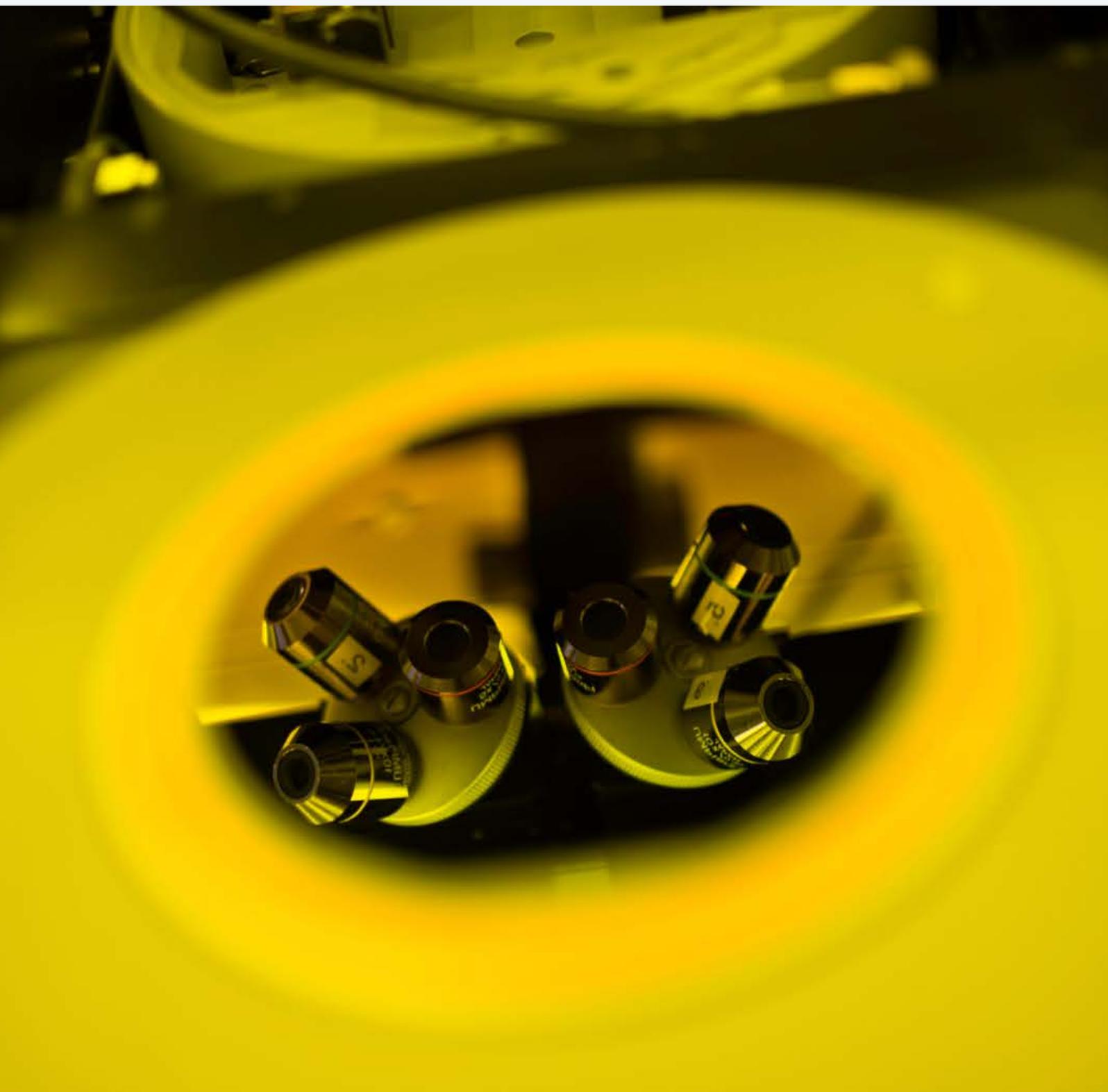




# QUARTERLY REPORT

Smoltek Nanotech Holding AB

JULY-SEPTEMBER 2021



# Smoltek Nanotech Holding AB, Q3 2021

## ABOUT SMOLTEK

Smoltek develops process technology and concepts for applications based on carbon nanotechnology to solve advanced materials engineering problems in several industrial sectors.

The unique technology enables, for example, the manufacture of semiconductor components with smaller form factors, higher performance and lower energy consumption in the semiconductor industry. The company's patent protected technology platform also has the potential to revolutionize other industrial sectors, such as energy conversion and energy storage or biotechnology.

Smoltek protects its unique technology through an extensive and growing patent portfolio consisting of around 100 applied for patents, of which 68 have been granted.

Smoltek's share is listed on the Spotlight Stock Market under the short name SMOL.

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## First nine months and quarter in brief (Group)

### JANUARY - SEPTEMBER

- Net sales: SEK 995 thousand (2,260)
- Operating profit before tax: SEK -16,250 thousand (-9,451)
- Earnings per share, before dilution: SEK -2.00 (-1.45)
- Earnings per share, after possible dilution: SEK -1.69 (-1.41)
- Number of outstanding shares: 8,114,817 (6,834,817)
- Number of shares after possible exercise of warrants: 9,597,218 (7,006,531)
- Total equity: SEK 123,501 thousand (68,330)
- Cash and cash equivalents: SEK 61,877 thousand (20,779)
- Equity ratio: 94.6% (91.8%)

### THIRD QUARTER

- Net sales: SEK 418 thousand (969)
- Operating profit: SEK -3,185 thousand (-2,302)
- Earnings per share, before dilution: -0.39 SEK (-0.34)
- Earnings per share, after possible dilution: -0.33 SEK (-0.33)
- New CEO of Smoltek Nanotech appointed
- New President of Smoltek Innovation appointed
- New CTO for R&D appointed
- Extended evaluation license for the company's capacitor technology CNF-MIM
- industrialization project for discrete CNF-MIM capacitors has moved from concept phase to design phase
- Procurement of industrial machines for growing carbon nanofibres is progressing with negotiations and tests
- Positive results from a feasibility study of concepts for cellular materials for electrolyzers
- Investments in internal R & D equipment

### REVENUES AND RESULTS THIRD QUARTER

Net sales during the period amounted to SEK 418 thousand (969). Operating profit was SEK -3.2 millions (-2.3). Earnings per share before dilution were SEK -0.39 (-0.33). Earnings per share after possible dilution were SEK -0.33 (-0.33).

