



INTERIM REPORT

Smoltek Nanotech Holding AB

APRIL-JUNE 2022



Smoltek Nanotech Holding AB, Q2 2022

ABOUT SMOLTEK

Smoltek is a global company that 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 manufacturing of components with smaller form factors, higher performance and lower energy supply in the semiconductor industry, where Smoltek today concentrates on developing technology for ultra-thin capacitors. Smoltek also sees great potential in the hydrogen industry, where the company today focuses on developing high-performance cell materials for electrolyzers for cheaper and more efficient hydrogen production.

Smoltek protects its unique technology platform through an extensive and growing patent portfolio consisting of approximately 110 patent assets, of which 76 are granted.

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

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Smoltek's R & D operations at Chalmers MC2 laboratory

Quarterly Summary (Group)

JANUARY - JUNE

- Net sales: SEK 0 thousand (577)
- Earnings before tax: SEK -20,172 thousand (-13,067)
- Earnings per share, before dilution: SEK -2.17 (-1.61)
- Earnings per share, after possible dilution: SEK 2.12 (-1.36)
- Number of shares outstanding: 9,282,895 (8,114,817)
- Number of shares after possible exercise of warrants: 9,520,147 (9,597,218)
- Total equity: SEK 115,864 thousand (126,641)
- Cash and cash equivalents: SEK 46,463 thousand (70,897)
- Equity ratio: 93.5% (95.2%)

SECOND QUARTER

- Net sales: SEK 0 thousand (488)
- Operating profit / loss: SEK -10,431 thousand (-6,121)
- Earnings per share, before dilution: SEK -1.12 (-0.75)
- Earnings per share, after possible dilution: SEK -1.10 (-0.64)
- Cooperation agreement signed for the development of demonstrators (ECM - electrolyzer cell material)
- Memorandum of Understanding signed for the development and commercialization of ultra-thin CNF-MIM capacitors
- High-performance electrolyzer cell material (ECM) presented at international hydrogen conference
- Four new patents granted - The IP portfolio holds a total of 76 granted patents

REVENUES AND RESULTS SECOND QUARTER

Net sales during the period amounted to SEK 0 thousand (488). Operating loss was SEK -10.4 million (-6.1). Earnings per share before dilution were SEK -1.12 (-0.75). Earnings per share after possible dilution were SEK -1.10 (-0.64).

LIQUIDITY AND FINANCIAL POSITION

The company's cash and cash equivalents at the end of the period amounted to SEK 46,463 thousand (70,897). Long-term interest-bearing liabilities amounted to SEK 731 thousand (758). The equity / assets ratio was 93.5 percent (95.2).

EQUITY AND NUMBER OF SHARES

Equity at the end of the period amounted to SEK 115,864 thousand (126,641) distributed on 9,282,895 shares.

EMPLOYEES

The number of employees was 18 personer (13).

High pace in our two business areas

Dear shareholder,

During the second quarter of the year, we continued to industrialize and commercialize our two product areas, ultra-thin capacitors for the semiconductor industry and high-performing cell material for electrolyzers in the hydrogen industry, at a very high pace. We also laid the foundation for a clearer and more transparent communication with shareholders and other stakeholders by publishing a press release in the beginning of May with updated strategic objectives to be accomplished by 2024. As stated in this press release, we aim to initiate mass production of our ultra-thin capacitors as early as 2024 together with a large capacitor manufacturer. It is an ambitious goal, but at the same time fully realistic given the significant progress we have achieved and presented so far in 2022.

In the Semiconductor business area, we announced at the end of April that negotiations regarding a Memorandum of Understanding (MoU) had been initiated with the global manufacturer of capacitors that has evaluated our patented technology platform in collaboration with us since 2020. At the end of the quarter, the MoU was signed, and we were thus able to present a joint plan for product and process development of our ultra-thin capacitors as well as mass production and sales via a 50/50-owned joint venture in the discrete capacitors segment. This agreement is a historic milestone for Smoltek, as we now have a perfect partner in place to reach the market in an optimal way. The actual product and process development proceeded according to plan during the quarter, including preparations for the upcoming installation of the industrial carbon growth machine which we ordered earlier this year at a contract manufacturer (foundry).

In the Energy conversion business area, we signed a collaboration agreement at the end of May for a joint development project with a large international manufacturer of material for electrolyzers. The collaboration includes the development of demonstrators for our highly efficient cell material for PEM electrolyzers, which enables us to produce a complete PEM electrolyzer cell with our technology and

measure its performance. This is something we are really looking forward to as our technology has the potential to significantly reduce the production cost of fossil free hydrogen.

During the quarter, Smoltek's Annual General Meeting was also held, including the election of the two new Board members Edvard Kälvesten and Per Zellman. Edvard and Per will contribute with valuable experience from leading fast-growing technology companies, and above all how to best commercialize disruptive technology in a global arena.

We are now in the middle of the summer, but the work within our two business areas is progressing at a high pace so that we can deliver according to plan within each of our development collaborations. The future undeniably looks very exciting for Smoltek during the rest of 2022 and beyond. In fact, the company is currently in such an intense and rewarding phase that I almost want to skip my upcoming vacation. Finally, I would like to take this opportunity to wish all shareholders a wonderful summer!

Håkan Persson, CEO of Smoltek Nanotech Holding AB



Significant events – during and after the period

Significant events during the second quarter of 2022

Håkan Persson takes over the role of President of Smoltek Semi

On 19 April, it was announced that the company's CEO Håkan Persson will also take over as President of the Group company Smoltek Semi AB from 1 May. This change is implemented as a result of Smoltek Semi's current President Ola Tiverman choosing to leave his role for new challenges. The functions that were part of Ola's current role will be partially redistributed, as a natural part of the ongoing and previously communicated strengthening of Smoltek Semi's organization.

