



YEAR-END REPORT

2022

Smoltek Nanotech Holding AB



Year-end Report, Q4 2022

ABOUT SMOLTEK

Smoltek develops process technology, concepts and products to solve advanced materials engineering problems in several different industrial sectors.

Smoltek's pioneering carbon nanotechnology enables the manufacture of components with smaller form factors, higher performance and lower energy consumption within the semiconductor industry, where the company today focuses on developing technology for ultra-thin capacitors for application processors in mobile phones.

Smoltek also sees great potential within the hydrogen industry, where the company today focuses on developing high-performance cell materials for the cell stack in electrolyzers that enables the manufacture both smaller and cheaper electrolyzers.

Smoltek protects the company's unique technology platform through an extensive patent portfolio consisting of around 110 patent assets, of which 77 have been granted.

Smoltek's share is listed on the Spotlight Stock Market in Stockholm, Sweden under the ticker SMOL.

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Note: This interim report is an English version of the previously published Swedish version, which has interpretive precedence.



Smoltek's R&D staff at PECVD 6-inch carbon growth machine

The year and fourth quarter in brief (Group)

JANUARY - DECEMBER

- Net sales: SEK 2,692,000 (1,360)
- Result for the period: -46,803 KSEK (-24,774)
- Earnings per share, before dilution: SEK -4.83 (-3.01)
- Earnings per share, after possible dilution: SEK -4.61 (-2.90)
- Number of outstanding shares: 14,188,887 (9,282,895)
- Number of shares after possible exercise of warrants: 16,931,883 (9,593,949)
- Total equity: SEK 124,681,000 (136,001)
- Cash and cash equivalents: SEK 71,108,000 (71,586)
- Equity ratio: 84.5% (94.8%) Smoltek and YAGEO Group have signed a joint development agreement for the commercialization of ultra-thin CNF-MIM capacitors
- Smoltek Innovation has changed its name to Smoltek Hydrogen and has started collaborations for testing and prototyping of highly efficient cell material for electrolyzers
- 6 new patents have been granted during the year

FOURTH QUARTER

- Net sales: SEK 0 thousand (365)
- Net sales: SEK 1,690,000 (365)
- Result for the period: -14,451 KSEK (-8,549)
- Earnings per share, before dilution: SEK -1.33 (-1.01)
- Earnings per share, after possible dilution: SEK -1.21 (-0.97)
- The rights issue brought in approximately SEK 43.4 million, before deductions for issue costs
- Leading European electrolyzer manufacturer evaluates Smoltek's carbon nanofibers in test cells for electrolyzers
- Smoltek and YAGEO have presented the technology for upcoming ultra-thin capacitors for mobile phones at Europe's largest electronics event

REVENUE / LOSS FOURTH QUARTER

Net sales during the period amounted to SEK 1,690,000 (365), of which nearly 75% refers to payment from YAGEO for services performed within the agreed collaboration. The operating result was -13.1 MSEK (-8.7). Earnings per share before dilution were -1.33 (-1.01). Earnings per share after possible dilution were SEK -1.21 (-0.97).

LIQUIDITY AND FINANCIAL POSITION

The company's cash and cash equivalents at the end of the period amounted to SEK 71,108,000 (71,586), of which SEK 22,755,000 refers to short-term investment in fixed income funds. Long-term interest-bearing liabilities amounted to SEK 704,000 (758).

EQUITY AND NUMBER OF SHARES

At the end of the period, the equity amounted to SEK 124,681,000 (136,001) spread over 14,188,887 shares. During the fourth quarter, the company's preferential issue of units was subscribed to a total of 65.0 percent, which gave the company an addition of approximately SEK 43.4 million before deductions for issue costs. In accordance with the guarantee agreement entered into with the rights issue, a directed issue was carried out to one of the guarantors, who chose to receive the guarantee compensation in the form of units.

EMPLOYEES

The number of full-time employees was 20 people (15).

Strategic partnerships pave the way to market

Dear Shareholders,

The fourth quarter of the year offered continued progress in both the semiconductor business area and the hydrogen business area. In addition, despite a very challenging financial climate, we managed to carry out a rights issue that brought in approximately 34.3 million after issue costs.

In the semiconductor business area, we continued our collaboration with YAGEO for the joint commercialization of ultra-thin capacitors based on our nanotechnology platform, where the first product we aim to launch is a decoupling capacitor for mobile phones. It is clear that YAGEO shares our enthusiasm for the potential of the collaboration, and we have already jointly met with customers and participated in two industry events where we have presented the benefits of our technology platform and our upcoming product family.

We are accelerating the collaboration with YAGEO to reach the market faster and are now conducting intensive technology development. Our big goal in 2023 is to meet the milestones required to reach the next step – to create a joint venture with YAGEO for commercialization and global sales of our capacitors. We are also conducting technical and commercial analyzes for additional potential products within the family of ultra-thin capacitors.

In the hydrogen business area, during the fourth quarter we signed an agreement with a leading European electrolyzer manufacturer for the evaluation of our cell material. At

the same time, the project for development and testing of the cell material continues, which we are doing together with a large manufacturer of insert products for electrolyzers, where results are expected in the spring. These collaborations demonstrate a strong industry interest in our unique solution.