### LIQUIDITY AND FINANCIAL POSITION

The company's cash and cash equivalents at the end of the period amounted to SEK 61,877 thousand (20,779), of which SEK 55,058 thousand relates to short-term investments in fixed income funds. Long-term interest-bearing liabilities amounted to SEK 758 thousand (758). The equity / assets ratio was 94.6 percent (91.8).

### EQUITY AND NUMBER OF SHARES

At the end of the period, equity amounted to SEK 123,501 thousand (68,330) divided into 8,114,817 shares.

### EMPLOYEES

The number of full-time employees was 13 people.

## Focus on industrialization and commercialization

Dear shareholders of Smoltek Nanotech Holding AB,

After having assumed the role of CEO of Smoltek a little less than a month ago, I can say with confidence that there is a lot of activity throughout our business operations. We have constant dialogues with potential customers and partners for various projects. For Smoltek Semi, these dialogues are mainly about the industrialization of the product as well as the manufacturing process for our carbon nano capacitors (CNF-MIM capacitors). For Smoltek Innovation, the main focus is the development of our technology concept for a new cell material for membranes in electrolyzers. To their disposal during this work, they have our internal technical expertise as well as support from external consultants. The development department, or the R&D team as we call it, has a central role in ensuring the technical conditions and the partial deliveries required in the projects.

During the period, we also announced organizational reinforcements. On October 1, we appointed Ellinor Ehrnberg as the new President of the subsidiary Smoltek Innovation, where she has held the position of business area manager during the past year. We also announced that Smoltek's co-founder and board member Peter Enoksson was appointed as acting CTO while we are searching for a permanently CTO. During the summer, the company was also able to present me as the new CEO of the Group, and I have high hopes of being able to contribute to the company's further development towards commercialization based on my experience from similar roles in other listed technology companies, such as Neonode, Precise Biometrics and Scalado.

### Business development

During the third quarter, we were able to present advances in both the industrialization of our carbon fiber-based capacitors and our technology concept for cell material used in electrolyzers. Within the industrialization of our CNF-MIM capacitors, we were able to report at the end of August that the evaluation license agreement with a global manufacturer of electronic components was further extended, and that the project entered a new phase with a focus on defining the business conditions for taking the CNF-MIM product to market. This is a significant advance which confirms this company's strong belief in our unique technology platform.

Shortly after the end of the period, a corresponding update was published on the development of our concept for high-performance cell material used in electrolyzers for the pro-

duction of green hydrogen. The development work in this area continues together with European research groups, with the aim of achieving a technical proof-of-concept. In parallel, we have dialogues with major international manufacturers to be able to start collaborations for the continued development and industrialization of the project.

### Financing and outlook for the future

The development work and industrialization of our technology will require significant investments. It is therefore positive that Smoltek currently has a strong financial position. We also hope to strengthen our liquidity further when the exercise period for series TO 4 warrants ends on November 3, 2021. I would like to urge all shareholders to check whether you have received warrants, which in that case can be used to buy shares in the company.

So far, I have focused on acquainting myself with Smoltek's business and discussing with my new colleagues to understand the company and to make an analysis of the current situation. This will form the basis for an overall strategy for the continued industrialization and commercialization of our offering. I look forward to being able to tell you more about this in the future. My goal is for Smoltek to be able to accelerate the value creation in the company for the benefit of our shareholders, while we continue to contribute to the technological development and a more sustainable world for current and future generations.

Finally, me and the Board would like to take this opportunity to thank Marie Landfors for her meritorious contribution during her time as interim CEO for Smoltek. Her intensive and determined work makes it easier for me to take over the CEO role in an effective way.

*Håkan Persson, vd Smoltek Nanotech Holding AB*



## Exercise period for TO 4-warrants runs until November 3

**In connection with the directed share issue conducted by Smoltek Nanotech Holding AB (publ) in October 2020, a total of 1,261,121 warrants of series TO 4 were issued.**

**Each warrant of series TO 4 entitles the holder to subscribe for one (1) new share in Smoltek, from October 20, 2021 until November 3, 2021.**

The exercise price amounted to seventy (70) percent of the volume-weighted average price (VWAP) of Smoltek's share during the period October 5, 2021 to October 18, 2021. The volume-weighted average price of the Company's share during the measuring period amounted to approximately 26.89 SEK and thus the subscription price is set at 18.82 SEK.

Upon full exercise of all warrants of series TO 4, the Company will receive approximately 23.7 MSEK before issue costs.

Note that the warrants that are not exercised at the latest on November 3, 2021, or sold at the latest on November 1, 2021, will expire without value. For the TO 4 warrants not to lose their value, the holder must actively subscribe for new shares or sell the warrants.

Full terms and conditions for the TO 4 warrants are available at the Company's website, [www.smoltek.com/investors](http://www.smoltek.com/investors).

**Smoltek develops process technology and concepts for applications based on carbon nanotechnology to solve advanced materials engineering problems in several industrial sectors. The company is now focusing on technology development, industrialization and commercialization of Smoltek's carbon fiber-based technology concepts for capacitors (CNF-MIM capacitors) and cell materials for electrolyzers.**

**Target customers for Smoltek's CNF-MIM capacitor technology** are the largest capacitor manufacturers in the world, and the initial target products are so-called discrete decoupling capacitors for processors in mobile phones.