Smoltek updates the company's strategic objectives

On May 5, an update and a clearer definition of the company's strategic objectives was published, with continued focus on industrialization and commercialization within the company's two business areas: semiconductors and hydrogen, where the applications consist of ultra-thin capacitors for application processors in mobile phones for the semiconductor industry.

The company sees potential to implement industrialization of both processes for large-scale production and the first generic product, until 2024 for the application ultra-thin capacitors and until 2026-2027 for the high-performance cell material for electrolyzers.

Semiconductor business area

The market for application processors is growing in step with the market for mobile phones. Approximately 1.5 billion application processors are produced each year, with an annual expected growth of 3.6% according to market data from the market research company Strategy Analytics (Smartphone Apps Processor Market Share Tracker Q4 2020: 5G and 5 nm APs Drive Growth). 5-10 decoupling capacitors are needed for each application processor. This means that the market for these capacitors is estimated at 7.5-15 billion capacitors per year.

Smoltek aims to complete the commercialization of the first product in the family for ultra-thin capacitors together with a large manufacturer of capacitors, which can then purchase the product in large volumes for integration into its solutions

and customer offerings. In the medium term, Smoltek's goal is to reach sales of SEK 400 million for its family in 2027 with ultra-thin capacitors with an expected gross profit margin of approximately 20%, which corresponds to a market share of approximately 20% of the addressable market.

In order to be able to continue an extensive industrialization and commercialization operation within this business area, Smoltek has developed a recruitment plan for Smoltek Semi. The recruitment plan includes an ambitious resource build-up between 2022 and 2024 in the sub-areas: Sourcing, Supply, Quality Assurance, Product Management, Industrialization, Customer Engineering, Customer Projects and Business Development / Sales.

Business area Hydrogen (formerly Energy Conversion)

Smoltek's high-performance cell material is expected to be able to contribute to electrolyzers being two to three times smaller in size, as well as reducing the consumption of the exceptionally expensive catalyst material iridium by 80% – or more.

In process and product development, Smoltek's goal is to complete a number of optimized demonstrators by 2022 and, together with a commercial partner, to complete a product prototype in 2023 and a pilot plant for production in 2024. If this proves successful, the company aims to order machinery for large-scale industrial production of cell materials and at the same time adapt the product and process to the commercial partner's needs during 2024-2025, and scale up to mass production during 2026-2027.

In addition to the current focus on cell materials for PEM electrolyzers, which can also be extended to cell materials for the cathode side, it is possible to develop the cell material for use in nearby application areas, such as fuel cells, which is the reverse process where hydrogen is converted into electricity. Here, the market size in 2030 is estimated to be at least in the same order of magnitude as the anode side for PEM electrolyzers. Smoltek thus sees the company's cell material as an excellent second product family with the potential to significantly increase the company's total sales, profit and thus its position as a strong and innovative industrial company over time.

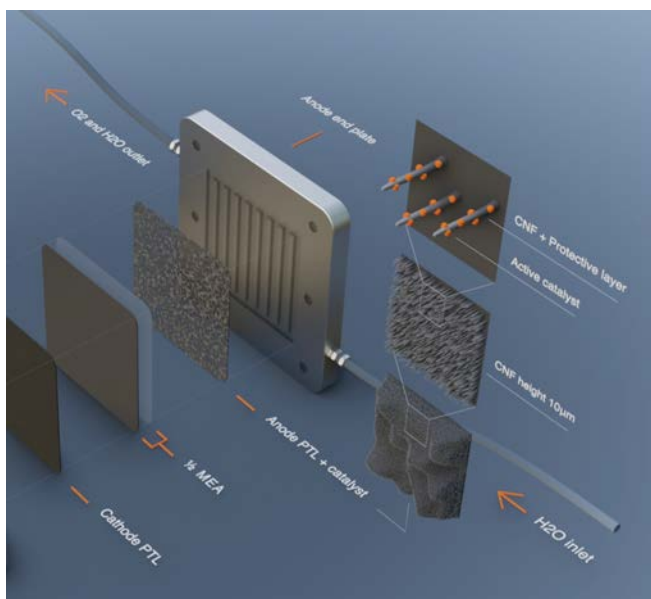
Significant events – during and after the period

Collab agreement signed for green hydrogen solutions

On May 30, it was announced that the Group company Smoltek Innovation had signed a cooperation agreement with a large international manufacturer of input materials for electrolyzers. The cooperation agreement includes the development of demonstrators based on Smoltek's highly efficient nanofiber-based cell materials for PEM electrolyzers.

Smoltek's electrolyzer cell material (ECM) presented at an international hydrogen conference

On June 21, Fabian Wenger from Smoltek Innovation presented a technical poster at the International Conference on Electrolytic Technology in Golden, Colorado. The purpose of the presentation was to introduce Smoltek's nanofiber-based cell material to electrolyzers and how it can enable smaller and cheaper electrolyzers and thus more efficient and cheaper production of green hydrogen gas.



Memorandum of Understanding signed for the development of CNF-MIM capacitors

June 29, it was announced that the Group company Smoltek Semi has signed a Memorandum of Understanding with a global manufacturer of passive components (incl. Capacitors) for the development of Smoltek's ultra-thin CNF-MIM capacitors. The parties were thus able to present a joint plan for product and process development for the company's ultra-thin capacitors as well as mass production and sales via a 50/50-owned joint venture in the discrete capacitors segment.

Senior Reliability Engineer employed

Fredrik Stureson has been employed as Senior Reliability Engineer in Smoltek Semi. The service is new and Fredrik will be responsible for ensuring that the products developed are designed in such a way that they meet the reliability requirements.