During the spring, we will also start up our own hydrogen laboratory for performance measurement and long-term tests of electrolyzer cells, and where our own test cells will be manufactured. This will accelerate the development of the cell material. We also evaluate different concepts for volume production. The ongoing progress we are making gives us ever stronger confidence in our product's potential.

Combined with technical development of the cell material, we also invest in entering into a strategic partnership in 2023 with the aim of creating optimal conditions for the commercialization of our technology and product, and talks are held with major industrial players in the green hydrogen industry. We see ourselves as an attractive partner as green hydrogen production continues to increase globally, and much capital is invested in innovation to create more cost-effective methods of producing green hydrogen.

Finally, I would like to thank all the shareholders who participated in our share issue, which enables us to continue developing our business areas and build value in the company. We will do our utmost to steward your trust and deliver continued progress in 2023.



Håkan Persson, CEO of Smoltek

Significant events – during the period

Significant events during the fourth quarter of 2021

Collaboration to commercialize Smoltek's ultra-thin capacitors for mobile phones started

On October 7, it was announced that Smoltek and YAGEO have begun work on commercializing Smoltek's ultra-thin capacitors in accordance with the joint development agreement that was signed last summer.

The first capacitor model, which will be developed in this collaboration, is a decoupling capacitor for application processors in next-generation mobile phones. The same basic type of decoupling capacitor can support other applications where ultra-thin components and components with high capacitance density are required.

The work started in Gothenburg with a joint workshop to draw up guidelines for technology and industrialization roadmaps, as well as for product- and market-related activities as well as for commercial activities in the form of marketing messages and customer interactions.

Extraordinary general meeting

On October 24, an extraordinary general meeting was held in Smoltek Nanotech Holding AB. The meeting was conducted solely by postal voting without physical participation. At the meeting, it was decided to adopt the new articles of

association proposed by the board. The meeting also decided to approve the new issue of shares and warrants (units) with preferential rights for existing shareholders. The meeting also decided, in accordance with the board's proposal, to authorize the board to, on one or more occasions during the time until the next annual general meeting, decide on a new issue of shares and/or warrants and/or convertibles.

Publication of a prospectus due to the preferential issue of units

28 October it was announced that the company has drawn up an EU growth prospectus with due to the company's upcoming issue of units consisting of shares and warrants with preferential rights for existing shareholders.

Presentation of technology for ultra-thin capacitors

On November 8, it was announced that Smoltek together with YAGEO has presented the technology for upcoming ultra-thin capacitors for mobile phones at SEMICON Europe, Europe's largest electronics event.

- By participating in this event together with our partner YAGEO, we can launch and also increase awareness of Smoltek's revolutionizing nanotechnology platform as well as our upcoming joint product family of ultra-thin capacitors.
Håkan Persson, CEO of Smoltek & CEO of Smoltek Semi



"Product launch" together with YAGEO at SEMICON Europe 2022

Significant events – during the period

Evaluation of Smoltek's carbon nanofiber technology for electrolyzers

On November 9, it was announced that the group company Smoltek Hydrogen has received an order for a number of test samples of cell material for electrolyzers from a large European electrolyzer manufacturer. The material samples consist of porous titanium to be coated with Smoltek's carbon nanofibers and a corrosion protection. This enables the electrolyzer manufacturer to investigate how Smoltek's cell material performs in combination with the manufacturer's other material choices and design.

The electrolyzer manufacturer and Smoltek Hydrogen have agreed to run a project together where materials from both parties are built together into complete electrolyzer cells in laboratory size, so-called test cells. These test cells are then run by the manufacturer according to predetermined protocols, where they first measure the performance of the cell. Special test methods are then used to give an indication of the cell's lifespan. The results of these measurements are shared with Smoltek. This collaborative project not only results in large time savings, but also cost savings for validation of the technology of several hundreds of thousands of kroner for Smoltek.

- The most important thing about this collaboration is that we learn from each other. By working side by side with this electrolyzer manufacturer, we are driving the development of the next generation of electrolyzers. With the goal that the electrolyzers will be much smaller and cheaper to manufacture.
Ellinor Ehrnberg, CEO Smoltek Hydrogen.



The precious metal Iridium, price SEK 2 million/kg

Publication of outcome in rights issue

On November 18, the outcome of the company's issue of units and warrants was announced. Through the rights issue, approximately SEK 43.4 million was added to the company before issue costs. The rights issue was subscribed to a total of 65.0 percent, of which approximately 35.2 percent was subscribed with the support of unit rights, approximately 2.1 percent was subscribed without the support of unit rights and approximately 27.7 percent was subscribed by issue guarantors. In total, 4,824,124 new shares and 2,412,060 warrants of series TO 7 were subscribed.

Through the rights issue, the number of shares in the company increased by 4,824,124 from 9,282,895 shares to 14,107,019 shares; the share capital increased at the same time by approximately SEK 574,687.77, from approximately SEK 1,105,856.30 to approximately SEK 1,680,540.48.