As the semiconductor industry has been able to continue to miniaturize the transistors in processor chips, the chips achieve increased performance, which gives faster and increasingly powerful computers, tablets, mobile phones, etc. A consequence of this development is that the chip voltage must be lowered, and the frequency increased. This entails an increased need for so-called decoupling capacitors near the chip. In order to be placed close enough to the chip, these capacitors need to be extremely thin. Smoltek's carbon nanofiber based capacitors (CNF-MIM) can solve this specific problem, especially for mobile phone chips (application processors).

**Target customers for Smoltek's cell material for electrolyzers** are companies in the expanding hydrogen industry. The hydrogen production technology that Smoltek is focusing on is called PEM (proton exchange membrane). In addition to the fact that the PEM process produces very pure hydrogen, a great advantage is that it can already handle higher current density and more variable load than alkaline electrolysis cells, which means that PEM works well together with intermittent energy sources, such as solar and wind power.

The unique quality of Smoltek's technology concept is that the catalytic nanoparticles of typically platinum group nanoparticles of platinum or iridium oxide can be placed on an optimal nanostructure for the electrolyzer cell, which allows for more and better mass transport of the products that arise, in this case oxygen and hydrogen. By being able to improve the surface performance in interface layers between membranes, flow field plates and electrodes in today's electrolyzer cells, these cells can potentially be made both cheaper and with a higher hydrogen production capacity.

Smoltek's goal in 2021 is to complete a technical proof-of-concept for cell components based on carbon nanofibers, and to initiate a development collaboration with a large-scale manufacturer of electrolyzers and/or its components based on Smoltek's basic IP platform with specific additions for intellectual property protection within electrolyzer technology. As a part of these efforts, Smoltek has presented a whitepaper on the company's electrolyzer technology for cheaper and more efficient hydrogen production, which is expected to increase the understanding of the technology's potential among potential customers and partners.

## Significant events – during and after the period

### Significant events during the third quarter of 2021

#### **Ellinor Ehrnberg appointed President of Smoltek Innovation**

On August 26, the company announced that it has appointed Ellinor Ehrnberg as President of Smoltek Innovation AB, and she assumed this position on October 1. During the past year, Ellinor has held the position of business area manager and Head of Smoltek Innovation, and she has also been a part of Smoltek's management team. Smoltek thus secures valuable knowledge and experience within its continued efforts to create new technology innovations based on the company's patent-protected nanotechnology platform, where the development of completely new technology for electrolyzers is one of the leading areas for the company when it comes to interacting with the market.

#### **Smoltek extends evaluation license for its CNF-MIM capacitor technology**

On August 30, the company announced that the license agreement signed with a global manufacturer of electronic components for its technical and commercial evaluation of Smoltek's capacitor technology, will be further extended to the end of 2021. With satisfactory progress achieved when it comes to validating the performance of the CNF-MIM technology, the project is now moving into a new phase with a stronger focus on commercial production aspects such as reliability, manufacturability and production cost.

#### **Handover to the company's incoming CEO Håkan Persson**

On September 8, the company announced that the handover to the company's incoming CEO Håkan Persson has been initiated, with Håkan participating at a full-day Board event, including thorough updates on business operations, on August 31. During the second half of September, this was followed by further efforts to acquaint the new CEO with the company's business and organization in preparation of Håkan assuming the position on October 1.

#### **Peter Enoksson appointed as acting CTO for Smoltek**

On September 20, it was announced that the company has made changes in the management team. Board member Peter Enoksson took over as acting chief technology officer (CTO) from September 20. The company has also initiated the recruitment of a new permanent CTO.

#### **Operational update – Smoltek Semi**

In an operational update on September 29, Smoltek anno-

unced that the main goal for Smoltek Semi is to develop an industrial process for mass production of discrete CNF-MIM capacitors at contract manufacturers (foundry), including the procurement of a specially designed machine for large-scale production of carbon nanofibers (which will be placed at the foundry).

#### Business opportunity for CNF-MIM capacitors

As the semiconductor industry has been able to continue to miniaturize the transistors in processor chips, the chip voltage must be lowered, and the frequency increased. This entails an increased need for so-called decoupling capacitors near the chip. In order to be placed close enough to the chip, these capacitors need to be extremely thin. Smoltek's carbon nanofiber based capacitors (CNF-MIM) can solve these specific problems, especially for mobile phone chips (application processors). Target customers for Smoltek's CNF-MIM capacitor technology are the largest capacitor manufacturers.

#### High-volume machine for growing carbon nanofibers

Mass production of Smoltek's carbon nanofibers for the company's CNF-MIM capacitors requires for a so-called high-volume machine for growing carbon nanofibers to be installed on site at a contract manufacturer (foundry). During the period, the company has received quotes from eight manufacturers of industrial machines for growing carbon nanofibers, and the procurement is now continuing with tests and negotiations.

#### Industrialization and creation of a supply chain

Mass production of Smoltek's discrete CNF-MIM capacitors requires that the technology is approved in several different phases. During the period, the industrialization process for these discrete CNF-MIM capacitors has moved from concept phase to design phase, in collaboration with a contract manufacturer. The design phase, in which the components to be manufactured are designed, constitutes phase three of five before mass production can begin.

#### Customer relationships with major manufacturers of capacitors/product solutions

The potential customer base of companies that may be interested in mass-producing discrete CNF-MIM capacitors consists of a small number of very large players. These include the licensee in Smoltek's ongoing evaluation

## Significant events – during and after the period

collaboration. The goal is to secure one or several customer agreements with the aim of utilizing the developed process for mass production of discrete CNF-MIM capacitors.

### Further development of the CNF-MIM technology

In parallel with the industrialization of Smoltek's CNF-MIM capacitors, the company continues to further improve the performance of the CNF-MIM technology. For example, the company recently attracted great interest and received a mention for best presentation/paper at the international PCNS-conference in Milan, which is an important European event for the capacitor industry.

