



CrayoNano

Q3 2023 Results Presentation

15 November 2023

Disrupting the fast-growing market for disinfection



Presenters today



Jens Kielland

CEO



Dr. Michael Peil

SEVP & CRO



Jo Uthus

Proposed Chairman



About CrayoNano

- Global presence with headquarters in **Norway** and subsidiary in **Taiwan**
- Pioneers in **nanotechnology**-based **semiconductor** components
- **Strong technology IP** portfolio with 260+ **patents**
- Enabling Environmental, Social and corporate Governance (**ESG**) solutions with our partners
- Our first product line of **radically efficient UV-C LEDs** are vital components for the **fast-growing** disinfection markets
- **Fab-lite** business model utilising global supply chain





Q3 Highlights

Two commercial frame contracts signed, four design-wins

- Strong growth in opportunities and design-ins
- Commercial acceleration evidenced by three new frame contracts post quarter end in Korea
- Current order book now exceeds NOK 12m

Building distribution & partner network, growing sales funnel and reach

- Successfully closing collaboration agreements with design-in partners including DUVROO in Korea
- New distribution partner Mouser Electronics, first global distribution partner

Focus on Taiwan for scaling fab lite business model

- GM Taiwan appointed post quarter-end to focus on organizational development and partner network
- New CTO focused on accelerating the UV-C LED technology development
- Fully operational warehouse

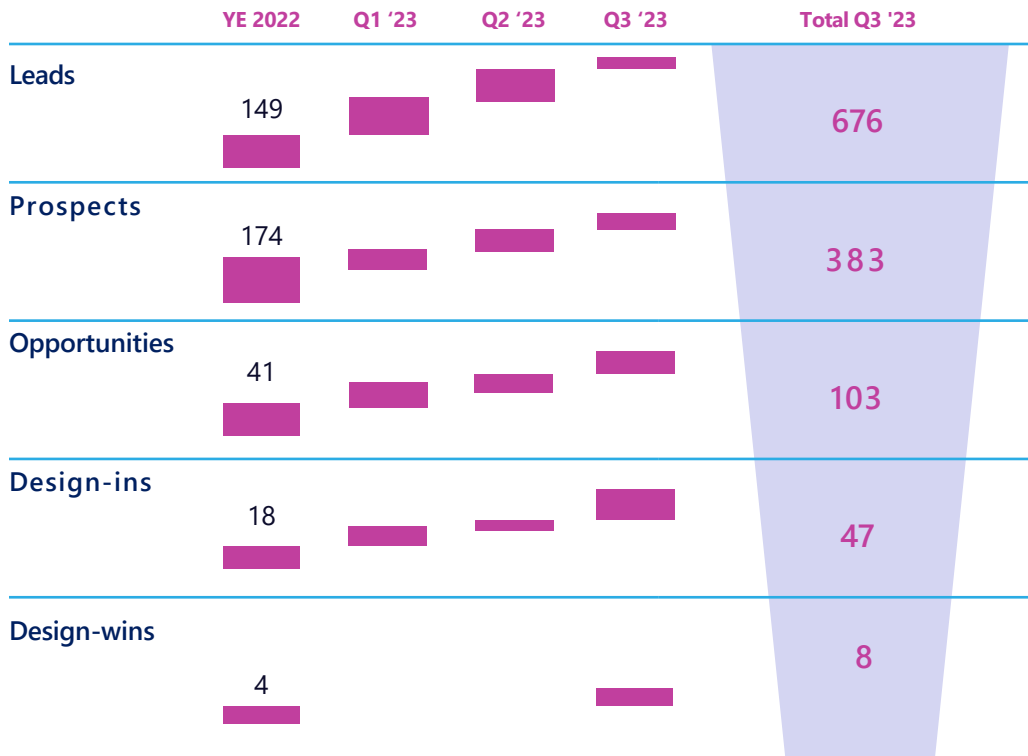


Commercial & Operational Update



Strong customer demand continues

Continued growth in interest from customers; Leads +16% and Design-ins +62%



- Successfully penetrated the market and are connected with the majority of leading customers
- Main focus now on bottom of funnel with strengthened customer facing teams supporting design-in process
- Strong growth in opportunities and design-ins in Q3
- Frame contracts signed with Aquisense and DUVROO
- Customer timelines slightly longer than expected at the beginning of the year
- Gaining traction from Q3, order book now exceeds NOK 12m



Building a global network of business enablers

Systematic scaling of network

Design-in Partners

Collaborative design partnership with Audax Electronics focussed on disinfection market.



Official Korean Design-In Representative focussing on health and beauty tech market.



