



# INTERIM REPORT

Smoltek Nanotech Holding AB  
JULI-SEPTEMBER 2023



# Smoltek Nanotech Holding AB, Q3 2023

## ABOUT SMOLTEK

Smoltek develops process technology, concepts and applications to solve advanced material engineering problems within several different industrial sectors.

Smoltek's pioneering carbon nanotechnology enables, for example, the manufacture of components with smaller form factors, higher performance and lower energy consumption in the semiconductor industry, where the company today focuses on developing technology for ultra-thin capacitors that can be placed closer to the application processor in mobile phones compared to competing capacitor technology.

Smoltek also sees great potential in the hydrogen industry, where the company is currently focusing on developing a carbon nanofiber-based cell material for the cell stack in electrolyzers so that the hydrogen industry can scale up the production of both smaller and cheaper PEM electrolyzers.

Smoltek protects the company's unique technology platform through an extensive and growing patent portfolio consisting of around 110 patent assets, of which 82 are granted.

Smoltek's share is listed on the Spotlight Stock Market 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. We reserve the right for any typos.*

Control of early capacitor prototypes at the MC2 laboratory



## The quarter in brief (the group)

### JANUARY - SEPTEMBER

- Net sales: SEK 4,288 thousand (1,002)
- Result for the period: SEK -38,491 thousand (-32,353)
- Earnings/share, before dilution: SEK -2.59 (-3.49)
- Earnings/share, after possible dilution: SEK -2.54 (-3.23)
- Number of outstanding shares: 16,222,202 (9,282,895)
- Number of shares after full exercise of outstanding warrants: 16,504,222 (9,496,878)
- Total equity SEK 93,113 thousand (104,225)
- Liquid funds: SEK 36,203 thousand (50,498)
- Equity ratio: 82.3% (80.7%)

### THIRD QUARTER

- Net sales: SEK 1,232 thousand (1,002)
- Result for the period: SEK -10,400 thousand (-12,139)
- Earnings/share, before dilution: SEK -0,64 (-1,31)
- Earnings/share, after possible dilution: SEK -0.63 SEK (-1.09)
- YAGEO's CTO sees great potential in Smoltek (stated in international interview)
- Smoltek's technology for cell material for electrolyzers presented at international hydrogen conference
- Smoltek's first patent targeting the green hydrogen industry has been granted
- Custom-ordered tool for industrial production of carbon nanofibers in high volumes completed

### INCOME AND RESULTS THIRD QUARTER

Net sales during the period amounted to SEK 1.2 million (1.0). Operating profit was -10.4 MSEK (-12.1). Earnings per share before dilution were SEK -0.64 (-1.31). Earnings per share after possible dilution were SEK -0.63 (-1.09).

### LIQUIDITY AND FINANCIAL CONDITION

The company's cash and cash equivalents, including short-term investments, amounted to SEK 36.2 million (50.5) at the end of the period. Long-term interest-bearing liabilities amounted to SEK 693,000 (731). The equity ratio was 82.3 percent (80.7).

### EQUITY AND NUMBER OF SHARES

At the end of the period, equity amounted to SEK 93,113,000 (104,225) spread over 16,222,202 shares.

### EMPLOYEES

The number of annual employees amounted to 21 people (19).

## Håkan Persson comments on the period

Dear Shareholders,

An exciting quarter has come to an end, and it is time to summarize, but also to look forward.

During the period, we have demonstrated that we are increasingly moving from pure lab development to also setting up industrial manufacturing processes for our technology, in both our business areas. These processes are important to us as we can conduct more data-driven development, and thus accelerate the pace towards commercial products based on our nanotechnology.

In the semiconductor business area, which is run by Smoltek Semi, we have developed a manufacturing process for our CNF-MIM capacitors in high volumes. The process consists of several sub-processes and is carried out by various partners with standard equipment for high-volume production. In the first test of the manufacturing process, we produced capacitors without our carbon nanofibers to validate the stability, repeatability and overall quality of the different process steps.

After successful results of the test series, we decided to start producing the first batch of engineering samples of our CNF-MIM capacitors. We expect delivery of this batch at the end of the year, after which the performance of the capacitors will be evaluated by us, our partner YAGEO and potential customers. The purpose is to obtain information to take the next step in developing a commercial high-performance capacitor product to bring to market together with YAGEO.

In parallel with this work, we have also initiated the planning of forming a joint venture company to bring our CNF-MIM capacitors to market. The fact that YAGEO is prepared to spend time and resources on this, even before the results from our engineering samples are ready, is in my view a conformation of their trust in us and our technology.

Just before the end of the period, we were able to announce that our custom-ordered tool for the industrial production of carbon nanofibers in high volumes has been completed and has passed the factory acceptance tests. Some required paperwork now remains before it is ready to be shipped from the manufacturer to Gothenburg. Until we have chosen at what foundry to place the machine, it will be placed at Chalmers' MC2 laboratory.