Upon full utilization of all issued warrants of series TO 7, the company can receive an additional capital injection of up to approximately SEK 32.5 million. As the subscription price for subscribing to new shares using the warrants is based on 70 percent of Smoltek's share price during a measurement period, the size of the issue is dependent on the development of the share price. In order for the capital contribution to reach SEK 32.5 million, a volume-weighted share price during the measurement period, which runs from and including June 5, 2023 to and including June 19, 2023, of at least SEK 19.30 and that all warrants are exercised is required. At a share price of, for example, SEK 6.40, the capital contribution at full utilization will be approximately SEK 7 million.

Company presentations at investor events

At the end of November, president and CEO Håkan Persson presented Smoltek at two investor events; Stora Aktiedagen, November 29 and Naventus Technology Summit, November 30.



Håkan Persson at Naventus Technology Summit

Significant events – during and after the period

Directed issue to guarantors

On November 30, it was announced that the company, in accordance with the guarantee agreements entered into in connection with the rights issue, has carried out a directed issue of units to one of the guarantors, who has chosen to receive their guarantee compensation in the form of new units. The subscription price in the directed compensation issue was set at SEK 36.00 per unit and payment has taken place by offsetting the guarantor's claims.

Significant events after the end of the period

Otterhällegatan 1 - new address for Smoltek

On February 1, 2023, the Smoltek Group moved into new premises at Otterhällegatan 1 in central Gothenburg. The new premises are adapted and more suitable for the growing organization, which was temporarily divided into two offices. Adjacent to the new premises also two laboratories, one of which is the company's existing laboratory with electrical measuring and testing equipment for semiconductor components for Smoltek Semi's operations. The second is a completely new laboratory where complete electrolyzer cells can be built and tested in-house, which accelerates the speed of Smoltek Hydrogen's development work and enables long-term tests of function and corrosion resistance of various materials.



Otterhällegatan seen from Lilla Torget

Smoltek Semi and YAGEO at 3D PEIM 2023

On February 1-3, Smoltek Semi and YAGEO jointly presented the revolutionizing ultra-thin capacitor technology CNF-MIM at the 3D PEIM 2023 conference, hosted by Florida International University.

The focus was on the joint collaboration to industrialize and commercialize the first capacitor application – an ultra-thin capacitor that can be placed closer to the application processor in mobile phones compared to competing capacitors.



Technology for ultra-thin capacitors was presented at 3D PEIM

Board chairman declines re-election

On February 2, the company announced that board chairman Peter Augustsson declines re-election at the upcoming annual general meeting. The nomination committee has started the search process and aims to present its complete proposal for the board, including a new board chairman, in good time before Smoltek's annual general meeting, which will be held in Gothenburg on May 11. Peter Augustsson has been chairman of the board of Smoltek since the company was listed on the stock exchange in 2018.

Significant events – after the period

Updated strategic objectives for the semiconductor business area

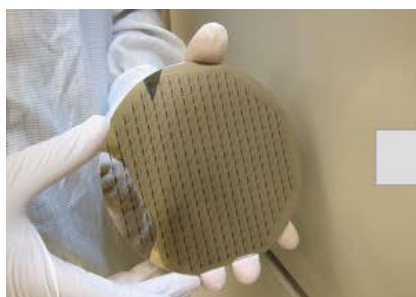
On February 9, the company adjusted the strategic objectives in relation to those published in May 2022. This is largely due to the cooperation initiated with the American-Taiwanese capacitor manufacturer YAGEO Group for the semiconductor business area.

Smoltek and YAGEO Group have since spring 2020 jointly evaluated the commercial potential of Smoltek's disruptive capacitor technology (CNF-MIM). In June 2022, a memorandum of understanding (MoU) was signed, followed by a joint development agreement (JDA) in August. Then, during the autumn, the parties worked on technical and commercial development of the first joint capacitor product for global sales – a decoupling capacitor for mounting on the under-side of the processor chip in mobile phones. In the semiconductor industry, this is also referred to as a discrete capacitor, i.e. an individually encapsulated electronic component for independent assembly.

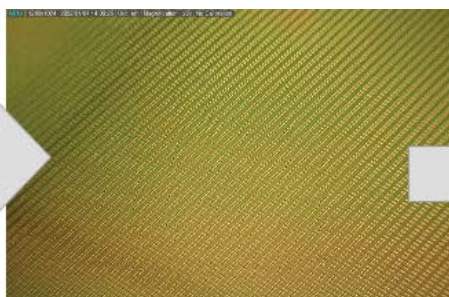
The agreements - MoU and JDA - that were signed also include the development of several other capacitor products in the ultra-thin capacitor family intended for the global market for discrete capacitors. This market achieved a sales value of US\$8.5 billion in 2021 and is expected to be worth US\$11 billion in 2027, with a CAGR of approximately 4.4%.