4 new patents granted

On June 29, it became official that Smoltek has 76 granted patents globally. Smoltek's 73rd patent was granted in Japan at the end of May and relates to the patent family in the direction of CNF-MIM capacitor applications on interposers. Smoltek's 74th and 76th patents were granted in the United States and Korea, respectively, and relate to the Assembly platform family, which is a solution for further miniaturization of electronic components placed in a capsule that minimizes the size of the circuit packaging. Smoltek's 75th patent was granted in Taiwan and is the fifth patent in the patent family for energy storage devices covering the invention and the manufacture of extremely thin energy storage devices embedded in an interposer.

New website launched

At the end of June, a new version of Smoltek's website was launched. The purpose of the updated website is to better present the company's pioneering carbon nanotechnology and the range of Smoltek's disruptive applications developed based on the patent-protected technology platform. The address is the same as before: www.smoltek.com.

Significant events after the period

Proof-of-Concept study for medtech devices

On 13 July, it was announced that Smoltek has received an order, worth 40,000 euros, to carry out a Proof-of-concept study in order to solve a difficult materials engineering problem for a global medtech company. The purpose is to confirm that Smoltek's electrically conductive, vertically aligned carbon nanofibers can function as an interconnect between an integrated circuit and a sensor material that is not compatible with metals.

Smoltek electrolyzer cell material (ECM) – introduction

At the end of June, Smoltek's high-performing electrolyzer cell material (ECM) for electrolyzers was presented at the International Conference on Electrolytic Technology in Golden, Colorado. The purpose of the presentation was to introduce Smoltek's electrolyzer cell material and how it can enable reduced costs for the manufacture and operation of electrolyzers – and thus contribute to cheaper production of green hydrogen.

As investments in carbon dioxide-free hydrogen production increase avalanche-like, today's PEM electrolyzers need to become cheaper to build and operate, in order to reduce the cost of the enormous amounts of green hydrogen that are planned to be produced globally. For this to be possible, the hydrogen plants need to use, among other things, a significantly smaller amount of expensive and critical catalyst particles. This mainly applies to iridium - an extremely expensive precious metal that today costs around SEK 2 million / kg.

For example, it is expected that large amounts of the green hydrogen of the future will be produced from electricity from offshore wind power. A typical such wind farm can have an output of 30 MW (megawatts), which with today's electrolyzer technology requires 18 kg of iridium – at a cost of SEK 36 million.

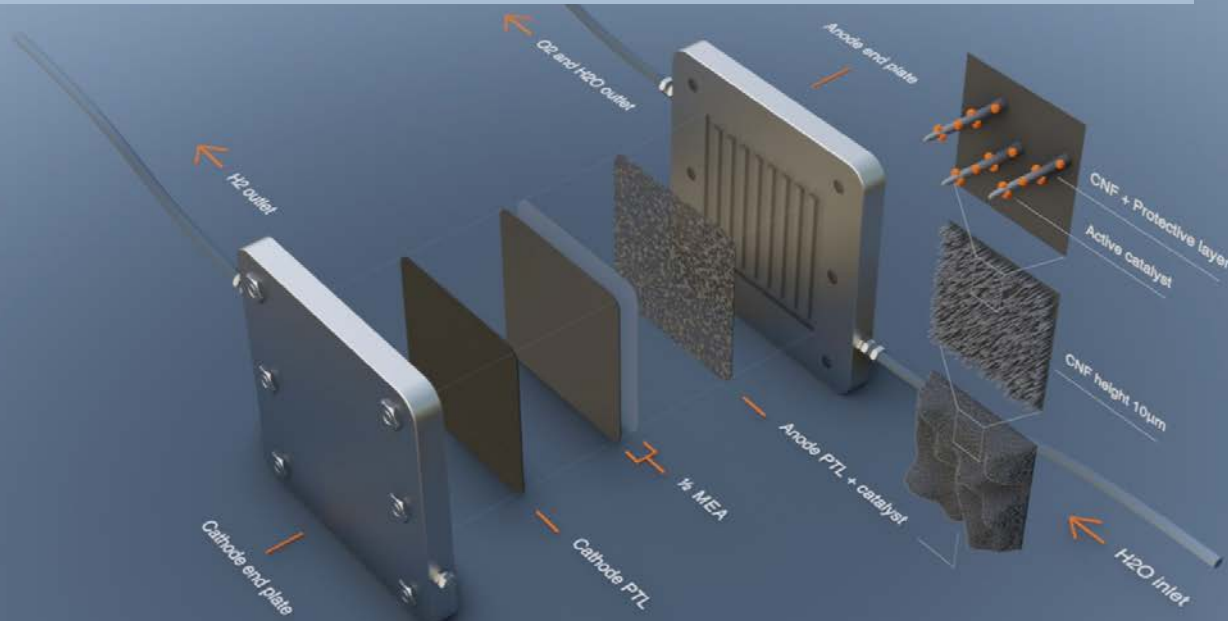
Nanofibers can provide smaller and cheaper electrolyzers

In today's electrolyzers, the extremely expensive catalyst particles are encapsulated in an ink, which means that the largest proportion of them are not in direct contact with the membrane. Thus, significantly larger amounts of iridium are

needed than necessary in the electrolyzers. Smoltek's nano-fiberbased cell materials, on the other hand, create a three-dimensional structure that allows the iridium particles to be placed on the surface of our nanofibers instead of being encapsulated. In this way, in principle, all particles come into contact with the membrane and the result is that the number of iridium particles can be reduced by 80% - or more.

Another effect of Smoltek's cell material is that the current density in the electrolyzer increases, and thus the capacity per cell increases. This is done by the three-dimensional structure allowing the iridium particles to be packed 2-3 times more tightly, and the uneven, "thorny" structure means that the membrane is "penetrated" by iridium. All in all, this means a 2-3 times lower investment cost for the electrolyzer in a hydrogen plant, at the same time as operating and maintenance costs will also be lower, thanks to the electrolyzer being able to decrease in size. The investment, alone in the electrolyzer itself for a 30 MW (megawatt) wind farm could be reduced from SEK 900 to 300 million.