### Smoltek has made investments in R&D equipment

During the period, Smoltek has installed two new equipment systems for enhancing the R&D work. This will give the company long-term benefits with increased opportunities of technology development and cost efficiency. For example, the company has invested in a new CVD-system (chemical vapor deposition) for more effective and versatile growth of carbon nanostructures in the MC2-lab at Chalmers.

### 1 new patent granted - 69 patents granted in total

During the period, Smoltek has been granted a new patent. This patent belongs to the company's patent family that covers the company's CNF-MIM capacitor technology and various use cases for the same, primarily in the field of interposers for advanced packaging and heterogenous integration of semiconductors. With this patent approval, Smoltek's patent portfolio now comprises 69 granted patents.

### Significant events after the end of the period

#### Operational update – Smoltek Innovation

On October 1, an operational update was published on the Group company Smoltek Innovation's work which is focused on making electrolyzers used in fossil-free hydrogen production more efficient.

#### Technical development of cell material for electrolyzers

Since early spring, Smoltek Innovation has been working on a pre-study which is aimed at developing a technical proof-of-concept for a cell material for electrolyzers based on the company's nanofiber technology. Initially, the work was focused on ensuring patent protection for the technology, but now the scope has been expanded to evaluate critical technical parameters and to assess the possible production cost. The pre-

study has also been expanded to include various methods for corrosion protection, as Smoltek has shifted its focus to the anode side of the electrolyzer, where a low pH value provides an aggressive environment. The technical results and performance obtained so far have been positive, and the fibers produced in a laboratory environment have an appropriate shape when inspected under a scanning electron microscope.

The next step in the development is to create a collaboration project with a large manufacturer of electrolyzers or components for electrolyzers for further development of the company's concept. Dialogues are currently ongoing with several global market- and technology-leading companies. In addition to this, the company will develop a proof-of-concept for the company's nanofiber-based cell material for electrolyzers.

With this in place, the next step will be to produce a small-scale demonstrator, and thereafter a full-scale prototype with the same size and characteristics as in future large-scale production.

### Industrialization of cell material based on carbon nanofibers

In parallel with the technical development of the cell material concept, Smoltek Innovation will work with industrialization by developing a complete concept around large-scale production of the company's cell material. By starting the industrialization process at an early stage, Smoltek Innovation can obtain valuable information regarding technical parameters for production to take into consideration in the technical development.

A central part of the industrialization process will be to specify a production equipment for large-scale production of carbon nanofibers. Several potential suppliers of such machines have already been identified, partly in collaboration with the group company Smoltek Semi. Compared with Smoltek Semi, however, Smoltek Innovation has less strict range for parameters such as the temperature during production.

### Warrants series TO 4 - Exercise period in progress

The exercise period for warrants of series TO 4 started on October 20, 2021 and runs until November 3, 2021. Note that the warrants that are not exercised at latest on November 3, 2021, or sold at the latest on November 1, 2021, will expire without value. For the TO 4 warrants not to lose their value, the holder must actively subscribe for new shares or sell the warrants. For more information, please visit [www.smoltek.com/investors](http://www.smoltek.com/investors).

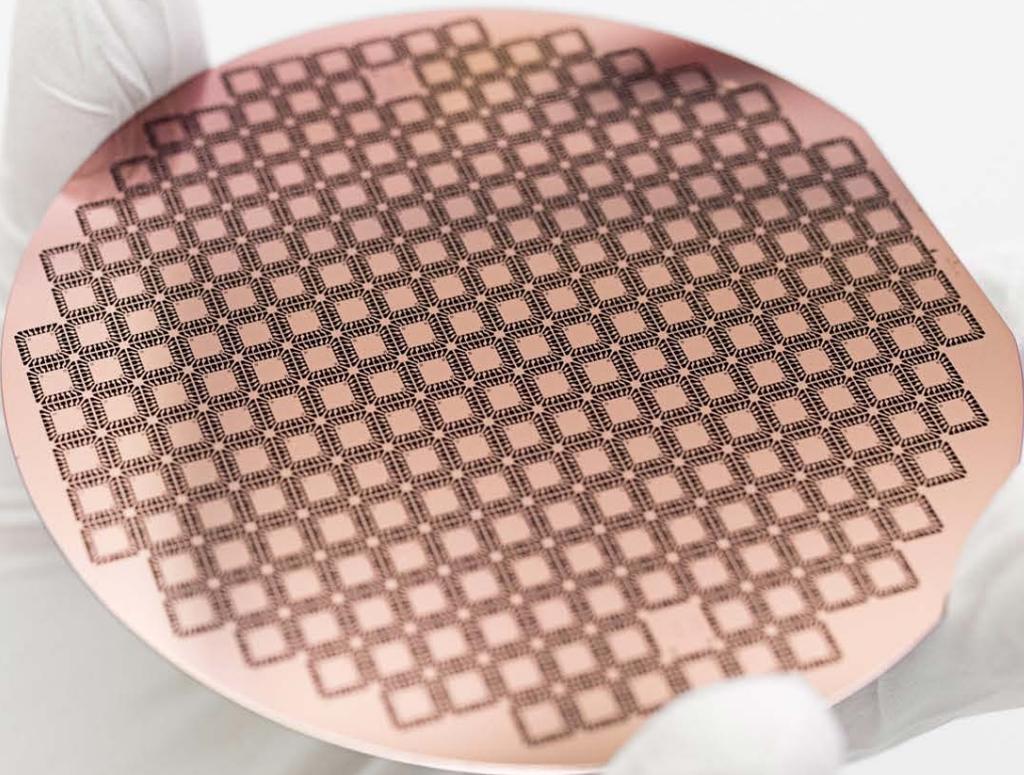
## Operations and market – market potential

Smoltek sees great potential for the company's technology platform in several industrial sectors. The patent-protected carbon nanotechnology for precision manufacturing of extremely thin carbon nanofibers in various three-dimensional structures – which in practice multiplies the total surface area that can be coated with different types of materials – creates opportunities for more efficient surface conditions in several areas where current solutions and materials limit performance and efficiency.