In the hydrogen business area, run by Smoltek Hydrogen, we are developing a cell material for electrolyzers to radically reduce the amount of precious iridium in the electrolyzer cell. Our goal is to reduce the amount of iridium by 95% compared to today's cell material, which is in line with what the industry sees as necessary to be able to scale up production in order to meet the need for fossil-free produced hydrogen.

Already at the beginning of the period, we were able to announce that the first patent for our technology had been granted. This patent describes how we can use our core technology to reduce the amount of iridium in electrochemical cells. Having patent protection for our technology is a prerequisite for us to be able to build value in this business area, and it facilitates discussions with potential commercial partners.

We notice a strong interest in our cell material from researchers and industry, something that became very clear at the global electrochemical conference ECS, which was held in Gothenburg this year. Our technical presentation attracted a lot of interest, and we also had a lot of visitors in our exhibition stand, which led to several rewarding meetings as well as demonstrations of our in-house hydrogen lab.

With another strong quarter behind us in terms of technological development within our business areas, we continue to work focused towards our goals. Within Smoltek Semi, we aim to be able to deliver industrially manufactured prototypes of our capacitors to YAGEO and define the next steps in accordance with the collaboration agreement before the end of the year. Within Smoltek Hydrogen, we will soon verify an industrially scalable process for nanofiber production for our cell material. This will allow also this production to, over time, advance from the lab to a product with concrete test projects in collaboration with customers.

During the period, we have also strengthened our communication with a dedicated IR blog, with the aim of providing you as an investor with in-depth information about our technology and how it fits into the global market. You will find the blog under the investor page on our website.

Finally, I would like to emphasize that we are in an extremely exciting phase where we are beginning to see the fruits of our hard work to take our technology to the market in two global product areas which both have enormous potential.

*Håkan Persson, CEO of Smoltek Nanotech Holding AB*





## Significant events – during the period

### Significant events in the third quarter of 2023

#### Yageo sees strong potential in Smoltek

Philip Lessner, CTO at YAGEO Group states in an interview that he and Yageo sees great potential in Smoltek's disruptive CNF-MIM capacitor technology for making capacitors in extremely small form factors.

*“Our goal is to map the functions of passive components in semiconductors, and in collaboration with Smoltek Semi, we are now manufacturing carbon nanofibers on 8-inch silicon wafers, with the rest of the processing done as part of a normal CMOS process technology.”*



Philip Lessner, CTO at YAGEO Group

#### Presentation of the electrolyzer cell material technology

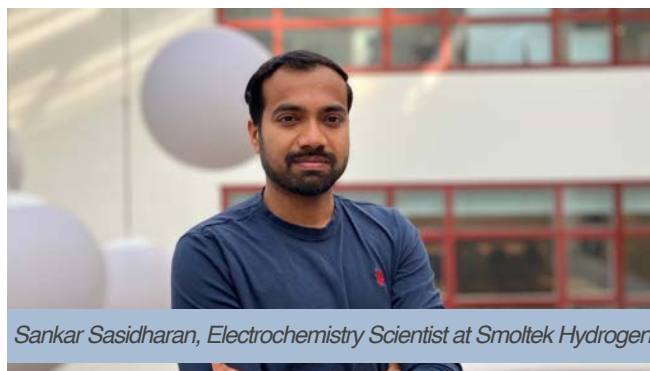
July 4-7, the group company Smoltek Hydrogen participated in the international EFCF conference in Lucerne, Switzerland. On site, our senior nanotechnology scientist Xin Wen gave a technical presentation on the development of the new cell material for electrolyzers which, by using platinum-coated carbon nanofibers, can radically reduce the amount of iridium catalysts in the electrolyzer cell. Smoltek Hydrogen aims to get down to only 0.1 mg iridium/cm<sup>2</sup>, which corresponds to a 95% reduction compared to today's commercial standard materials where the iridium is not fully utilized.



Xin Wen, Nanotechnology Scientist at Smoltek Hydrogen

#### Smoltek Hydrogen has hired Sankar Sasidharan through a grant from WISE

August 15, it was announced that Sankar Sasidharan, PhD, has joined Smoltek Hydrogen, thanks to a prestigious industrial postdoc grant from WISE – Wallenberg Initiative for Sustainable Material Science. Sankar has extensive competence in material science and electrochemistry, and he will be an important asset in improving the durability of our PEM cells which is an important part in the development of our innovative electrolyzer cell material.



Sankar Sasidharan, Electrochemistry Scientist at Smoltek Hydrogen

#### Smoltek's first patent targeting the green hydrogen industry granted

On August 24, it was announced that Smoltek's first patent targeting the production of green hydrogen has been granted. The granted patent describes how Smoltek Hydrogen can use our core technology in electrochemical cells to decrease the amount of iridium catalyst load in a PEM electrolyzer. This is also the first granted patent in a new patent family called Electro Catalyst Support. The patent is number 80 in order in our global patent portfolio.