Smoltek electrolyzer cell material (ECM - Anode PTL + catalyst) are more efficient supports of the iridium catalysts



Operations and market – Smoltek's potential

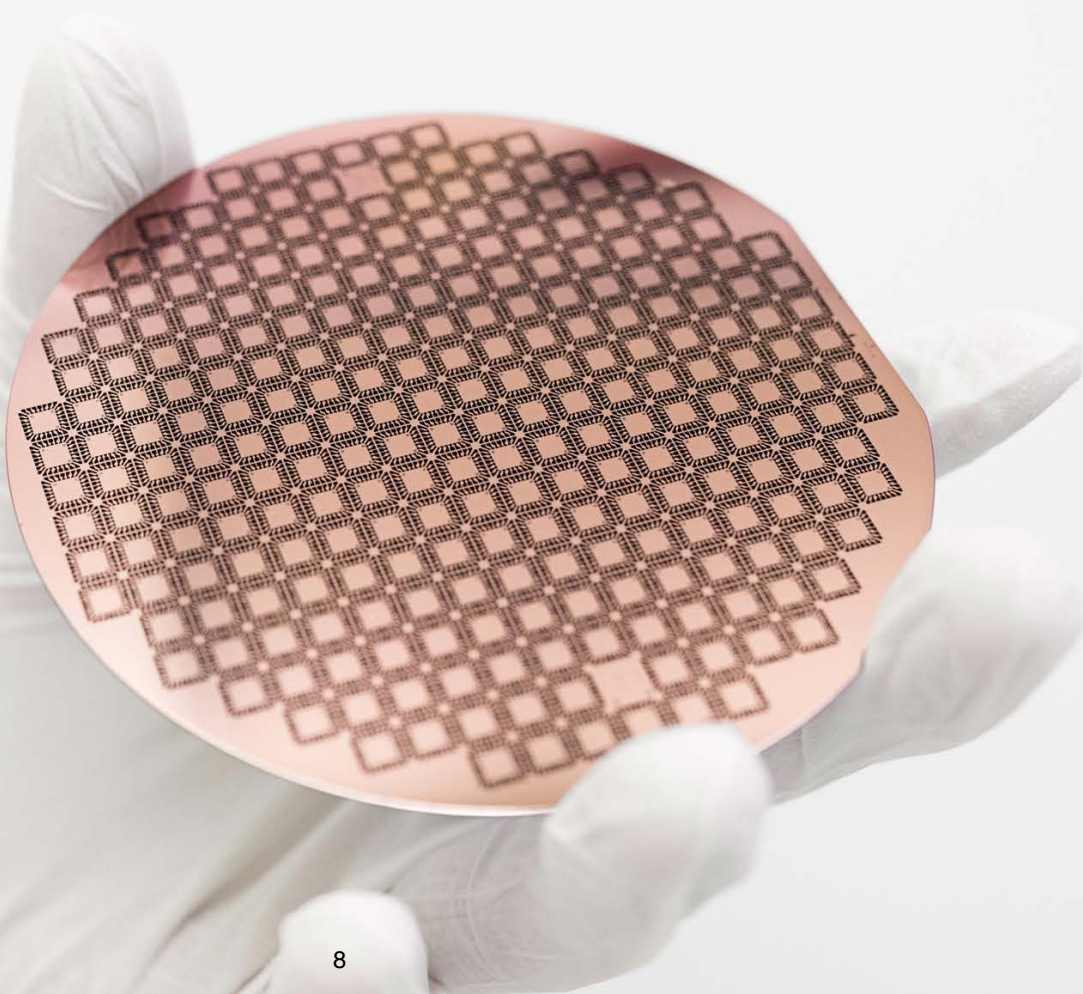
Smoltek sees great potential for the company's patent-protected technology platform in several industrial sectors. Through precision manufacturing of extremely thin, conductive, carbon nanofibers in various three-dimensional structures, our technology creates films of vertical carbon nanofibers that provide a several times larger contact area, and thereby better performance, compared to a conventional flat surface.

In practice, our technology multiplies the total 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.

We have chosen to focus on two business areas: semiconductors and hydrogen. Both with enormous global potential for the company.

Our overall strategy is to first establish the company commercially in the billion market for capacitor components in the semiconductor industry. This through licensing of IP and production and sales of ultra-thin capacitors based on the company's unique CNF-MIM technology. The technology enables the production of miniaturized capacitors which are suitable for architectures within high-performance semiconductor circuits, for example, application processors for mobile phones, and other high-performance processors.

In the market for hydrogen, we are as a first step focusing on the production of new cell materials to electrolyzers used in fossil-free hydrogen production. The new cell material can contribute to the production of electrolyzers becoming considerably cheaper by making full use of the extremely expensive catalyst particles needed for the process. In addition, the same performance can be obtained from an electrolyzer of a much smaller size.



Operations and market – current focus areas

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, the holding company Smoltek Nanotech Holding AB was listed on the Spotlight Stock Market in Stockholm.

Smoltek's pioneering technology platform (for precision manufacturing of carbon nanostructures) offers the company unimagined opportunities in a large number of application areas. However, prioritization is required and the company has chosen to focus on the sectors: semiconductors and hydrogen. These are two areas that require 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 create surface-efficient products with high performance.