Smoltek's overall strategy is to first establish the company commercially in the billion-dollar market for advanced packaging. This is done by licensing the CNF-MIM technology for production of miniaturized capacitors suitable for integration into advanced packaging of high-performance semiconductor circuits, such as application processors for smartphones, or other high-performance processors.

In the past year, the company has also broadened its operations. Partly for the development of other applications in the semiconductor industry, partly for the development of completely new applications in other industries and segments where the company's technology can provide revolutionizing benefits. This allows Smoltek to take maximum advantage of its position as a pioneering technology developer in controlled growth of nanostructures.

As a first step, the company has focused on the production of new cell materials for electrolyzers for fossil-free hydrogen production. Smoltek's vertical layers of carbon nanofibers offer a several times larger contact area compared to a conventional flat surface, which makes the technology highly interesting in, for example, energy conversion, as this means that significantly more catalytic particles reach the active area when placed on Smoltek's nanofibers compared to a smooth surface.



## Operations and market – current focus areas

### Operations and business model

Smoltek develops process technology and concepts for applications based on its unique platform for carbon nano-technology to solve advanced materials engineering problems in several industrial sectors. For example, the company's patented technology enables the production of semiconductor components with a smaller physical size, higher performance and lower energy consumption compared to what current conventional technology solutions can offer.

Smoltek's business model is to sign license agreements based on its technology platform together with know-how for the implementation of applications/solutions.

### Market strategy

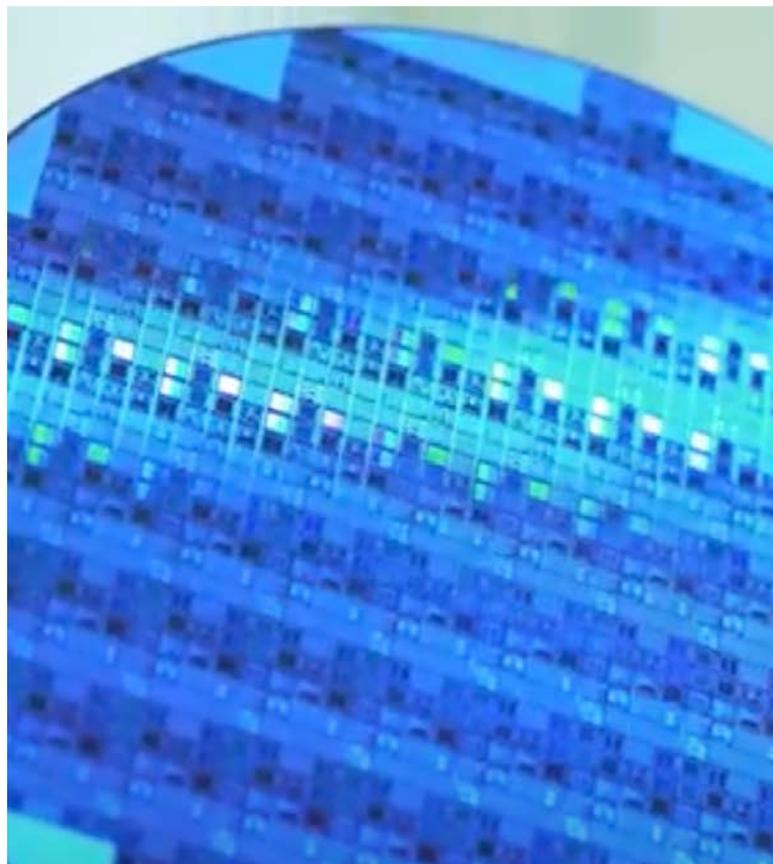
The first application to be commercialized is the CNF-MIM technology (carbon nanofiber-based capacitors), where vertical carbon nanofibers (CNFs) create a significantly larger and thereby more efficient surface through the technology's unique 3D effect compared to the two-dimensional surface of conventional capacitors. A large effective surface in relation to a minimal physical "footprint" is a key factor in a capacitor design. The CNF-MIM technology offers a unique solution thanks to its extremely low-profile height. The technology is especially suited for use and integration into miniaturized semiconductor components and enables higher performance and energy efficiency.

Through the subsidiary Smoltek Innovation, the company aims to identify and develop technology and applications for markets outside the parent company's initial market for semiconductors. The subsidiary has identified the hydrogen market as a first application area where Smoltek's patent protected nanotechnology may prove to have great potential. By being able to improve the area performance in interface layers between membranes, flow field plates and electrodes in electrolyzer cells (a vital component in the splitting of water), these cells can be made both cheaper and increase hydrogen production.

To increase the opportunities to further capitalize on the company's carbon nano-based technology platform, Smoltek collaborates with DC Advisory, a leading global financial advisor with expertise in industrial transactions. DC Advisory has a broad network in both the semiconductor and electronics industries as well as in other industrial segments. The agreement contributes to an increased global presence for Smoltek, and it opens opportunities through strategic relationships in existing as well as new application areas and industries.

### IP strategy

Smoltek uses a global patent strategy to protect its technology platform in all important markets. This includes core patents as well as patent protection at application level. At present, the company has a portfolio that comprises about 100 applied patents, of which 69 are granted.



## Operations and market

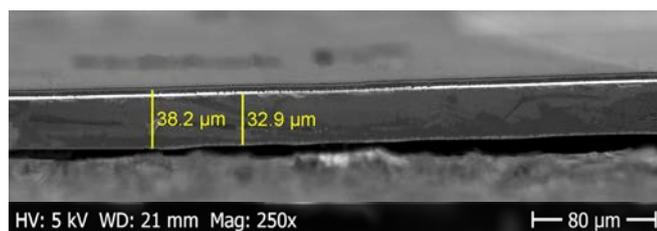
### Challenges in the semiconductor industry

The semiconductor industry faces a major challenge with the expansion of new technologies such as 5G, AI and IoT – which require the development of new highly integrated technology with greatly improved computational performance and greater storage capacity in a smaller physical format. Simply put, it is the miniaturization in itself that enables higher performance. The key to optimization is advanced packaging or heterogeneous integration – in practice, this means tailor-made component architectures optimized for specific product and application areas. In these architectures, capacitors have a crucial function, and with a considerably lower profile height compared to current capacitors, direct performance benefits can be achieved through smarter integration possibilities.