*“The new patent family is a breakthrough for us as we can now become a key supplier of technical solutions that enable the hydrogen industry to scale up the production of PEM electrolyzers”*



Fabian Wenger, Head of R&D at Smoltek Hydrogen

## Significant events – during the period

### Custom-ordered tool for industrial production of carbon nanofibers completed

On September 28, it was announced that the specially ordered tool for the future industrial production of carbon nanofibers for the company's CNF-MIM capacitors is now complete. The tool, including additional equipment, is ready to be shipped from the manufacturer as soon as all EU marking and transport requirements have been met. The high-volume machine is to be placed at the foundry when the group company Smoltek Semi has established the manufacturing structure for high-volume production of capacitors. Until then, it will be stored at the MC2 laboratory at Chalmers in Gothenburg.

*“We have conducted factory acceptance tests of the carbon nano-growth tool, and it works perfectly. We will initially bring the tool home to Gothenburg, and then place it at the chosen foundry when we have established the manufacturing structure for volume production.”*



Håkan Persson, CEO at Smoltek

### Two new semiconductor patents granted during the period

During the third quarter, two more patents that protect our technology in the semiconductor business area were granted. One of them is part of the Assembly platform patent family, which is developed to improve the electrical reliability of the microscopic interconnections in the field of Interconnects and heterogeneous integration for semiconductor packaging.

The other patent covers our CNF-MIM capacitor technology and various use cases for the same. Interposers are frequently used in today's advanced packaging architectures for integrated circuits, for example commonly used for microprocessors and heterogeneous integrations.

The patent-protected areas are based on the need to improve circuit performance by enabling smarter interposers

that integrate one or more energy storage components. With these two patents, our patent portfolio contains a total of 82 granted patents, as of September .



Farzan Ghavanini, CTO at Smoltek

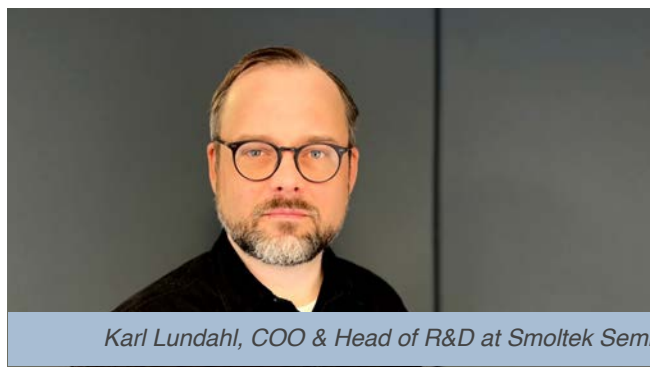
### Significant events after the period

#### Development of 8-inch format process for manufacturing of engineering samples in high volumes

On October 4, it was announced that Smoltek Semi has developed a manufacturing process for 8-inch wafers intended to be used to produce engineering samples of CNF-MIM capacitors in high volumes.

During the development of the process chain, we have initially manufactured capacitor prototypes without carbon nanofibers on 8-inch wafer format, where most of the processing has been made on standard high-volume production tools. The purpose of these capacitor prototypes has been to develop and validate the stability, repeatability, and overall quality of the fabrication processes necessary for 8-inch wafer format production.

*“This is the first time that Smoltek Semi has produced capacitors in 8-inch wafer format in this type of manufacturing process”.*



Karl Lundahl, COO & Head of R&D at Smoltek Semi

## Significant events – during the period

» continued from page 6

Based on the successful results achieved in the set process chain, the decision was made to start manufacturing the first batch of our engineering samples, which are expected to be available at the end of the fourth quarter of 2023.

Once this first batch is completed, these engineering samples will be evaluated by Smoltek Semi and our partner YAGEO. We will then take the next step towards developing a commercial capacitor product.

*“At the end of September, we decided to manufacture the first batch of engineering samples of CNF-MIM capacitors in the developed 8-inch manufacturing process. We expect to have these ready by the end of the fourth quarter of this year.”*



Louise Duker, CPO at Smoltek Semi

### The 8-inch format manufacturing process is important for primarily two reasons:

1. The first being the significant increase in the number of capacitors that Smoltek Semi can produce for development purposes. The company can fit approximately 27,000 capacitors on one single 8-inch wafer. The sheer number makes it possible to conduct more data-driven development, and hence accelerate the development pace towards a commercial product.
2. The second reason is that the 8-inch form factor is compatible with high-volume production. We are therefore confident that the 8-inch wafer format that Smoltek now have migrated to in our development of CNF-MIM capacitors will enable us to more effectively expedite the tech-transfer of the fabrication processes to a future high-volume production setting.