Updated strategic objectives 2023–2024

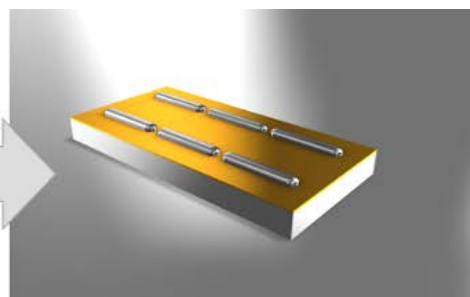
- Implement all milestones in the joint development agreement (JDA) to reach the next phase – formation of joint venture company for volume production and global sales of the first capacitor product.
- Develop and produce industrially produced prototypes (engineering samples) of decoupling capacitors for mobile phones.
- Market development together with YAGEO through presentations of the technology of the first capacitor product (application processors) at international conferences and congresses for capacitor technology.
- Technical and commercial analyzes to broaden the product family 'ultra-thin capacitors' with more products, with the aim of reaching significant market share through expansion into several capacitor segments.
- Supply of industrial machine for large-scale growth of carbon nanofibers.
- Form joint venture company with YAGEO for commercialization and global sales of ultra-thin capacitors.
- 2027: Turnover target for the first product of at least SEK 400 million in 2027, to then gradually multiply the turnover by adding more products within the family of ultra-thin capacitors.



Demo of Smoltek's carbon nanofiber based capacitors, produced on 200mm wafers. Each wafer contains approximately 50,000 capacitors.



22X magnification of a 200mm wafer. The capacitors and their solder contacts can be distinguished.



CAD model of a carbon nanofiber capacitor prototype (engineering sample) that has been developed under the joint development agreement. The surface of the capacitor is $1 \times 0.5 \text{ mm}^2$ and its thickness less than 0.05mm.

Operations and market – Smoltek's market potential

Smoltek has developed a patent-protected technology that that can make materials and components in several industrial sectors thinner, more energy efficient, more powerful as well as cheaper. Through precision manufacturing of extremely thin, conductive, carbon nanofibers in various three-dimensional structures, our technology creates films of vertical carbon nanofibers that provide a several times larger contact area, and thereby better performance, compared to a conventional flat surface.

In practice, our technology multiplies the given surface area that can be coated with different types of materials. This creates opportunities for more efficient surface properties in several areas where today's solutions and materials limit performance and efficiency. This means that we can take maximum advantage of our position as a pioneering technology developer in the field of controlled growth of nanostructures.

Smoltek's pioneering technology platform (for precision manufacturing of carbon nanostructures) offers us very good opportunities to develop innovative solutions in a large number of application areas. However, prioritization is required – and we have currently chosen to focus on two business areas: Semiconductors and Hydrogen. Both these areas carry enormous potential for the company.

These are two areas where there is a great need for new innovative solutions, and where a lot of development takes place and is required to take the end products to the next level. And this fits well with Smoltek's strengths to develop surface-efficient products with high performance.

Operations and business model

Smoltek was founded in December 2005 in connection with the filing of the first patent – manufacturing of nanostructures, one of the company's core patents. In February 2018, Smoltek Nanotech Holding AB was listed on the Spotlight Stock Market in Stockholm, Sweden.

The Group's corporate structure has developed to consist of three subsidiaries:

- Smoltek AB: holds a patent portfolio as well as R&D and innovation development towards new industrial sectors
- Smoltek Semi AB: targets the semiconductor industry with a special focus on ultra-thin capacitors
- Smoltek Hydrogen AB: targets the hydrogen industry, with a special focus on developing new high-performance cell materials to electrolyzers

Our operations and business model are based on a broad, patent-protected technology platform to, among other things, precision-grow conductive carbon nanostructures on different types of substrates and thereby enable better performance for different applications.

Historically, our business model has been to license the company's IP and know-how for the development of process technology and application concepts. Today, however, we have broadened the company's business model to also include volume sales of products. Therefore, we are now developing unique process steps as well as complete production processes owned by Smoltek, subcontractor chains as well as finished products. This means that we will be a more equal party with greater responsibility and control, from development to volume production. To respond to this, the company's organization is continuously being developed.

IP strategy

We use a global patent strategy to protect our technology platform in all important markets. The strategy includes both core patents and more tailored patent protection at the application level. We have a steadily growing patent portfolio which currently consists of around 110 filed patents, in 20 different patent families, within which 77 patents are currently granted.

International business advisor

To increase the opportunities to capitalize on our carbon nanofiber-based technology platform, we collaborate with DC Advisory, a leading global financial advisor with expertise in industrial transactions. DC Advisory has a broad network in the semiconductor and electronics industries as well as in other industrial segments. The agreement contributes to an increased global presence and opens up opportunities through strategic relationships in both existing and new application areas and industrial sectors.

Operations and market – potential Semiconductors

Since the company was founded, Smoltek has focused on developing technology specifically for the semiconductor industry. After early development projects in various application areas, the semiconductor market showed greatest interest in our technology for extremely thin capacitors (CNF-MIM) – where we have presented a prototype of the world's thinnest capacitor. This capacitor has a total height of 38.2 micrometers (including the necessary substrate). The prototype otherwise has the same high performance that the market demands; i.e. high energy storage capacity and low internal losses for the component. These are important parameters that are on par with the industry standard for competing capacitor technologies.