The Group's corporate structure has developed to, in addition to the holding company, consist of three subsidiaries:

- Smoltek AB, which holds a patent portfolio and all R&D
- Smoltek Semi AB, which targets the semiconductor industry and with a special focus on ultra-thin capacitors
- Smoltek Innovation AB, which targets to new industrial sectors where the focus today is on developing new high-performance cell materials for electrolyzers

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

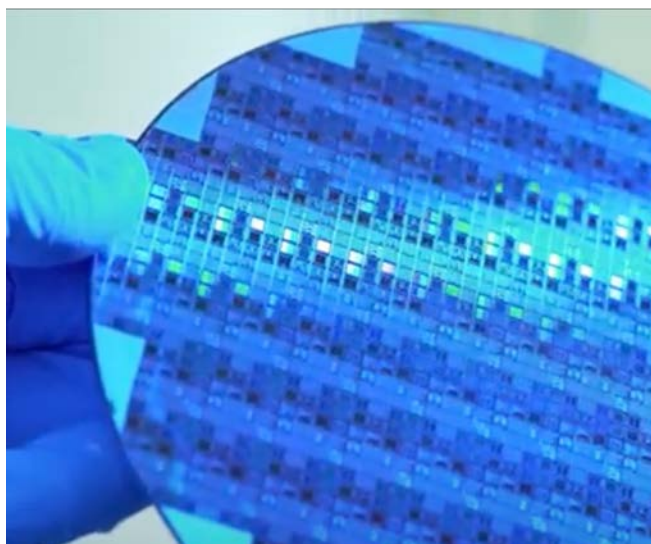
Historically, Smoltek's business model has been to license the company's IP and know-how for the development of process technology and application concepts. However, following requests from potential partners and customers, Smoltek has broadened the company's business model to also include volume sales of products. Therefore, finished products are now being developed, unique process steps owned by Smoltek as well as complete production pro-

cesses and subcontractor chains. This means that Smoltek will be a more equal party with greater responsibility and control, from development to volume production. To respond to this, the company's organization will be developed and strengthened.

Market strategy - semiconductors (capacitors)

The potential customer base for Smoltek's capacitor technology (CNF-MIM) consists of a small number of very large capacitor manufacturers. The goal is to collaborate with some of these players where they use the technology platform and the production process, for mass production of CNF-MIM capacitors, which is now being developed. These collaborations will take place under license agreements or via a product-based business model.

One of the sub-segments in the global semiconductor market is so-called "decoupling capacitors". These are used, among other things, in application processors for mobile phones. Within this sub-segment, very high demands are placed on the capacitor's performance and minimal form factor (read: extremely thin), something for which Smoltek's ultra-thin capacitors are developed. In 2021, about 1.5 billion mobile phone application processors were produced, equivalent to a market value of \$ 30 billion. Each application processor needs up to 10 decoupling capacitors, which in turn corresponds to a market volume of up to 15 billion decoupling capacitors per year.



Operations and market – current focus areas

The work of product development and industrialization of the company's capacitor technology (CNF-MIM) for the production of ultra-thin capacitors is ongoing and developing according to plan. The project has now entered a design phase, which will be followed by an engineering phase and finally a qualification phase before mass production can begin. Here, the investment in an industrial machine for growing carbon nanofibers is also a central part.

At the end of June this year, a Memorandum of Understanding was signed with a global manufacturer of capacitors. The agreement refers to the development of a specific capacitor product to be adapted to application processors in mobile phones. The Memorandum of Understanding means that the group company Smoltek Semi and the capacitor manufacturer have agreed on overall terms and initial financing to take Smoltek's patent-protected CNF-MIM technology for ultra-thin capacitors to market in the segment discrete capacitors and mass-produce and sell these capacitors via a 50 / 50- owned joint venture.

Development of CNF-MIM technology

In March 2021, Smoltek presented a prototype of the world's thinnest capacitor with a total height, including the necessary substrate, of just under 40 micrometers. At the same time, the capacitor could show the same high performance as previous CNF-MIM-capacitors, with high energy storage capacity and low internal losses for the component, i.e. parameters that are in pair with industry standard for competing capacitor technologies.

Another important characteristic when introducing new technology in the semiconductor industry is the degree of survival of the components and the expected service life in various harsh environments. And we have further improved the CNF-MIM technology's parameters for reliability over the past year. Among other things, the error rate of the capacitor samples has more than halved.

Market strategy - hydrogen (cell material)

Smoltek's patent-protected technology platform offers, as previously mentioned, opportunities for more efficient surface

conditions in several industrial sectors where current solutions and materials place limits on performance and efficiency. One such is today's electrolyzers for hydrogen production, where improved surface performance in the interface between membranes, flow plates and electrodes in the electrolyzer cells can provide a much better surface efficiency, and thus cheaper production of fossil-free hydrogen thanks to reduction of iridium catalysts and increased power per electrolyzer cell .

The hydrogen production technology that Smoltek has focused on is called PEM (Proton Exchange Membrane). In addition to the fact that the PEM-process produces very pure hydrogen gas, a great advantage is that it can handle higher current density and more varied load than alkaline electrolysis cells. This means that PEM-electrolysers can work together with renewable, intermittent energy sources, such as solar and wind power.

The market for cell material on the anode side in PEM-electrolysers is estimated to reach a value of approximately SEK 5 billion in 2026 and SEK 50 billion in 2030. The market is in an early stage of development and where huge investments are being made in research and development to find more efficient cell materials, from a technical perspective as well as from a cost perspective.



Operations and market – current focus areas

Development of ECM technology

Smoltek's technology for cell materials (ECM) for electrolyzers makes it possible to place the very expensive catalytic nanoparticles of iridium on three-dimensional nanostructures in the electrolyser cell. This optimization creates more mass transport of oxygen per cell and reduces the amount of iridium by 80%, or more, in the electrolyzer.

In June 2021, a white paper on electrolyzer technology was published, which gives potential customers and partners an increased understanding of the possibilities of the technology. In late autumn, the technical Proof-of-concept for the technology with cell components was completed, based on the company's basic IP platform for the production of carbon nanofibers (with specific additions for intangible protection in the electrolyzer technology).