### Smoltek Hydrogen presented the company's cell material at the 244th ECS meeting in Gothenburg

ECS, or the Electrochemical Society, is the world's largest organization in the fields of electrochemistry and solid-state science and related technology.

For the first time in over 10 years, their annual event was held outside the US, attracting over 3,400 participants from all over the world to the Swedish Exhibition & Congress Centre (Svenska Mässan) in Gothenburg. Smoltek Hydrogen was one of the commercially oriented companies that participated in the event, which otherwise had a clear academic focus.

For that reason, we also held a technical presentation (presented by Bastien Penninckx) about our cell material for electrolyzer cells, although the main focus was to make business contacts at our exhibition stand.

By informing the ECS community about our participation before the event, and also thanks to the technical presentation on site, we had one of the most well-attended exhibition stands at the entire conference. We also invited some contacts to our office, in central Gothenburg, for a tour of our in-house laboratory, where much of the recent development of the Electrolyzer Cell Material (ECM\*) took place.



Bastien Penninckx, Nanotechnology engineer at Smoltek Hydrogen

*\* Our cell material for electrolyzer cells, which has been developed to radically reduce the amount of iridium (catalyst particles) in the electrolyzer cell while maintaining cell performance, is called ECM. The goal is to be able to produce the same amount of hydrogen with only 0.1 mg iridium/cm<sup>2</sup>, which is also a prerequisite for the electrolyzer industry to be able to scale up the production of PEM electrolyzers to a sufficient extent to produce the enormous amounts of green hydrogen that electrification and the green energy transition requires.*



## Significant events – during the period

### Smoltek launches IR blog

On October 16, it was announced that we have launched an IR blog with the aim of strengthening communication with shareholders and investors. The IR blog will provide in-depth clarifications of the company's press-releases and other news.

*"I believe that shareholders and investors appreciate getting more detailed information about the tremendous business opportunities that we are about to realize. With the newly started IR blog, we want to show the possibilities and explain how we will take advantage of them in the next few years."*



Håkan Persson, CEO at Smoltek

### Collaboration with DC Advisory ended

On October 23, it was announced that Smoltek and DC Advisory have entered into a termination agreement of their corporate finance engagement. Smoltek assesses that the need for the advisor's services has decreased, and that it is

in the best interest of the company to carry on its work with collaboration partners and investors on its own. The collaboration with DC Advisory, which has been active since 2019, has resulted in increased awareness of Smoltek and the company's nanotechnology platform among potential collaboration partners and investors that the company would otherwise not have had the opportunity to come into contact with.

### Smoltek is demanded repayment for deductions of employer contributions

On November 2, it was announced that the Swedish Tax Agency (Skatteverket) has decided not to allow deductions for research and development (R&D) in employer declarations where Smoltek made deductions for employer contributions relating to employees who actively work with tasks that qualify as research and development. The period referred to is January 1, 2021, to March 31, 2023, and Smoltek is demanded to repay a total of SEK 1,507,516. However, Smoltek believes that the decision is incorrect and will therefore request a reconsideration of the decision. The amount is not reserved in this interim report for the third quarter of the year. The company currently has no information on when the appeal can be reconsidered.

Smoltek's R&D staff at work in the Chalmers MC2 laboratory





## Operations and market – Smoltek’s market potential

Smoltek has developed a patent-protected technology 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 – gives 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 AB 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/develops the patent portfolio
- Smoltek Semi AB: targets the semiconductor industry with a special focus on capacitors for semiconductors
- Smoltek Hydrogen AB: targets the hydrogen industry, with a special focus on developing a new electrode cell material for 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 82 patents are currently granted.

## 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

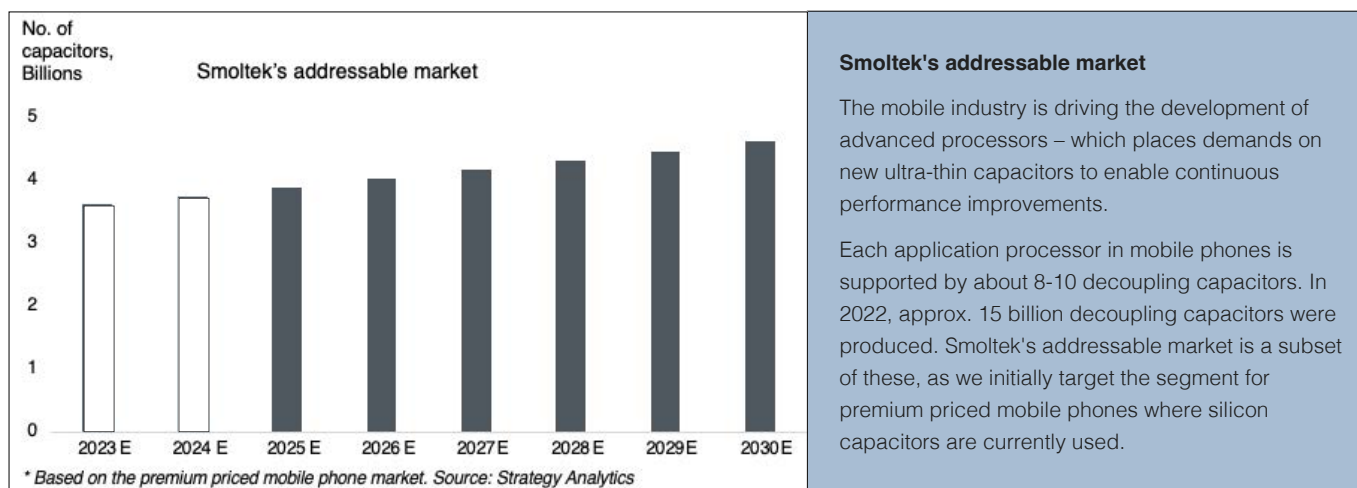
combine very high electrical performance with an extremely small form factor. This enables our capacitors to be placed closer to the application processor compared to competing technologies, which is very important as it increases system performance for AP’s/SoC’s\* (System on Chip).