Potential customers and partners

The potential customer base for our capacitor technology consists of a small number of very large capacitor manufacturers. We are currently collaborating with YAGEO Group, which is one of these manufacturers. In the collaboration, we jointly conduct technology development for the commercialization of various types of ultra-thin capacitors based on our technology platform. The objective is to form a joint venture company with one of their subsidiaries for commercialization and global sales of capacitor products.

The market for capacitors

One of the sub-segments in the global semiconductor market is discrete decoupling capacitors. These are used, among other things, in application processors for mobile phones, where very high demands are placed on the capacitor's performance and minimal form factor. With our technology for ultra-thin capacitors, we can become a

leading technology supplier in this segment; since no one else can combine very high electrical performance with an extremely small form factor. This enables our capacitors to be placed closer to the application processor compared to competing technologies.

About 1.5 billion mobile phone application processors are produced each year. Each such processor needs up to 10 decoupling capacitors, which in turn corresponds to a market volume of up to 15 billion decoupling capacitors per year.

Agreement for product development and industrialization

In the collaboration agreement with YAGEO Group, Smoltek Semi has agreed on overall terms and initial financing to take Smoltek's patent-protected CNF-MIM technology for ultra-thin capacitors to the market within the discrete capacitor segment. The agreement initially concerns the development of a specific capacitor to be adapted to application processors in mobile phones. The goal is to mass produce and sell these capacitors via a 50/50 joint venture company.

Smoltek is conducting intensive technical development at the same time as technical and commercial analysis is carried out to identify additional potential products within the family of ultra-thin capacitors. By being in control of the entire chain, from product development to global sales, the volume production can be scaled up at an optimal rate. This translates into a significant risk minimization combined with higher cost efficiency. This also allows Smoltek to reach the market more quickly and cost-effectively with more products that, in each individual case, can meet specific design and performance requirements.



Members of Smoltek's R&D team in the Chalmers nanolaboratory

Smoltek's advanced PECVD, that was installed during Q2 2021 at Chalmers' MC2 laboratory, is specially designed for extremely high plasma and temperature uniformity across a full 6-inch wafer and enables full process integration with foundries.

Operations and market – potential Hydrogen

Within the hydrogen business area, we are developing a nanofiber-based high-performance cell material for electrolyzers, the system that uses renewable electricity to split water into oxygen and fossil-free hydrogen.

Our proprietary cell material (ECM) is intended for the anode side of the cell in PEM electrolyzers. The material's unique three-dimensional structure allows us to reduce the amount of very expensive iridium particles by up to 95%. By packing the catalyst particles more densely, a considerable reduction in the size of the electrolyzer is also made possible. A smaller and thus cheaper electrolyzer reduces the cost of building a new hydrogen plant by up to half, and also reduces operating and maintenance costs.

Development of the ECM technology

This summer we signed a cooperation agreement with a global manufacturer of input materials for electrolyzers to build demonstrators. In the project, our cell material, together with other partners' parts, are assembled into a complete electrolyzer cell (demonstrator), which is then tested in an electrolyzer. At the end of spring, the long-term tests are expected to be completed and then we will receive scientific evidence supporting the advantages of our carbon nanofibers.

In November, we signed an agreement with one of Europe's leading manufacturers of electrolyzers for a project where we apply our nanofibers and corrosion protection to an existing cell layer, for evaluation of the technology.

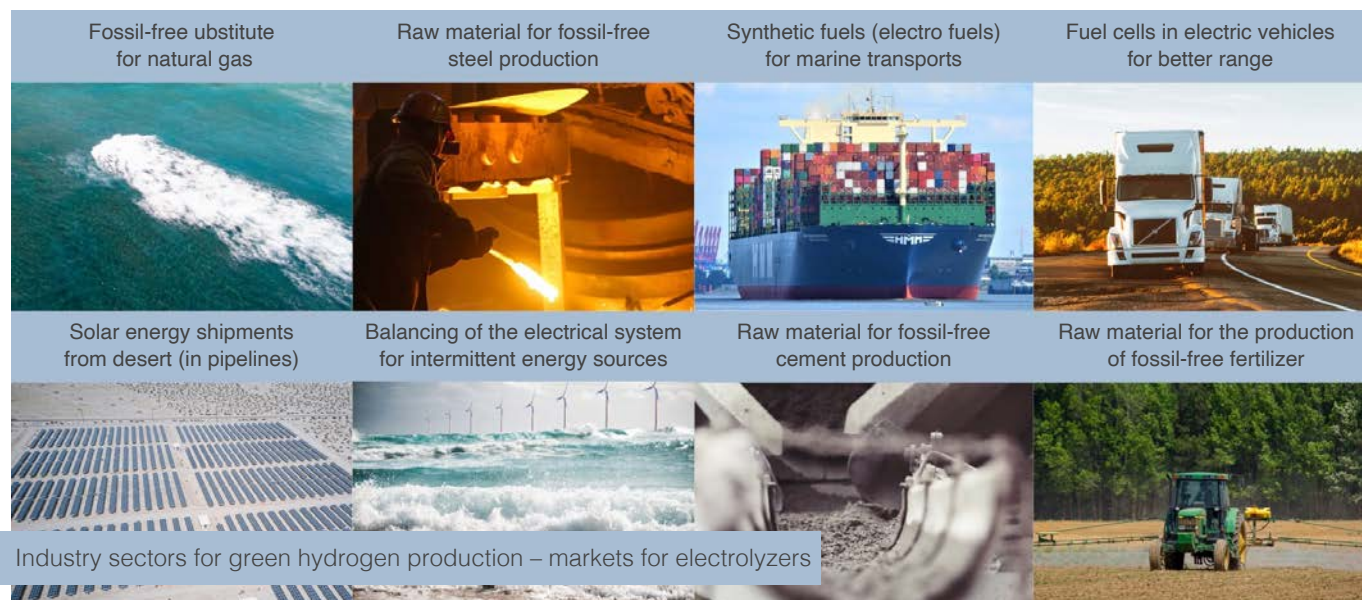
During the spring, we will start up our own hydrogen laboratory, in connection with our new headquarters. H2Lab,

