



Nilar International AB Interim Report Q3 2023

Nilar launches next-generation battery in the Netherlands.

April – September 2023 in summary

- Net sales, MSEK 1.2 (1.2).
- Delivered batteries 190 (68).
- Gross profit MSEK -104.0 (-31.3).
- EBITDA1 MSEK -46.5 (-38.0).
- Operating profit (EBIT) MSEK -126.1 (-53.8).
- Profit for the period MSEK -130.7 (-63.8).
- Earnings per share SEK -0.41 (-0.21).

January – September 2023 in summary

- Net sales, MSEK 6.5 (-1.2).
- Delivered batteries 426 (572).
- Gross profit MSEK -170.9 (-107.1).
- EBITDA1 MSEK -130.3 (-128.8).
- Operating profit (EBIT) MSEK -249.8 (-175.8).
- Profit for the period MSEK -274.5 (-205.8).
- Earnings per share SEK -0.86 (-1.57).

Significant events during the third quarter

- Together with a European manufacturer of automated agricultural products, Nilar is now initiating a new project where Nilar's batteries will be tested in driverless vehicles for material transports. Driverless vehicles, also known as AGVs (Automated Guided Vehicles), are considered to be a segment with great potential and strong growth, and the manufacturer chooses Nilar's batteries precisely because of the high safety and low risk of fire.
- On September 15, Nilar received Member of Parliament and the Christian Democrats' business policy spokesperson Lili André for a study visit to our research and production facility in Gävle. Securing the strategic value chain was high on the agenda, along with talks about creating better conditions for research, development, and production of batteries in Sweden.
- Marie Fossum Strannegård has left her position as a member of Nilar's Board of Directors due to her taking over as CEO of AxSol. She has been a member of the Board of Directors of Nilar since the Annual General Meeting on May 25 this year and left her position on August 31.

- During the quarter, a write-down of close to SEK 65 million was made on fixed assets under construction, in Nilar OU, the Estonian subsidiary, as a consequence of the company's updated business plan.

Significant events after end of period

- Nilar has launched the second generation ReOx battery, ReOx 2 in the Netherlands. The battery has a new technology for cooling, which significantly improves performance.

CEO's comments: Nilar launches next-generation battery in the Netherlands

Nilar is launching a new generation ReOx battery with improved performance and even longer lifespan. In this way, the previously communicated Indutecc order of SEK 110 million can also be realized. Production will begin in early 2024 and is an important milestone in the business plan presented in August, in parallel with the ongoing strategic review of Nilar's financing structure.

An updated ReOx battery provides better performance and longevity

Nilar launches ReOx 2, an updated version of the world's first rechargeable battery with new lifetime. The upgrade is an important technological step that both extends the service life and improves performance further, including a new cooling system. ReOx 2 is an important milestone that opens up for new integration projects with our partners. The substantial quality increases that have been achieved also mean that the off-take order from Indutecc of SEK 110 million can be materialized.

The production of ReOx 2 will start after the turn of the year 2023/2024 and sales will primarily take place through our integration partners to prioritized market segments. Initially, the production will be focused on delivery on the order from Indutecc.

ReOx 2 opens for new integration projects

The launch of ReOx 2 also means that Nilar is opening up for new integration projects and collaborations. Together with a European manufacturer of automated agricultural products, Nilar is now starting a new project where Nilar's batteries will be tested in driverless vehicles for material movement. Driverless vehicles, also known as AGVs (Automated Guided Vehicles), are considered to be a segment with great potential and in strong growth, and the manufacturer chooses Nilar's batteries precisely for the high safety and low fire risk.

We are preparing Nilar for the future

The unique technology is Nilar's main strength and continued focus on product development, integration adaptation and cost savings are crucial for Nilar to reach its goals by 2027 – in line with the business plan presented last quarter.

Nilar sharpens the business for increased profitability and more efficient production. Within the framework of this, a cost-saving program is currently being implemented where existing agreements and purchases of consulting services are evaluated. In parallel, the board's strategic review continues to find a long-term financing solution.

Changes in Nilar's Board of Directors

Marie Fossum Strannegård has left her position as a member of Nilar's Board of Directors due to her taking over as CEO of AxSol. She has been a Board member in Nilar since the annual general meeting on May 25 this year and left her position on August 31.

Study visit focused on the importance of Swedish battery production

We often discuss the risk that our societies build themselves into new unsustainable dependencies in a time of a deteriorating security situation, energy crisis and energy transition. Ahead of the EU summit in Granada, the European Commission presented a report showing that Europe risks becoming as dependent on China for access to lithium-ion batteries and fuel cells in 2030 as it was on Russian energy before the war in Ukraine.

On September 15, Nilar welcomed the member of parliament and the Christian Democrats' industry and trade spokesperson Lili André for a study visit to our research and production facility in Gävle. Securing the strategic value chain was high on the agenda, along with discussions about creating better conditions for research, development and production of batteries in Sweden.

Last quarter, the Swedish Energy Agency granted research support to a new development project for advanced battery recycling. Together with Stockholm University and Uppsala University, we will develop simple, environmentally friendly and cost-effective methods for recycling electrode material in spent NiMH batteries. Nilar continuously seeks new research and innovation grants to develop future battery solutions in collaboration with academia, authorities and other companies.

Nilar takes new steps forward

Finally, I can state that Nilar takes new steps forward during the third quarter. The launch of ReOx 2 is of course an important milestone, which together with measures to increase profitability, reduce costs and streamline the organization, is crucial for the company. As before, we are determined to drive innovation and deliver smart energy storage solutions, together with our integration partners, in a positive market development driven by society's desire to switch to sustainable energy sources.

Erik Oldmark, CEO of Nilar

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About Nilar:

Swedish-based Nilar International AB develops and manufactures batteries that are part of stationary energy storage systems. With better energy storage, society can support the increasingly stressed electricity grid by bridging imbalances between energy production and demand, especially important as the share of renewable energy sources increases. Nilar's battery technology is based on nickel metal hydride (NiMH) electrochemistry with a water-based electrolyte, which provides higher safety while allowing the components to be recycled and reused. Nilar has its headquarters in Täby and since 2012 all batteries have been developed and produced in the production facility in Gävle, which is powered by 100% renewable energy.

The Nilar share is listed on the Nasdaq First North Premier Growth Market under the ticker NILAR. FNCA Sweden is Certified Adviser. For more information see www.nilar.com.

This information is information that Nilar International AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 2023-11-01 08:00 CET.