With an extremely low-profile height, Smoltek's CNF-MIM technology is very well positioned for the market's needs. This applies to the production of miniaturized standalone capacitors for integration in the packaging process, as well as to more efficient capacitors for direct integration already in the CMOS-process.

### Development of the CNF-MIM technology

In March this year, Smoltek announced that the company has developed the world's thinnest capacitor by producing a prototype of a CNF-MIM capacitor with a total height of just under 40 micrometers (including the component carrier). Other properties of the prototype such as a capacitance density of 500nF/mm<sup>2</sup> (nanofarad per square millimeter), an equivalent series resistance below 10 mΩ (milliohm) and an internal inductance below 15 pH (picohenry) is in line with the industry standard for competing capacitor technologies.



Another crucial aspect in the development of new technology in the semiconductor area is the capacitors' survival rate in various harsh environments as well as their expected

lifetime. At the virtual ECTC 2021 conference, Smoltek presented initial results for the CNF-MIM-technology in this area. In parallel with the ongoing evaluation license project, Smoltek's R&D team has further improved the reliability of the CNF-MIM technology, as the failure rate was reduced by 51%.

### The possibilities in other industries

Smoltek's patent protected technology platform enables more efficient surface solutions in several areas where current solutions and materials set the boundaries for performance and efficiency. One such area is electrolyzers for production of hydrogen where improved area performance in interface layers between membranes, flow field plates and electrodes in electrolyzer cells can provide much better area efficiency.

Target customers for Smoltek's cell material for electrolyzers are companies in the expanding hydrogen industry. The hydrogen production technology that Smoltek is focusing on is called PEM (proton exchange membrane) electrolyzers. In addition to the fact that the PEM process produces very pure hydrogen, a great advantage is that it can already handle higher current density and more variable load than alkaline electrolysis cells, which means that PEM works well together with intermittent energy sources, such as solar and wind power.

The unique quality of Smoltek's technology concept is that the catalytic particles, of typically platinum or iridium oxide, can be placed on an optimal nanostructure for the electrolyzer cell, which allows for more and better mass transport of oxygen and hydrogen. By improving the surface performance in interface layers between membrane flow field plates and electrodes, these cells can potentially be made both cheaper and with a higher hydrogen production capacity.

Smoltek's goal in 2021 is to complete a technical proof-of-concept for new cell material based on carbon nanofibers and initiate a development collaboration with a large-scale manufacturer of electrolyzers and/or its components based on Smoltek's basic IP platform and specific patents within electrolyzer technology. As a part of these efforts, Smoltek has published a white paper on the this technology, which is expected to increase the understanding of the technology's potential among potential customers and partners.

## Financial outcome

### Turnover

Net sales for the first three quarters of the year amounted to SEK 995 thousand (2,260). And for the third quarter of the year to SEK 418 thousand (969).

### Expenses

The costs during the same period were SEK 21,124 thousand (15,571) and SEK 5,816 thousand (4,615), respectively. The slightly higher cost picture compared with the previous year can be explained by continued investments in development and industrialization for the commercialization of the company's CNF-MIM technology and the development of technology of cellular materials for electrolysers.

### Results

The Group's profit / loss for the first three quarters of 2021 was SEK -16,194 thousand after financial items. For the third quarter, profit amounted to SEK -3,129 thousand (-2,302) after financial items.

### Cash flow and financial position

Cash flow from operating activities amounted to SEK -15,793 thousand (-9,388). Cash and cash equivalents at the end of the period amounted to SEK 61,877 thousand (20,779), which includes short-term investments in fixed income funds of SEK 55,058 thousand (0).

### Liquidity and financing

As of September 30, 2021, the Group's bank balances amounted to SEK 61,877 thousand (20,779). The company has chosen to invest excess liquidity in fixed income funds. Of cash and cash equivalents, SEK 61,877 thousand refers to SEK 55,058 thousand invested in fixed income funds. Long-term interest-bearing liabilities amounted to SEK 758 thousand (758).

### Investments

Investments in intangible fixed assets in total in the Group amounted to SEK 60,558 thousand on September 30, divided between the subsidiaries Smoltek AB and Smoltek Innovation AB. The investments refer to further development of the company's own technology. In Smoltek AB, the investment amounts to SEK 2.6 million for the period July-September and to SEK 6.6 million for the first three quarters of the year. In the sister company Smoltek Innovation, the investment amounts to SEK 2.9 million until 30 September. In total, the Group invested SEK 1.6 million in equipment for the laboratory operations during the first nine months of the year.

### Key ratios

(SEK thousand)

	Q3 2021	Q3 2020
Return on equity	-13.1%	-3.4%
Return on total capital	-12.4%	-3.1%
Solidity	94.6%	91.8%
Cash liquidity	1.053.6%	446.3%

## Additional financial information

### Shares

Since 2018, Smoltek Nanotech Holding AB has been listed on the Spotlight Stock Market under the ticker SMOL. As of September 30, 2021, the company had approximately 2,400 shareholders. The number of shares amounts to 8,114,817.

### Warrants

Outstanding warrants as of September 30, 2021:

Peter Augustsson	40,000
Gustav Brismark	40,300
Warrants in own custody	59,502
Employees	81,252
Subscription warrants, TO 4	1,261,347
<b>Total</b>	<b>1,482,401</b>

### Intangible assets

The company's most important asset is intangible assets in the form of patents, know-how and demonstrated technical performance. The balance sheet item is included in costs incurred and amounts to SEK 60.6 million. It is the Board's assessment that the fair value is higher. The comparisons the company has made with similar companies' intellectual property rights and development support this assumption.