In May this year, we signed a collaboration agreement with a global manufacturer of materials for electrolyzers to jointly develop demonstrators (prototypes) of electrolyzer cells with our cell material (ECM). Currently we work with evaluation and analysis of how the production process for large-scale production of the cell material is to be developed and completed. This will also ensure possible adaptation of the cell material, according to the wishes of different partners and customers, as well as the design of their PEM-electrolyzers, followed by a gradual scaling up of the production volume.

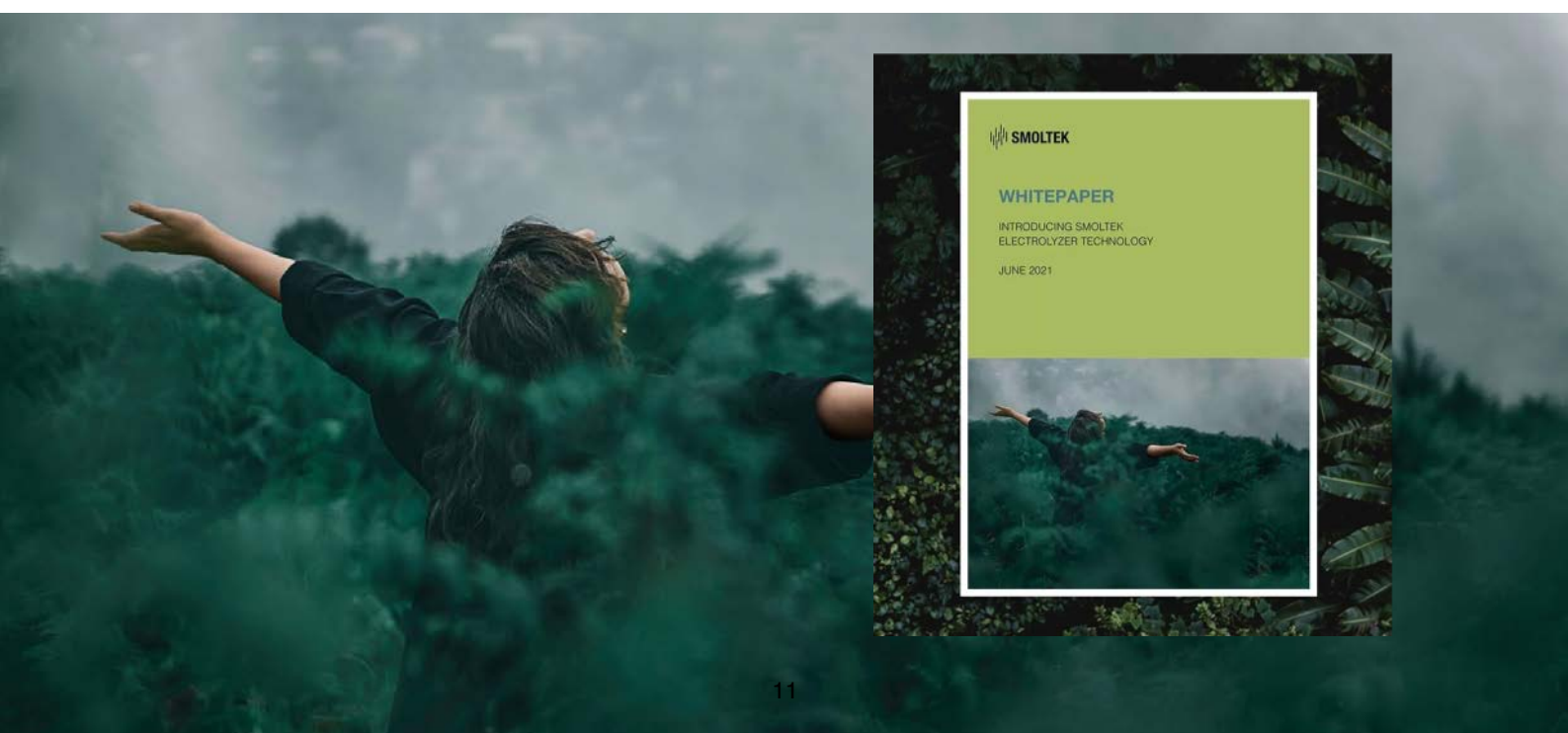
Following an RFI (Request for information) process with about twenty possible machine manufacturers, there are now three manufacturing concepts that will be further evaluated during the autumn. A corresponding project will be initiated regarding the production steps that follow after the company has grown nanostructures on substrates (substrates) of porous titanium.

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 patent assets, in 20 different patent families, within which 76 patents are currently granted.

International advisor

To increase the opportunities to capitalize on the company's carbon nanobase-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.



Financial outcome

Turnover

Net sales during the first half of the year amounted to SEK 0 thousand (577). And for the second quarter of the year to SEK 0 thousand (488).

Expenses

Operating expenses during the same periods were SEK -22,965 thousand (-15,309) and -11,575 thousand (-7,527), respectively. The higher costs compared with the previous year can be explained by continued investments in the commercialization of the company's technology, a growing organization and commenced depreciation of parts of the company's intangible assets from 1 January 2022. Further development of the company's intangible assets continues.

Results

Consolidated profit / loss, after financial items, for the first half of 2022 amounted to SEK -20,172 thousand (-13,067). For the second quarter, profit /loss after financial items amounted to SEK -10,431 thousand (-6,121).

Cash flow and financial position

Cash flow from operating activities amounted to SEK -13,741 thousand (-12,100). Cash and cash equivalents, including short-term investments, amounted to SEK 46,463 thousand (70,897) 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 731 thousand (758).