Today, around 1.5 billion application processors for mobile phones are produced per year. Each application processor requires around 8-10 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.



### Smoltek's addressable market

The mobile industry is driving the development of advanced processors – which places demands on new ultra-thin capacitors to enable continuous performance improvements.

Each application processor in mobile phones is supported by about 8-10 decoupling capacitors. In 2022, approx. 15 billion decoupling capacitors were produced. Smoltek's addressable market is a subset of these, as we initially target the segment for premium priced mobile phones where silicon capacitors are currently used.

\* AP/SoC is a type of integrated circuit (IC) design that combines many, or all, high-level functional elements of an electronic device on a single chip, rather than using separate components mounted on a motherboard as is done in traditional electronics design.

## Operations and market – potential hydrogen

Within the hydrogen business area, we develop a nanofiber-based cell material for electrolyzers, the systems that use 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 extremely expensive iridium particles by up to 95% (compared to today's standard materials). By manufacturing longer carbon nanofibers, we can fit more iridium and thus increase the active surface in the electrolyzer cell, which can reduce the size of the electrolyzer considerably. A smaller and thus cheaper electrolyzer reduces the cost of building a new hydrogen plant by up to half, which also means reduced operating and maintenance costs.

### Huge market for green hydrogen and electrolyzers

Hydrogen as a fossil-free raw material and energy carrier creates a potentially huge market for electrolyzer manufacturers, and for Smoltek. The world over is hugely invested in this area, 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 to produce green hydrogen with PEM electrolyzers.

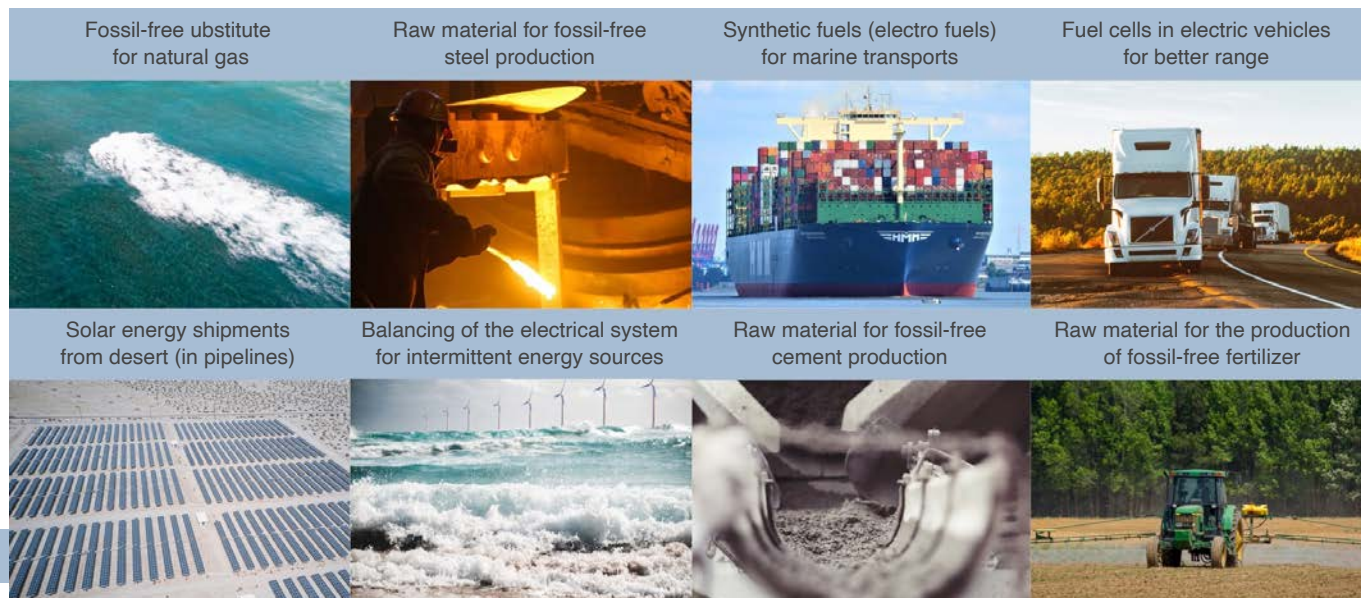
The global market for green hydrogen production today sees large-scale investments in building up the production and distribution of green hydrogen. At the same time, there

is a vigorous accumulation of earmarked capital for investment 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 increase exponentially, from around SEK 3.5 billion in 2026 to around SEK 65 billion in 2030\*.