as we call it, has advanced equipment for performance measurement and long-term tests of electrolyzer cells, and here we will be able to manufacture our own test cells. This will accelerate the development of the cell material, at the same time as we can evaluate different concepts for volume production. The ongoing progress in our technology development continues to strengthen our confidence in the potential of the cell material.

Huge market for green hydrogen and electrolyzers

Hydrogen as a fossil-free raw material creates a potentially huge market for electrolyzer manufacturers, and also for Smoltek. Massive investments are being made in this area all over the world, not least in Europe. Already today, large amounts of hydrogen are produced for several energy-intensive industrial sectors that need to switch to fossil-free energy. So far, however, only barely 5 percent of all hydrogen is fossil-free. This means that there is a great demand for new technology to obtain more cost-effective methods for the production of green hydrogen.

The global market for green hydrogen production today sees large-scale investments in building up the production and distribution of green hydrogen. At the same time, there is a vigorous accumulation of capital earmarked for investments in electrolyzers and related technological innovations with the potential to improve the performance of green hydrogen production. The market for cell material for the anode side in PEM electrolyzers alone is estimated to be worth around SEK 3.5 billion in 2026 and around SEK 65 billion in 2030.



Financial outcome

Turnover

Net turnover during the full year amounted to SEK 2,692,000 (1,360). And for the fourth quarter to SEK 1,690,000 (365).

Costs

The costs during the same period were SEK 53,076,000 (30,829) and SEK 15,879,000 (9,704) respectively. The higher cost picture compared to the previous year can be explained by the continued efforts towards industrialization and commercialization of the company's technology as well as a growing organization.

Result

The group's result for 2022 was -46,803 KSEK (-24,744) after financial items. For the fourth quarter, the result amounted to -14,451 KSEK (-8,549) after financial items.

Cash flow and financial position

Cash flow from current operations amounted to SEK -17,597,000 (-23,705). Cash and cash equivalents, including short-term investments, at the end of the period amounted to SEK 71,108,000 (71,586).

Financing

The company has chosen to invest excess liquidity in fixed income funds. Long-term interest-bearing liabilities amounted to SEK 704,000 (758).

Investments

Investments in intangible fixed assets in total in the group amounted to SEK 64.6 million on December 31, 2022, distributed between the subsidiaries Smoltek AB (87%) and Smoltek Hydrogen AB (13%). The investments refer to further development of the company's own technology.

Regarding investments in tangible fixed assets, the group has invested SEK 8.4 million up to and including 31 December 2022. In 2022, Smoltek Semi has made a partial payment of approximately SEK 4 million, corresponding to 40% of the total cost, regarding the specially ordered machine for industrial growth of carbon nanofibers that was ordered earlier in the year.

During the same period, Smoltek Hydrogen has invested in a potentiostat for measuring voltage and current in electrolyzer cells, as well as in equipment to test complete electrolyzer cells - investments of approx. 1.4 MSEK, 50% will be paid in December 2022 while final payment will take place in February 2023.

Key ratios

(SEK thousand)

| | Full year 2021 | Full year 2020 |
|-------------------------|----------------|----------------|
| Return on equity | -37.5% | -18.2% |
| Return on total capital | -31.7% | -17.2% |
| Solidity | 84.5% | 94.8% |
| Cash liquidity | 336.8% | 1,113.7% |

Additional financial information

The share

Since 2018, Smoltek Nanotech Holding AB has been listed on the Spotlight Stock Market under the ticker SMOL. As of December 31, 2022, the company had approx. 3,200 shareholders. The number of shares amounts to 14 188 887.

Warrants

Outstanding warrants as of December 31, 2022:

| | |
|------------------|------------------|
| Peter Augustsson | 80,000 |
| Gustav Brismark | 50,000 |
| Håkan Persson | 50,000 |
| Per Zellman | 10,000 |
| Edvard Kälvesten | 30,000 |
| Employees | 70,000 |
| TO 7 | 2,452,996 |
| Total | 2,742,996 |

Intangible assets

The company's most important asset is intangible assets in the form of patents, know-how and demonstrated performance. The balance sheet item is included in discontinued costs and amounts to SEK 64.6 million. It is the Board's assessment that the fair value is higher. The comparisons we have made with other companies' intellectual property rights and development support this assumption.