Investments

Investments in intangible fixed assets in total in the Group on June 30, 2022 amount to SEK 65.3 million, divided between the subsidiaries Smoltek AB and Smoltek Innovation AB. The investments refer to further development of the company's own technology. During the second quarter, Smoltek Semi made a partial payment for the specially ordered machine for industrial growth of carbon nanofibers, which was ordered earlier in the year.

Key ratios

(SEK thousand)

	Q2 2022	Q2 2021
Return on equity	-17.4	-10.3%
Return on total capital	-16.3	-9.8%
Solidity	93.5%	95.2%
Cash liquidity	684.7%	1 319.9%

Additional financial information

The share

Smoltek Nanotech Holding AB has been listed on Spotlight since 2018 under the ticker SMOL. As of the last June 2022, the company had approximately 2,600 shareholders. The number of shares amounts to 9,282,895.

Warrants

Outstanding warrants as of June 30, 2022::

Peter Augustsson	80,000
Gustav Brismark	20,000
Håkan Persson	50,000
Anställda medarbetare	27,750
Eget förvar	59,502
Totalt	237,252

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 65.3 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.

Future prospects

The company considers itself to have good market prospects for commercializing technology applications in the two priority business areas: Semiconductors and Hydrogen. In the field of semiconductors, the evaluation license project and the development work of CNF-MIM technology have progressed, among other things, the company has signed a Memorandum of Understanding with a global manufacturer of capacitors for joint development of the company's first capacitor product. In the field of hydrogen, the company has signed a cooperation agreement to develop demonstrators of electrolyzer cells with the high-performance cell material (ECM) for electrolyzers. Progress in these two business areas will give the company a stronger technology base to create business on. At the same time, the company continues the determined work of developing the patent portfolio, which to date contains around 110 patent assets (within 20 patent families), of which 76 patents have been granted.

Accounting principles

This report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board'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, 2022 and is available on the company's IR website. Upon request to info@smoltek.com, the annual report can be printed and mailed.

The Annual General Meeting for the 2021 financial year was held on May 12, 2022. On the Board's proposal to the Annual General Meeting, no dividend will be paid for 2021. Communications from the Annual General Meeting are available on the company's IR website: www.smoltek.com/investors.

Fortlevnadsprincipen – styrelsens försäkran

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.

Gothenburg, 2022-07-15

The Board of Directors of Smoltek Nanotech Holding AB
Peter Augustsson, Chairman of the Board
Gustav Brismark, board member
Finn Gramnaes, 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. These risks are discussed in the annual report for 2021.

Consolidated income statement

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net sales	0	488	0	577	1,360
Own work capitalized	1,194	770	2,822	1,487	4,497
Other operating income	2	147	23	179	228
Operating expenses	-11,575	-7,527	-22,965	-15,309	-31,057
Operating profit / loss	-10,378	-6,121	-20,119	-13,066	-24,973
Profit / loss from financial items	-52	0	-52	-1	228
Profit / loss for the period	-10,431	-6,121	-20,172	-13,067	-24,744
Profit / loss after tax per share	-1.12	-0.75	-2.17	-1.61	-3.01

Consolidated balance sheet

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)

	2022-06-30	2021-06-30	2021-12-31
<i>Assets</i>			
Intangible fixed assets	65,264	55,076	63,498
Tangible fixed assets	8,277	3,973	4,584
Current receivables	3,954	3,056	3,865
Other short-term investments	30,146	0	40,240
Cash and cash equivalents	16,317	70,897	31,347
Total assets	123,958	133,002	143,533
<i>Equity and liabilities</i>			
Equity	115,864	126,641	136,001
Long-term liabilities	731	758	758
Current liabilities	7,363	5,603	6,775
Total equity and liabilities	123,958	133,002	143,533
Equity / assets ratio	93.5%	95.2%	94.8%

Consolidated statement of cash flows

Smoltek Nanotech Holding AB incl. subsidiary

(SEK thousand)

	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Ongoing operations			
Operating profit / loss	-20,119	-13,066	-24,973
Non-cash flow affecting items	5,931	50	-10
Profit / loss from financial items	-52	0	0
Cash flow from operating activities before changes in working capital	-14,240	-13,015	-24,983
Changes in working capital			
Change in receivables	-89	-341	-1,150
Changes in current liabilities	588	1,256	2,248
Cash flow from operating activities	-13,741	-12,100	-23,705
Investment activities			
Intangible assets	-7,185	-3,956	-11,868
Tangible fixed assets	-4,206	-1,504	-2,573
Investment short-term investments	0	0	-60,000
Sale short-term investments	10,094	0	19,999
Cash flow from investment activities	-1,297	-5,460	-54,442
Financing activities			
New issue of shares and warrants	35	865	21,913
Repurchase warrants	0	-30	-41
Change in long-term liabilities	-27	-61	-61
Cash flow from financing activities	8	774	21,811
Change in cash and cash equivalents	-15,030	-16,786	-56,336
Cash opening balance	31,347	87,683	87,683
Cash closing balance	16,317	70,897	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		1,325
Issue of shares (Exercising warrants TO4)	139	20,449		20,588
Profit / loss for the period			-24,744	-24,744
Closing balance 2021-12-31	1,106	191,793	-56,899	136,001
Profit / loss for the period			-20,172	-20 172
Issue of warrants		35		35
Closing balance 2022-06-30	1,016	191,828	-77,071	115,864

Parent company income statement

Smoltek Nanotech Holding AB

(SEK thousand)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net sales	1,329	1,326	2,184	2,614	5,017
Other operating income	236	0	538	0	719
Operating expenses	-5,126	-4,277	-9,626	-7,872	-16,858
Operating profit / loss	-3 561	-2,952	-6,904	-5,258	-11,123
Profit / loss from financial items	131	378	294	538	-38,574
Profit / loss for the period	-3,429	-2,573	-6,611	-4,719	-49,697

Parent company balance sheet

Smoltek Nanotech Holding AB

(SEK thousand)

