epishine AB Annual Report

The Board of Directors and CEO of Epishine AB hereby present the accounts for the period January 1 to December 31, 2024. The report is prepared in Swedish Krona (SEK). Unless otherwise stated, all amounts are presented in whole Kronor (kr). Figures in parentheses refer to the previous year.

Corporate governance report

About the business

During the past year, Epishine has continued to strengthen its position as a leading player in light-driven and self-sustaining electronics. Epishine has expanded its international market activities and established valuable partnerships that broaden our market access and enhance our competitiveness. Looking ahead, we plan to continue our expansion both geographically and through new product innovations.

Epishine is deeply committed to sustainability efforts and aims to reduce environmental impact across all aspects of our operations. We look forward to another successful year contributing to a more sustainable world through our innovative technology.

Epishine operates in accordance with ISO 9001, 14001, and 45001 standards.

The company is headquartered in Linköping.

Significant events during the financial year

In May, a new share issue raised SEK 69 million in equity for the company.

Financing and going concern

The Company is currently in a phase where the cash flows expected from operating activities will not cover planned expenses and investments. The Board of Directors therefore believes that a new share issue will be necessary to finance operations at the intended level over the next twelve months. There is a risk, however, that the Company may be unable to raise additional capital, or that such financing may not be obtained on terms favourable to existing shareholders. Should this occur, the Company could be forced to operate at a slower pace than desired, which may lead to delayed or foregone revenues.

Despite this risk, the Board and executive management consider the prospects of securing the required funds during the spring of 2025 to be good, thereby safeguarding the Company's continued operations on a going concern basis.

Shareholders' equity at year end amounted to SEK 31,507 thousand (21,515), and the equity ratio was 41 percent (45). The Board proposes that no dividend be paid for the 2024 financial year.

Multi-Year Overview (SEK Thousand)

	2024	2023	2022	2021
Net Sales	1 917	2 078	1 853	1 105
Result after financial items	-55 899	-49 000	-55 064	-33 611
Equity Ratio (%)	41,0	45,3	79,3	86,4

Changes in Equity

	Share Capital	Unregistered Share Capital	Share Premium Reserve	Retained Earnings	Year's Result	Total
Balance at December 31, 2023	174 901	0	187 258 761	-116 918 251	-49 000 029	**21 515 382**
Disposition according to decision of the Annual General Meeting:						
Balanced in new account				-49 000 029	49 000 029	**0**
Stock dividend	349 801		-349 801			**0**
New share issue	157 606		69 188 990			**69 346 596**
Statutory reserve			-3 455 856			**-3 455 856**
Year's result					-55 899 435	**-55 899 435**
Balance at December 31 2024	**682 308**	**0**	**252 642 094**	**-165 918 280**	**-55 899 435**	**31 506 687**

Proposed Disposition of the Company's Result

The Board of Directors proposes that the result at the disposal of the Annual General Meeting (SEK) be disposed of as follows:

Share premium reserve	252 642 094
Accumulated loss	-165 918 280
Loss for the year	-55 899 435
Total available for disposition	**30 824 379**

Proposed disposition

To be carried forward	30 824 379
	30 824 379

The Company's financial performance and position are otherwise presented in the following income statement, balance sheet, and accompanying notes.

Income Statement

	Note	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Operating income and inventory changes			
Net sales		1 917 017	2 078 307
Change in inventories of work in progress and finished goods		573 463	29 291
Other operating income		10 187 916	7 363 003
Total operating income		**12 678 396**	**9 470 601**
Operating expenses			
Goods and materials expenses		-10 732 062	-4 411 759
Other external expenses		-20 198 711	-23 126 558
Personnel expenses	2	-33 512 343	-28 458 700
Depreciation and amortisation of tangible and intangible assets		-2 720 498	-1 358 008
Other operating expenses		-346 772	-408 324
Total operating expenses		**-67 510 386**	**-57 763 349**
Operating loss		**-54 831 990**	**-48 292 748**
Financial items			
Other interest income and similar items		558 753	410 996
Interest expenses and similar items		-1 626 198	-1 118 277
Net financial items		**-1 067 445**	**-707 281**
Loss after financial items		**-55 899 435**	**-49 000 029**
Loss before tax		**-55 899 435**	**-49 000 029**
Loss for the year		**-55 899 435**	**-49 000 029**