Outlook

The company continues to have a positive view of the market outlook for each business area – semiconductors and hydrogen. The work of building relationships and deepening interactions with leading players in semiconductors in the USA and Asia for the subsidiary Smoltek Semi's capacitor technology continues to be the highest priority. When it comes to the expansion of the company's operations in hydrogen, the subsidiary Smoltek Hydrogen has a clear focus on the development of a new cell material for electrolyzers. Here, the subsidiary has quickly built up a large contact network of leading actors for testing and prototype manufacturing of the technology. At the same time, the company continues the purposeful work of developing the patent portfolio, which to date contains 100 patent assets, of which 77 patents have been granted.

Accounting principles

For the interim report, Smoltek applies the accounting principles of the Swedish Annual Accounts Act and the Swedish Accounting Standards Board (BFN) general rules. The accounting policies are unchanged from those of the preceding year.

Annual report, annual general meeting and dividend

The annual report for 2022 will be published on April 20, 2023. The general meeting for the 2022 financial year will be held in Gothenburg on May 11, 2023. Notice of the meeting will be published in Post-och Inrikes Tidningar and Dagens Industri four weeks before the meeting.

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.

The board and the CEO continuously monitor the company's financial position and opportunities for additional financing, including, among other things, the upcoming exercise period in 2023 for warrants of series TO 7 and additional financing from partners.

Gothenburg, 2023-02-22

The Board of Directors of Smoltek Nanotech Holding AB
Peter Augustsson, Chairman of the Board

Finn Gramnaes, board member

Gustav Brismark, board member

Edvard Kälvesten, board member

Per Zellman, 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. Information about these risks can be found in the annual report of 2022.

Consolidated income statement in summary

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)

| | Oct-Dec 2022 | Oct-Dec 2021 | Full year 2022 | Full year 2021 |
|-------------------------------------|----------------|---------------|----------------|----------------|
| Net sales | 1,690 | 365 | 2,692 | 1,360 |
| Activated own-account work | 1,115 | -5 | 4,987 | 3,719 |
| Other operating income | 0 | 17 | 23 | 228 |
| Operating costs | -15,879 | -9,099 | -53,076 | -30,279 |
| Operating profit / loss | -13,074 | -8,722 | -45,374 | -24,973 |
| Profit / loss from financial items | -1,377 | 173 | -1,429 | 228 |
| Profit / loss for the period | -14,451 | -8,549 | -46,803 | -27,774 |
| Earnings per share after tax | -1.33 | -1.01 | -4.83 | -3.01 |

Consolidated balance sheet in summary

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)

Assets

Intangible fixed assets

Tangible fixed assets

Current receivables

Other short-term investments

Cash and cash equivalents

Total assets

Equity and liabilities

Equity

Long-term liabilities

Current liabilities

Total equity and liabilities

Equity/assets ratio

2022-12-31

2021-12-31

64,608

63,498

8,431

4,584

3,339

3,865

22,755

40,240

48,353

31,347

147,486

143,533

124,681

136,001

704

758

22,101

6,775

147,486

143,533

84.5%

94.8%

Consolidated statement of cash flows

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)

| | Full year 2022 | Full year 2021 |
|--|----------------|----------------|
| Operating activities | | |
| Operating profit / loss | -45,374 | -24,973 |
| Items not affecting cash flow | 13,354 | -10 |
| Profit / loss from financial items | -1,429 | 0 |
| Cash flow from operating activities before changes in working capital | -33,450 | -24 983 |
| Changes in working capital | | |
| Change in receivables | 526 | -1,150 |
| Changes in current liabilities | 15,326 | 2,428 |
| Cash flow from operating activities | -17,597 | -23,705 |
| Investment activities | | |
| Intangible assets | -12,362 | -11,868 |
| Tangible assets | -4,902 | -2,573 |
| Purchase short-term investments | 0 | -60,000 |
| Sale short-term investments | 16,438 | 19,999 |
| Cash flow from investment activities | -826 | -54,442 |
| Financing activities | | |
| New issue of warrants | 577 | 21,913 |
| Issue of shares (rights issue) | 44,729 | 0 |
| Issue costs | -9,822 | 0 |
| Repurchase of warrants | 0 | -41 |
| Change in long-term liabilities | -54 | -61 |
| Cash flow from financing activities | 35,430 | 21,811 |
| Change in cash and cash equivalents | 17,006 | -56,336 |
| Cash opening balance | 31,347 | 87,683 |
| Cash closing balance | 48,353 | 31,347 |