### Outlook

The company continues to have a positive view on the market outlook for its respective business areas – Smoltek Semi and Smoltek Innovation. Smoltek Semi's ongoing work of building relationships and deepening interactions with leading entities in the semiconductor industry in the US and Asia continues. With regard to the broadening of the company's operations to new areas within Smoltek Innovation, there is now a clear focus on technical solutions for electrolyzers, where the subsidiary has quickly built a large network of leading entities and research teams, primarily in Europe. At the same time, the company continues the determined work to develop the patent portfolio, which to date contains around 100 patent assets, of which 69 patents have been granted.

### Accounting principles

This report has been prepared in accordance with the Swedish Annual Accounts Act and the Accounting Committee's General Council, BFNAR 2012: 1 (K3) and the accounting principles are unchanged compared with the previous year.

### Annual report, general meeting and dividend

The annual report was published on May 6, 2021 and is available on the company's website. Upon request to [info@smoltek.com](mailto:info@smoltek.com), the annual report can be printed and e-mailed. The Annual General Meeting for the 2020 financial year was held by means of an advance vote (postal vote) on May 27, 2021. On the Board's proposal to the AGM, no dividend will be paid for 2020. Communications from the AGM are available on the company's website.

### Going concern – Affirmation by the board

The board and the CEO assure that this interim report gives a true and fair view of Smoltek Nanotech Holding AB's operations, financial position and performance.

*Göteborg, 2021-10-26*

The Board of Directors of Smoltek Nanotech Holding AB  
 Peter Augustsson, Chairman of the Board  
 Bo Hedfors, Board member  
 Finn Gramnaes, Board member  
 Peter Enoksson, Board member  
 Gustav Brismark, Board member  
 Håkan Persson, CEO

### Risks and uncertainties

Smoltek Nanotech Holding AB's earnings and financial position are affected by various risk factors that must be taken into account when assessing the company and its future potential. These risks are discussed in the annual report for 2020.

## Consolidated income statement

Smoltek Nanotech Holding AB incl. subsidiaries

(SEK thousand)	Jul-sep 2021	Jul-sep 2020	Jan-sep 2021	Jan-sep 2020	Full year 2020
Net sales	418	969	995	2,260	2,573
Own work capitalized	2,237	1,184	3,724	3,666	4,335
Other operating income	32	150	211	193	214
Operating expenses	-5,816	-4,615	-21,124	--15,571	-20,668
<b>Operating profit / loss</b>	<b>-3,185</b>	<b>-2,302</b>	<b>-16,250</b>	<b>-9,453</b>	<b>-13,546</b>
Profit / loss from financial items	56	0	55	2	-14
<b>Profit / loss for the period</b>	<b>-3,129</b>	<b>-2,302</b>	<b>-16,195</b>	<b>-9,451</b>	<b>-13,561</b>
<b>Profit / loss after tax per share</b>	<b>-0.39</b>	<b>-0.34</b>	<b>-2.00</b>	<b>-1.45</b>	<b>-1.99</b>

## Consolidated balance sheet

*Smoltek Nanotech Holding AB incl. subsidiaries*

(SEK thousand)

	2021-09-30	2020-09-30	2020-12-31
<i>Assets</i>			
Intangible fixed assets	60,558	48,330	51,120
Tangible fixed assets	4,116	2,520	2,520
Current receivables	3,955	2,804	2,715
Other short-term investments	55,058	0	0
Cash and cash equivalents	6,820	20,779	87,683
<b>Total assets</b>	<b>130,507</b>	<b>74,433</b>	<b>144,039</b>
<i>Equity and liabilities</i>			
Equity	123,501	68,330	138,873
Long-term liabilities	758	819	819
Current liabilities	6,249	5,284	4,347
<b>Total equity and liabilities</b>	<b>130,507</b>	<b>74,433</b>	<b>144,039</b>
<b>Equity / assets ratio</b>	<b>94.6%</b>	<b>91.8%</b>	<b>96.4%</b>

## Consolidated statement of cash flows

Smoltek Nanotech Holding AB incl. subsidiaries

(SEK thousand)

	Jan-sep 2021	Jan-sep 2020	Full year 2020
<b>Ongoing operations</b>			
Operating profit / loss	-16,250	-9,453	-13,546
Items not affecting cash flow	247	2	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-16,002</b>	<b>-9,451</b>	<b>-13,546</b>
<b>Changes in working capital</b>			
Change in receivables	-1,241	-982	-894
Changes in current liabilities	1,901	1,044	93
<b>Cash flow from operating activities</b>	<b>-15,342</b>	<b>-9,388</b>	<b>-14,347</b>
<b>Investment activities</b>			
Intangible assets	-9,438	-7,262	-10,053
Tangible fixed assets	-1,847	-1,512	-1,512
Other short-term investments	-55,000	0	0
<b>Cash flow from investment activities</b>	<b>-66,285</b>	<b>-8,774</b>	<b>-11,565</b>
<b>Financing activities</b>			
New issue of shares and warrants	865	14,300	88,953
Repurchase warrants	-41	0	0
Change in long-term liabilities	-61	0	0
<b>Cash flow from financing activities</b>	<b>763</b>	<b>14,300</b>	<b>88,953</b>
Change in cash and cash equivalents	-80,863	-3,863	63,041
Cash opening balance	87,683	24,642	24,642
<b>Cash closing balance</b>	<b>6,820</b>	<b>20,779</b>	<b>87,683</b>

## Consolidated changes in equity

Smoltek Nanotech Holding AB incl. subsidiaries

(SEK thousand)