Korea

New distributor Mouser Electronics



Key attributes

- Global authorized distributor
- Worldwide distribution

Other distribution partners



EMEA



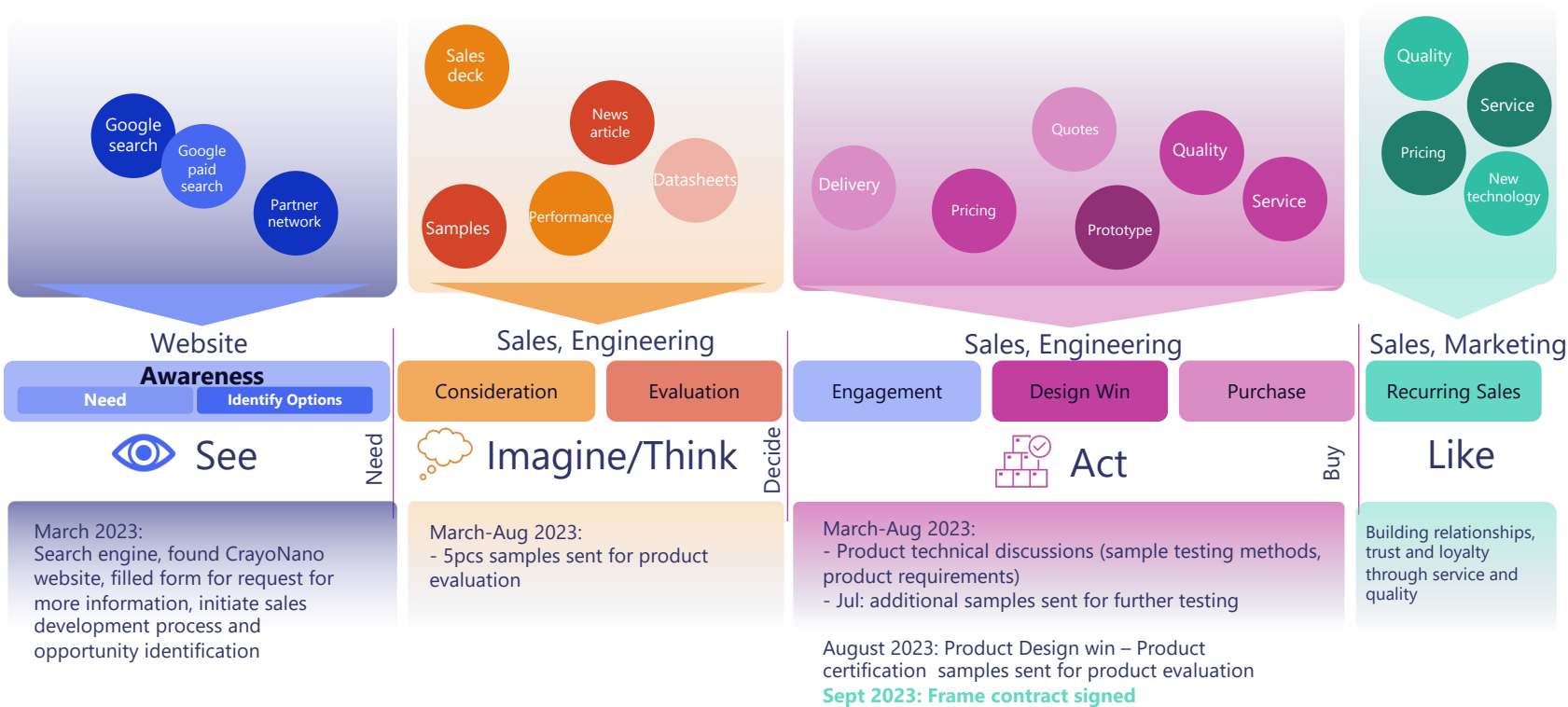
India





Successful MQL conversion to contribute to revenue growth

Customer journey through pipeline: Customer A (i.e. DUVROO)





Post Q3 commercial highlights

Commercial acceleration demonstrates the value of our reputation

Further commercial frame contracts signed

- Three new frame contracts signed in Korea for minimum NOK 6 million over next 12 months
- Accelerated time scales from contact to contract in this market demonstrating network effect