### Development of the ECM technology

In June 2022, we signed a cooperation agreement with a global manufacturer of materials for electrolyzers to build and test prototypes with our cell material. In the project, our cell material, and other partners' parts, were assembled into a complete electrolyzer cell, which was then tested in an electrolyzer. The long-term tests were completed this spring and provided scientific evidence of the advantages of our carbon nanofibers – where the same amount of hydrogen can be produced with significantly less iridium in the electrolyzer cell.

In May, we started up our own hydrogen laboratory, in connection with our new head office. H2LAB, as we call it, has advanced equipment for performance measurement and long-term tests of electrolyzer cells, and here we will also be able to manufacture our own test cells. This will accelerate the development of the cell material at the same time as we evaluate different concepts for volume production. The ongoing progress we make in technology development gives us ever stronger confidence in the cell material's potential within the hydrogen business area.



\* Source: Hydrogen Council & Mc Kinsey "Hydrogen Insights 2021", [www.gminsights.com](http://www.gminsights.com) "Electrolyzer Market Size 2022" and internal calculations.

## Financial outcome

### Turnover

Net sales for the first three quarters of the year amounted to SEK 4,288 thousand (1,002). And for the third quarter of the year to SEK 1,232 thousand (1,002).

### Operating expenses

The costs during the same period were SEK -46,251 thousand (-37,197) and SEK -12,614 thousand (-14,190), respectively. The higher cost picture compared to the previous year can be explained by continued investments towards commercialization of the company's technology for both business areas, as well as a continued growing organization.

### Results

Consolidated results, after financial items, for the first three quarters of the year was -38,491 thousand (-32,353). For the third quarter, the result amounted to SEK -10,400 thousand (-12,139) after financial items.

### Cash flow and financial status

Cash flow from current operations amounted to SEK -32,919 thousand (-7,432). Cash and cash equivalents including short-term investments amounted to SEK 36,203 thousand (50,498) at the end of the period.

### Financing

The company has chosen to invest excess liquidity in fixed income funds. Long-term interest-bearing liabilities amounted to SEK 693 thousand (731).

### Investments

Investments in intangible fixed assets in total in the group on September 30, 2023 amount to SEK 64.0 million (65.4), distributed between the subsidiaries Smoltek AB and Smoltek Hydrogen AB. The investments refer to further development of the company's own technology. The specially ordered machine for industrial growth of carbon nanofibres, which was ordered in the previous year, and where a partial payment of approx. 4 MSEK (approx. 40% of the total cost) was previously made, is now completed. The machine will be paid for in the fourth quarter.

### Key ratios

#### (SEK thousand)

	Q3 2023	Q3 2022
Return on equity	-41.3%	-31.0%
Return on total capital	-34.0%	-25.1%
Solidity	82.3%	80.7%
Cash liquidity	207.6%	230.5%



## Additional financial information

### The share

Smoltek Nanotech Holding AB is listed on the Spotlight Stock Market in Stockholm, Sweden under the ticker SMOL. The number of shares amounts to 16 222 202.

### Warrants

Outstanding warrants as of September 30, 2023:

Peter Augustsson	80,000
Gustav Brismark	50,000
Håkan Persson	50,000
Per Zellman	10,000
Edvard Kälvesten	30,000
Employees	62,000
<b>Total</b>	<b>282,000</b>

### 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 64.0 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 group company Smoltek Semi, together with YAGEO Group, has a clear plan to industrialize and commercialize Smoltek's CNF-MIM capacitor technology and is building relationships and deepening interactions with potential customers for the first capacitor product.

The group company Smoltek Hydrogen has a large contact network of partners and other leading actors for testing and prototype manufacturing of Smoltek's cell material – ECM, for electrolyzers for green hydrogen production.

At the same time, the company continues the purposeful work of developing the patent portfolio, which currently contains 100 patent assets within 20 patent families, of which 82 patents are currently granted.

### Accounting principles

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

### Annual report, general meeting and dividend

Annual report for 2022 was published on 20 April 2023 and is available on the company's IR website. On request by email to [info@smoltek.com](mailto:info@smoltek.com), a printed version of the annual report can be sent by post.