Balance Sheet

	Note	2024-12-31	2023-12-31
Assets			
Non current assets			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights	3	242 754	346 782
Total intangible assets		**242 754**	**346 782**
Property, plant and equipment			
Machinery and technical equipment	4	17 130 803	4 583 825
Equipment, tools and fixtures	5	953 747	1 004 628
Construction in progress and advance payments for PPE	6	0	12 929 522
Total property, plant and equipment		**18 084 550**	**18 517 975**
Total non current assets		**18 327 304**	**18 864 757**
Current assets			
Inventories			
Raw materials and consumables		5 869 905	4 909 693
Work in progress		1 571 301	1 495 028
Finished goods and goods for resale		316 768	524 124
Total inventories		**7 757 974**	**6 928 845**
Current receivables			
Trade receivables		963 631	314 576
Other receivables		2 855 269	1 193 174
Prepaid expenses and accrued income		4 007 077	4 357 259
Total current receivables		**7 825 977**	**5 865 009**
Cash and cash equivalents			
Cash and cash equivalents		42 898 508	15 855 732
Total Cash and cash equivalents		**42 898 508**	**15 855 732**
Total current assets		**58 482 459**	**28 649 586**
Total assets		**76 809 763**	**47 514 343**

Cash and cash equivalents

Balance Sheet cont.

	Note	2024-12-31	2023-12-31
Equity and liabilities			
Equity			
Restricted equity			
Share capital		682 308	174 901
Total restricted equity		**682 308**	**174 901**
Unrestricted equity			
Share premium reserve		252 642 094	187 258 761
Retained earnings		-165 918 280	-116 918 251
Loss for the year		-55 899 435	-49 000 029
Total unrestricted equity		**30 824 379**	**21 340 481**
Total equity		**31 506 687**	**21 515 382**
Non current liabilities			
Borrowings from credit institutions		13 139 467	17 826 417
Total non current liabilities		**13 139 467**	**17 826 417**
Current liabilities			
Borrowings from credit institutions (current portion)		3 340 278	1 677 000
Trade payables		2 380 912	1 536 429
Current tax liabilities		315 571	241 447
Other liabilities		9 963 358	874 261
Accrued expenses and deferred income		16 163 490	3 843 407
Total current liabilities		**32 163 609**	**8 172 544**
Total equity and liabilities		**76 809 763**	**47 514 343**

Notes to the financial statments

Note 1 | Accounting Policies

General information

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guideline BFNAR 2016:10 Annual Report in Smaller Entities (K2).

Depreciation

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

Intangible assets	
Concessions, patents, licences, trademarks and similar rights	5
Property, plant and equipment	
Machinery and technical installations	5-10
Equipment, tools and fixtures	5-10

Note 2 | Average Number of Employees

	2024	2023
Average number of employees	41	40

Note 3 | Concessions, Patents, Licences, Trademarks and Similar Rights

	2024-12-31	2023-12-31
Opening balance	520 165	520 165
Additions		0
Closing accumulated cost	**520 165**	**520 165**
Opening balance	-173 383	-69 355
Depreciation for the year	-104 028	-104 028
Closing accumulated depreciation	**-277 411**	**-173 383**
Carrying amount at year end	**242 754**	**346 782**

Note 4 | Machinery and Technical Installations

	2024-12-31	2023-12-31
Opening balance	5 919 867	4 633 923
Additions	1 959 682	1 285 944
Reclassifications*	12 929 522	
Closing accumulated cost	**20 809 071**	**5 919 867**
Opening balance	-1 336 042	-286 301
Depreciation for the year	-2 342 226	-1 049 741
Closing accumulated depreciation	**-3 678 268**	**-1 336 042**
Carrying amount at year end	**17 130 803**	**4 583 825**

Note 5 | Equipment, Tools and Fixtures

	2024-12-31	2023-12-31
Opening balance	1 466 438	768 633
Additions	223 362	697 805
Closing accumulated cost	**1 689 800**	**1 466 438**
Opening balance	-461 810	-257 571
Depreciation for the year	-274 243	-204 239
Closing accumulated depreciation	**-736 053**	**-461 810**
Carrying amount at year end	**953 747**	**1 004 628**

Note 6 | Construction in Progress and Advance Payments for Property, Plant and Equipment

	2024-12-31	2023-12-31
Opening balance	12 929 522	433 036
Advance payments made during the year		13 364 728
Reclassifications to completed assets	-12 929 522	-868 242
Closing accumulated cost	**0**	**12 929 522**
Carrying amount at year end	**0**	**12 929 522**

Note 7 | Pledged Assets

	2024-12-31	2023-12-31
Floating charge (corporate mortgage)	16 700 000	16 700 000
Bank guarantee	1 040 000	990 000
	17 740 000	**17 690 000**

Signatures

The date indicated by the respective officer's electronic signature.

Nils Ola Johansson
Chairman

Kurt Stefan Lager

Karin Elisabet Lundgren Hartikainen

Mattias Josephson

Oskar Henrik Gauther Lund

Adam Philip Hallsmar

Anders Engström Kottenauer
Chief Executive Officer

Our audit report has been submitted

Grant Thornton Sweden AB

Josef Hagsten
Authorized accountant

A smarter way to power electronics

The technologies of the past cannot power the future. At Epishine, we believe that the future of power is printed. By using thin, flexible solar cells produced at an unprecedented scale, any surface touched by light can capture energy.