	2022-06-30	2021-06-30	2021-12-31
<i>Assets</i>			
Shares in group companies	80,314	65,314	80,314
Long-term receivables at group companies	38,454	55,464	30,114
Current receivables from group companies	1,987	2,170	908
Other current receivables	1,243	879	918
Other current investments	30,146	0	40,240
Cash and cash equivalents	7,853	66,497	20,401
Total assets	159,997	190,323	172,895
<i>Equity and liabilities</i>			
Equity	156,505	187,021	163,081
Current liabilities	3,492	3,302	2,608
Current liabilities to group companies	0	0	7,207
Total equity and liabilities	159,997	190,323	172,895
Equity / assets ratio	97.8%	98.3%	94.3%

Parent company statement of cash flows

Smoltek Nanotech Holding AB

(SEK thousand)

	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Ongoing operations			
Operating profit / loss	-6,904	-5,258	-11,123
Profit / loss from financial items	-46	0	-2
Cash flow from operating activities before changes in working capital	-6,950	-5,258	-11,125
Changes in working capital			
Current receivables group	-8,286	-1,350	-881
Changes in receivables	-325	-226	-305
Change in current liabilities	884	1,298	603
Cash flow from operating activities	-14,677	-5,576	-11,708
Investment activities			
Financial assets	0	0	0
Changes in receivables from group companies	-8,000	-11,000	-32,000
Investment short-term investments	0	0	-60,000
Sale short-term investments	10,094	0	19,999
Cash flow from investment activities	2,094	-11,000	-72,001
Financing activities			
New issue of shares and warrants	35	865	21,913
Repurchase warrants	0	-30	-41
Cash flow from financing activities	35	835	21,872
Change in cash and cash equivalents	-12,548	-15,741	-61,837
Cash opening balance	20,401	82,238	82,238
Cash closing balance	7,853	66,497	20,401

Parent company changes in equity

Smoltek Nanotech Holding AB

(SEK thousand)

	Restricted equity	Non-restricted equity	Total equity
Opening balance 2021-01-01	967	189,939	190,906
Repurchase of 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 2021-12-31	1,106	161,975	163,080
Profit / loss for the period		-6,611	-6,611
Issue of warrants		35	35
Closing balance 2021-06-30	1,106	155,399	156,504

Financial calendar

- Interim report Q3 2022 will be published 2022-10-27
- Year-end report 2022 will be published 2023-02-22

Audit report

This report has not been subject to review by 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 further information:

Håkan Persson, CEO of Smoltek Nanotech Holding AB

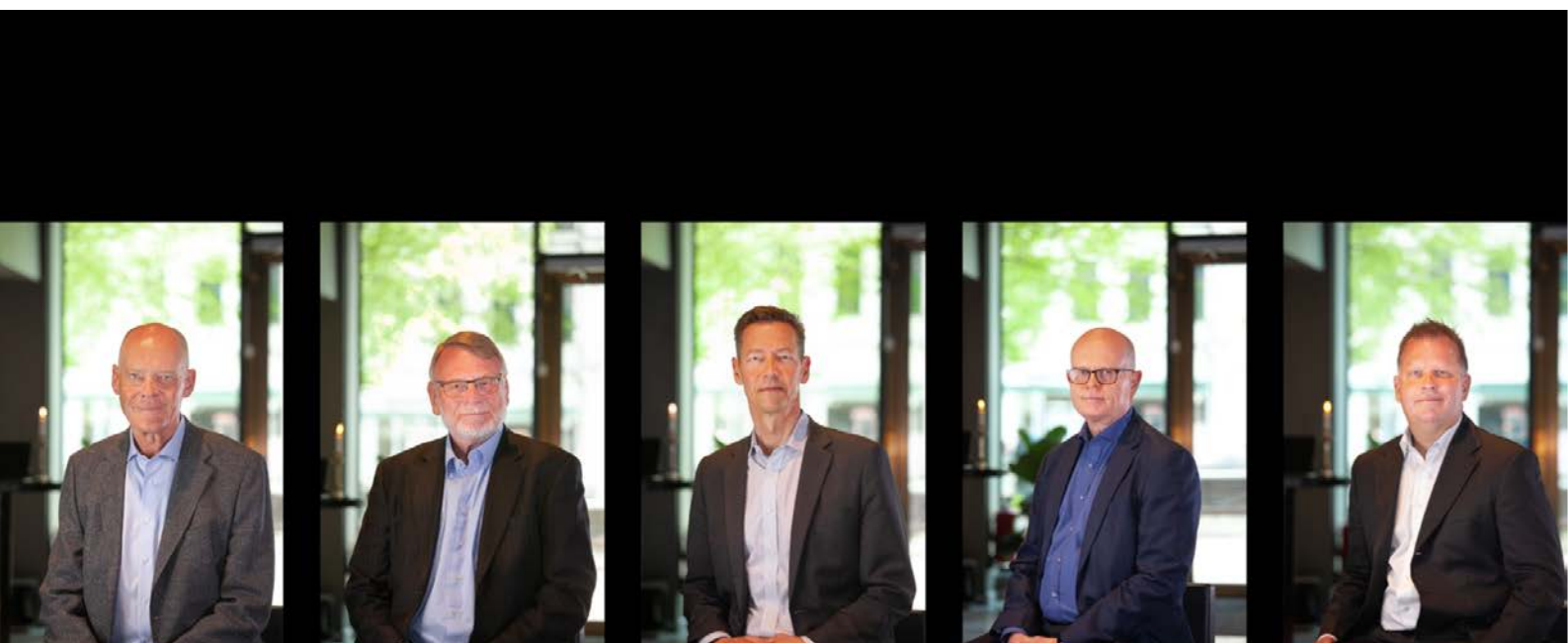
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Göteborg 2022-07-15

The Board





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