The general meeting for the 2022 financial year was held in Gothenburg on May 11, 2023. The board proposed to the general meeting that no dividend be paid for 2022.

### Going concern – Affirmation by the Board

The board and the managing director assure that this interim report provides a fair overview of Smoltek Nanotech Holding AB's operations, position and results.

The board and the managing director continuously monitor the company's financial position and opportunities for additional financing from partners.

*Gothenburg, 2023-11-07*

Per Zellman, chairman of the board

Gustav Brismark, board member

Edvard Kälvesten, board member

Marie Landfors, board member

Emma Rönnmark, board member

Håkan Persson, CEO

### Risks and uncertainties

Smoltek Nanotech Holding AB's results 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 2022.

## Consolidated income statement

*Smoltek Nanotech Holding AB incl subsidiaries*

<b>(SEK thousand)</b>	<b>Jul-Sep 2023</b>	<b>Jul-Sep 2022</b>	<b>Jan-Sep 2023</b>	<b>Jan-Sep 2022</b>	<b>Full year 2022</b>
Net sales	1,232	1,002	4,288	1,002	2,692
Own work capitalized	827	1,050	3,311	3,872	4,987
Other operating income	155	0	181	23	23
Operating expenses	-12,614	-14,190	-46,251	-37,197	-53,076
<b>Operating profit/loss</b>	<b>-10,400</b>	<b>-12,139</b>	<b>-38,471</b>	<b>-32,300</b>	<b>-45,374</b>
Profit/loss from financial items	1	0	-19	-52	-1,429
<b>Profit/loss for the period</b>	<b>-10,400</b>	<b>-12,139</b>	<b>-38,491</b>	<b>-32,353</b>	<b>-46,803</b>
<b>Profit/loss per share, after tax</b>	<b>-0.64</b>	<b>-1.31</b>	<b>-2.59</b>	<b>-3.49</b>	<b>-4.83</b>

## Consolidated balance sheet

Smoltek Nanotech Holding AB incl subsidiaries

<b>(SEK thousand)</b>	<b>2023-09-30</b>	<b>2022-09-30</b>	<b>2022-12-31</b>
<i>Assets</i>			
Intangible fixed assets	64,008	65,371	64,608
Tangible fixed assets	8,992	8,022	8,431
Current receivables	3,940	5,249	3,339
Other short-term receivables	22,755	24,146	22,755
Cash and cash equivalents	13,447	26,352	48,353
<b>Total assets</b>	<b>113,142</b>	<b>129,140</b>	<b>147,486</b>
<i>Equity and liabilities</i>			
Equity	93,113	104,225	124,681
Long-term liabilities	693	731	704
Current liabilities	19,336	24,184	22,101
<b>Total equity and liabilities</b>	<b>113,142</b>	<b>129,140</b>	<b>147,486</b>
<b>Equity/asset ratio</b>	<b>82.3%</b>	<b>80.7%</b>	<b>84.5%</b>

## Consolidated statement of cash flows

Smoltek Nanotech Holding AB incl subsidiaries

(SEK thousand)	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Ongoing operations</b>			
Operating profit/loss	-38,471	-32,300	-45,374
Non cash flow affecting items	8,939	8,895	13,354
Results from financial items	-19	-52	-1,429
<b>Cash flow from operating activities before changes in working capital</b>	<b>-29,552</b>	<b>-23,457</b>	<b>-33,450</b>
<b>Changes in working capital</b>			
Changes in receivables	-602	-1,384	-526
Changes in current liabilities	-2,765	17,409	15,326
<b>Cash flow from operating activities</b>	<b>-33,919</b>	<b>-7,432</b>	<b>-17,597</b>
<b>Investment activities</b>			
Intangible assets	-7,555	-10,001	-12,362
Tangible assets	-1,344	-4,206	-4,902
Other short-term investments	0	0	0
Sale short-term investments	0	16,094	16,438
<b>Cash flow from investment activities</b>	<b>-8,899</b>	<b>1,887</b>	<b>-826</b>
<b>Financing activities</b>			
New issue of warrants	0	577	577
Issuance of shares (rights issue)	7,239	0	44,729
Issue costs	-316	0	-9,822
Change in long-term liabilities	-11	-27	-54
<b>Cash flow from financing activities</b>	<b>6,912</b>	<b>550</b>	<b>35,430</b>
Change in cash and cash equivalents	-34,906	-4,995	17,006
Cash opening balance	48,353	31,347	31,347
<b>Cash closing balance</b>	<b>13,447</b>	<b>26,352</b>	<b>48,353</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 2022-01-01</b>	<b>1,106</b>	<b>191,793</b>	<b>-56,898</b>	<b>136,001</b>
Issuance of warrants		577		577
Issuance of shares (rights issue)	575	43,418		43,993
Issuance of shares (compensation issue guarantor)	10	727		737
Issue costs	-9,822		-9,822	
Profit/loss for the period			-46,803	-46,803
<b>Closing balance 2022-12-31</b>	<b>1,690</b>	<b>226,693</b>	<b>-103,701</b>	<b>124,681</b>
Issuance of shares (using warrants TO 7)	242	6,996		7,238
Issue costs		-316		-316
Profit/loss for the period			-38,491	-38,491
<b>Closing balance 2023-09-30</b>	<b>1,932</b>	<b>233,373</b>	<b>-142,192</b>	<b>93,113</b>