	Share capital	Other contributed capital	Other equity including net loss for the period	Total equity
<b>Opening balance 2020-01-01</b>	<b>760</b>	<b>81,313</b>	<b>-18,592</b>	<b>63,481</b>
Issue of shares (Exercising warrants TO 2)	29	9,831		9,860
Issue of shares (Exercising warrants Smoltek AB)	26	4,238		4,264
Issue of warrants		176		176
Issue of shares (Directed issue TO 4)	152	74,501		74,653
Profit / loss for the period			-13,561	-13,561
<b>Closing balance 2020-12-31</b>	<b>967</b>	<b>170,059</b>	<b>-32,153</b>	<b>138,873</b>
Repurchase of warrants		-41		-41
Issue of warrants		865		865
Profit / loss for the period			-16,195	-16,195
<b>Closing balance 2021-09-30</b>	<b>967</b>	<b>170,883</b>	<b>-48,348</b>	<b>123,501</b>

## Parent company income statement

Smoltek Nanotech Holding AB

(SEK thousand)	Jul-sep 2021	Jul-sep 2020	Jan-sep 2021	Jan-sep 2020	Helår 2020
Net sales	1,268	625	3,882	1,875	2,951
Other operating income	185	0	492	0	0
Operating expenses	-3,794	- 855	-11,972	-3,350	-6,301
<b>Operating profit / loss</b>	<b>-2,340</b>	<b>-230</b>	<b>-7,598</b>	<b>-1,475</b>	<b>-3,350</b>
Profit / loss from financial items	409	229	947	586	877
<b>Profit / loss for the period</b>	<b>-1,931</b>	<b>9</b>	<b>-6,651</b>	<b>-889</b>	<b>-2,473</b>

## Parent company balance sheet

Smoltek Nanotech Holding AB

(SEK thousand)

	2021-09-30	2020-09-30	2020-12-31
<i>Assets</i>			
Shares in group companies	80,314	56,814	62,314
Long-term receivables at group companies	51,461	40,680	46,925
Current receivables from group companies	4,131	0	820
Other current receivables	892	1,755	613
Other short-term investments	55,058	0	0
Cash and cash equivalents	2,803	19,668	82,238
<b>Total assets</b>	<b>194,659</b>	<b>118,916</b>	<b>192,910</b>
<i>Equity and liabilities</i>			
Equity	185,078	117,836	190,905
Long-term liabilities at group companies	7,000	0	0
Current liabilities	2,581	1,080	2,005
<b>Total equity and liabilities</b>	<b>194,659</b>	<b>118,916</b>	<b>192,910</b>
<b>Equity / assets ratio</b>	<b>95.1%</b>	<b>99.1%</b>	<b>99.0%</b>

## Parent company statement of cash flows

Smoltek Nanotech Holding AB

(SEK thousand)

	Jan-sep 2021	Jan-sep 2020	Helår 2020
<b>Ongoing operations</b>			
Operating profit / loss	-7,598	-1,475	-3,350
Profit / loss from financial items	-2	0	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-7,600</b>	<b>-1,475</b>	<b>-3,350</b>
<b>Changes in working capital</b>			
Current receivables / liabilities group	-3,311	-1,460	-820
Changes in receivables	-279	-	-319
Changes in current liabilities	576	38	963
<b>Cash flow from operating activities</b>	<b>-10,614</b>	<b>-2,897</b>	<b>-3,526</b>
<b>Investment activities</b>			
Financial assets	0	-25	-25
Changes in receivables from group companies	-14,644	-10,171	-21,620
Other short-term investments	-55,000	-	-
<b>Cash flow from investment activities</b>	<b>-69,644</b>	<b>-10,196</b>	<b>-21,645</b>
<b>Financing activities</b>			
New issue of shares and warrants	865	10,036	84,684
Repurchase warrants	-41	-	-
<b>Cash flow from financing activities</b>	<b>824</b>	<b>10,036</b>	<b>84,684</b>
Change in cash and cash equivalents	-79,435	-3,057	59,513
Cash opening balance	82,238	22,725	22,725
<b>Cash closing balance</b>	<b>2,803</b>	<b>19,668</b>	<b>82,238</b>

## Parent company changes in equity

Smoltek Nanotech Holding AB

(SEK thousand)

	Restricted equity	Non-restricted equity	Total equity
<b>Opening balance 2020-01-01</b>	<b>760</b>	<b>94,140</b>	<b>94,900</b>
Issue of shares (Exercising warrants TO 2)	29	9,831	9,860
Issue of shares (Directed issue TO 4)	152	74,496	74,648
Registered share capital from non-cash issue / Share premium fund	26	13,769	13,794
Issue of warrants		176	176
Profit / loss for the period		-2,473	-2,473
<b>Closing balance 2020-12-31</b>	<b>967</b>	<b>189,939</b>	<b>190,906</b>
Repurchase warrants		-41	-41
Issue of warrants		865	865
Profit / loss for the period		-6,651	-6,651
<b>Closing balance 2021-09-30</b>	<b>967</b>	<b>184,112</b>	<b>185,078</b>

## Financial calendar

- Year-end report Q4 for 2021 will be published 2022-02-22
- Interim report Q1 2022 will be published 2022-04-26
- Interim report Q2 for 2022 will be published 2022-07-15

### Auditor review

The Interim report has not been reviewed by the company's auditors.

**Smoltek Nanotech Holding AB** is listed on Spotlight Stock Market since 2018-02-26 under the ticker SMOL.

### For further information:

Håkan Persson, CEO Smoltek Nanotech Holding AB (publ)

E-Mail: [hakan.persson@smoltek.com](mailto:hakan.persson@smoltek.com)

Telephone: 0760-52 00 53

Website: [www.smoltek.com/investors](http://www.smoltek.com/investors)

Göteborg 2021-10-26

The Board





**Smoltek Nanotech Holding AB**

Kaserntorget 7, 411 18 Göteborg  
0760-52 00 53 | [info@smoltek.com](mailto:info@smoltek.com)  
[www.smoltek.com/investors](http://www.smoltek.com/investors)

Corporate id: 559020-2262