Consolidated changes in equity

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)

| | Share capital | Other contributed capital | Other equity including net loss for the period | Total equity |
|--|---------------|---------------------------|--|----------------|
| Opening balance 2021-01-01 | 967 | 170,060 | -32,154 | 138,873 |
| Repurchase of warrants | | -41 | | -41 |
| Issue of warrants | | 1,325 | | 865 |
| Issue of shares (Exercising warrants TO4) | 139 | 20,449 | | 20,588 |
| Profit / loss for the period | | | -24,744 | -24,774 |
| Closing balance 2021-12-31 | 1,106 | 191,793 | -56,898 | 136,001 |
| Issue of warrants | | 577 | | 577 |
| Issue of shares (rights issue) | 575 | 43,418 | | 43,993 |
| Issue of shares (compensation issue guarantor) | 10 | 727 | | 737 |
| Issue costs | | -4,220 | | -4,220 |
| Profit / loss for the period | | | -46,803 | -46,803 |
| Closing balance 2022-12-31 | 1,690 | 226,693 | -103,701 | 124,681 |

Parent company income statement

Smoltek Nanotech Holding AB

(SEK thousand)

| | Oct-Dec 2022 | Oct-Dec 2021 | Full year 2022 | Full year 2021 |
|-------------------------------------|---------------|----------------|----------------|----------------|
| Net sales | 1,474 | 1,135 | 5 090 | 0 |
| Other operating income | 443 | 227 | 1,265 | 719 |
| Operating expenses | -5,930 | -4,886 | -21,024 | -16,858 |
| Operating profit / loss | -4,013 | -3,525 | -14,669 | -11,123 |
| Profit / loss from financial items | -1,181 | -39,521 | -695 | -38,574 |
| Profit / loss for the period | 5,194 | -43,046 | -15,364 | -49,697 |

Parent company balance sheet

Smoltek Nanotech Holding AB

(SEK thousand)

Assets

| | | |
|--|----------------|----------------|
| Shares in group companies | 80,314 | 80,314 |
| Long-term receivables at group companies | 49,847 | 30,114 |
| Current receivables from Group companies | 2,382 | 908 |
| Other current receivables | 918 | 918 |
| Other short-term investments | 22,755 | 40,240 |
| Cash and cash equivalents | 31,336 | 20,401 |
| Total assets | 187,552 | 172,895 |

Equity and liabilities

| | | |
|--|----------------|----------------|
| Equity | 183,201 | 163,081 |
| Current liabilities | 4,351 | 2,608 |
| Current liabilities to group companies | 0 | 7,207 |
| Total equity and liabilities | 187,552 | 172,895 |

| | | |
|----------------------------|--------------|--------------|
| Equity/assets ratio | 97.7% | 94.3% |
|----------------------------|--------------|--------------|

Parent company statement of cash flows

Smoltek Nanotech Holding AB

(SEK thousand)

| | Full year 2022 | Full year 2021 |
|--|----------------|----------------|
| Operating activities | | |
| Operating profit / loss | -14,669 | -11,123 |
| Profit / loss from financial items | -367 | -2 |
| Cash flow from operating activities before changes in working capital | -15,036 | -11,125 |
| Changes in working capital | | |
| Current receivables group | 8,693 | -881 |
| Changes in receivables | 0 | -305 |
| Changes in current liabilities | 1,743 | 603 |
| Cash flow from operating activities | -21,986 | -11,708 |
| Investment activities | | |
| Financial assets | 0 | 0 |
| Changes in receivables from group companies | -19 000 | -32,000 |
| Purchase short-term investments | 0 | -60,000 |
| Sale short-term investments | 16,438 | 19,999 |
| Cash flow from investment activities | -2,562 | -72,001 |
| Financing activities | | |
| New issue of warrants | 577 | 21,913 |
| Issue of shares (rights issue) | 44,729 | 0 |
| Issue costs | -9,822 | 0 |
| Repurchase of warrants | 0 | -41 |
| Cash flow from financing activities | 35,484 | 21,872 |
| Change in cash and cash equivalents | 10,935 | -61,837 |
| Opening balance | 20,401 | 82,238 |
| Closing balance | 31,336 | 20,401 |

Parent company changes in equity

Smoltek Nanotech Holding AB

(SEK thousand)

| | Restricted equity | Unrestricted equity incl. net loss for the period | Total equity |
|--|----------------------|--|----------------|
| Opening balance 2021-01-01 | 967 | 189,939 | 190,906 |
| Repurchase warrants | | -41 | -41 |
| Issue of warrants | | 1,326 | 1,326 |
| Issue of shares (Exercising warrants TO4) | 139 | 20,448 | 20,587 |
| Profit / loss for the period | | -49,697 | -49,697 |
| Closing balance 2022-12-31 | 1,106 | 161,975 | 163,081 |
| Issue of warrants | | 577 | 577 |
| Issue of shares (rights issue) | 575 | 43,418 | 43,993 |
| Issue of shares (compensation issue guarantor) | 10 | 727 | 737 |
| Issue costs | | -4,220 | -4,220 |
| Profit / loss for the period | | -15,364 | -15,364 |
| Closing balance 2022-12-31 | 1,691 | -181,511 | 183,201 |

Finacial calendar

- Annual report for 2022 will be published 2023-04-20 (in Swedish)
- Interim report Q1 for 2023 will be published 2023-04-26
- Interim report Q2 for 2023 will be published 2023-08-31
- Interim report Q3 for 2023 will be published 2023-10-26

Audit report

This Interim report has not been subject to review 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:

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Göteborg 2023-02-22

The Board





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