## Parent company income statement

Smoltek Nanotech Holding AB

(SEK thousand)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net sales	2,083	1,433	6,664	3,617	5,090
Other operating income	629	284	2,293	822	1,265
Operating expenses	-4,678	-5,426	-18,630	-15,095	-21,024
<b>Operating profit/loss</b>	<b>-1,967</b>	<b>-3,709</b>	<b>-9,673</b>	<b>-10,656</b>	<b>-14,669</b>
Profit/loss from financial items	770	192	2,063	486	-695
<b>Profit/loss for the period</b>	<b>-1,196</b>	<b>-3,517</b>	<b>-7,610</b>	<b>-10,170</b>	<b>-15,364</b>

## Parent company balance sheet

Smoltek Nanotech Holding AB

<b>(SEK thousand)</b>	<b>2023-09-30</b>	<b>2022-09-30</b>	<b>2022-12-31</b>
<i>Assets</i>			
Shares in group companies	80,314	80,314	80,314
Long-term receivables in group companies	73,910	41,646	49,847
Current receivables from group companies	3,283	2,176	2,382
Other current receivables	1,381	3,191	918
Other current investments	22,755	24,146	22,755
Cash and cash equivalents	6,578	7,402	31,336
<b>Total assets</b>	<b>188,220</b>	<b>158,875</b>	<b>187,552</b>
<i>Equity and liabilities</i>			
Equity	182,513	153,488	183,201
Current liabilities	5,707	5,387	4,351
<b>Total equity and liabilities</b>	<b>188,220</b>	<b>158,875</b>	<b>187,552</b>
<b>Equity/assets ratio</b>	<b>97.0%</b>	<b>96.6%</b>	<b>97.7%</b>

## Parent company statement of cash flows

Smoltek Nanotech Holding AB

(SEK thousand)	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Ongoing operations</b>			
Operating profit/loss	-9,673	-10,656	-14,669
Profit/loss from financial items	0	-46	-367
<b>Cash flow from operating activities before changes in working capital</b>	<b>-9,673</b>	<b>-10,702</b>	<b>-15,036</b>
<b>Changes in working capital</b>			
Current receivables group	-900	-8,475	-8,693
Changes in receivables	-463	-2,273	0
Changes in current liabilities	1,356	2,779	1,743
<b>Cash flow from operating activities</b>	<b>-9,680</b>	<b>-18,670</b>	<b>-21,986</b>
<b>Investment activities</b>			
Changes in receivables from group companies	-22,000	-11,000	-19,000
Sale short-term investments	0	16,094	16,438
<b>Cash flow from investment activities</b>	<b>22,000</b>	<b>5,094</b>	<b>-2,562</b>
<b>Financing activities</b>			
New issue of warrants	0	577	577
Issuance of shares (rights issue)	7,239	0	44,729
Issue costs	-316	0	-9,822
<b>Cash flow from financing activities</b>	<b>6,923</b>	<b>577</b>	<b>35,484</b>
Changes in cash and cash equivalents	-24,758	-12,999	10,935
Cash opening balance	31,336	20,401	20,401
<b>Cash closing balance</b>	<b>6,578</b>	<b>7,402</b>	<b>31,336</b>



## Parent company changes in equity

Smoltek Nanotech Holding AB

(SEK thousand)

	Restricted equity	Non-restricted equity	Total equity
<b>Opening balance 2022-01-01</b>	<b>1,106</b>	<b>161,975</b>	<b>163,081</b>
Issuance of warrants		577	577
Issuance of shares (rights issue)	575	43,418	43,993
Issuance of shares (compensation issue guarantor)	10	727	737
Issue costs	-9,822	-9,822	
Profit/loss for the period		-15,364	-15,364
<b>Closing balance 2022-12-31</b>	<b>1,691</b>	<b>181,511</b>	<b>183,201</b>
Issuance of shares (using warrants TO 7)	242	6,996	7,238
Issue costs	-316	-316	
Profit/loss for the period		-7,610	-7,610
<b>Closing balance 2023-09-30</b>	<b>1,933</b>	<b>180,581</b>	<b>182,512</b>

## Financial calendar

- Year-end report, Q4 2023 will be published 2024-02-22
- Interim report, Q1 2024 will be published 2024-05-02

### Audit report

This report has not been subject to review for the company's auditors.

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

### For additional information

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Göteborg 2023-11-07

The Board





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