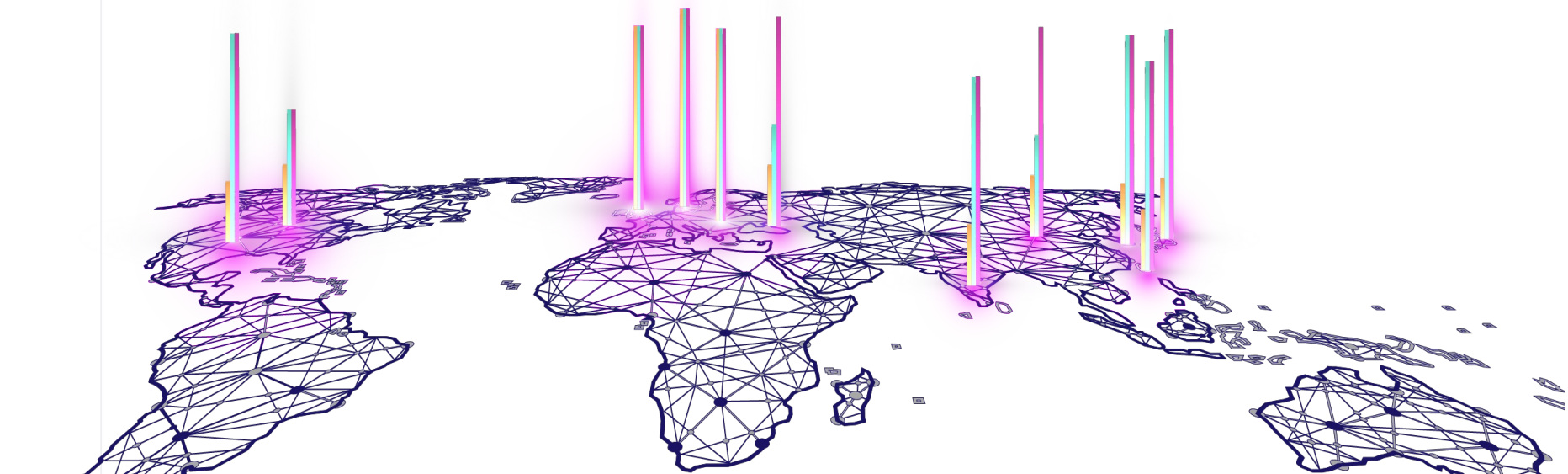
Partner agreements


Three new partner agreements in Korea;

- Two distribution agreements
- One design-in integration partner agreement
- One new distribution partner agreement in the US



Establishing our Global Brand



Trademarks	No. Countries Granted	No. Countries Pending
CrayoNano	12* (11)	0 (1)
	11* (8)	0 (4)
CrayoLED	8* (2)	4 (10)

- Applied 12 countries: CA, CN, NO, IN, JP, KR, TW, TR, UK, USA
- Additional Economic unions: European Union and Madrid Protocol*
- (#) previous numbers before Q2
- Hexagon trademark was rejected in China



Scalable fab-lite business model recap

Low capex and increased flexibility

Fab-lite strategy

Design and R&D
inhouse



CrayoNano wafer fab
+ partner foundry



Packaging &
assembly partners

Low capex

with utilization of partner foundries – limited investments in equipment and tooling

Lower time to market

allows CrayoNano to focus on cost optimisation and control of the supply chain and intellectual property

Increased flexibility

building high volume manufacturing capacity at low cost by utilization partner assets



Taiwan key for accelerating fab-lite strategy



Increased activities toward Taiwan to scale operations



Geographically strategic for supply chain management



Concentration of semiconductor talent and industrial know-how



Photos: © CrayoNano 2023 – Photos from CrayoNano cleanroom, Scanning Electron Microscope + device characterization



Scaling capabilities in Taiwan

Q3 developments in Taiwan

- New GM appointed in Taiwan to focus on organizational development and partner network
- New CTO focused on accelerating the UV-C LED technology development
- Fully operational warehouse
- Extended technology development



Camly Doan - GM Taiwan

- CrayoNano since 2021, Taiwan
- 15+ years' experience in LED industry, Head of Marketing CrayoNano, Product Manager, Sales and Business Development TSLC, SemiLEDs



Dr. Ryan Chuo - CTO

- CrayoNano since 2023, Taiwan
- 20+ years' experience in Management positions, R&D and operations in LED and UV-C industry from ITRI, HighLink Co, EPISTAR, Sanan and NITRIDE Solutions



Photos: © CrayoNano 2023



Financial Update



Q3 2023 Profit and loss

Profit and loss

NOK millions

	Q3-23	Q3-22	YTD-23	YTD-22
Sales revenue	0.4	0.2	0.5	0.2
Other revenue	0.5	2.4	3.1	7.4
Revenue	0.8	2.6	3.6	7.6
COGS	0.2	0.1	0.3	0.1
Payroll and related costs	10.7	10.0	30.6	28.6
Other operating costs	7.4	9.5	25.7	25.4
EBITDA	-17.4	-17.1	-53.1	-46.5
Depreciation & amortization	2.0	1.7	6.3	5.1
EBIT	-19.5	-18.8	-59.4	-51.7
Net financial items	-0.5	-0.0	-1.3	-0.7
Net profit before tax	-20.0	-18.7	-60.7	-52.4

Comments

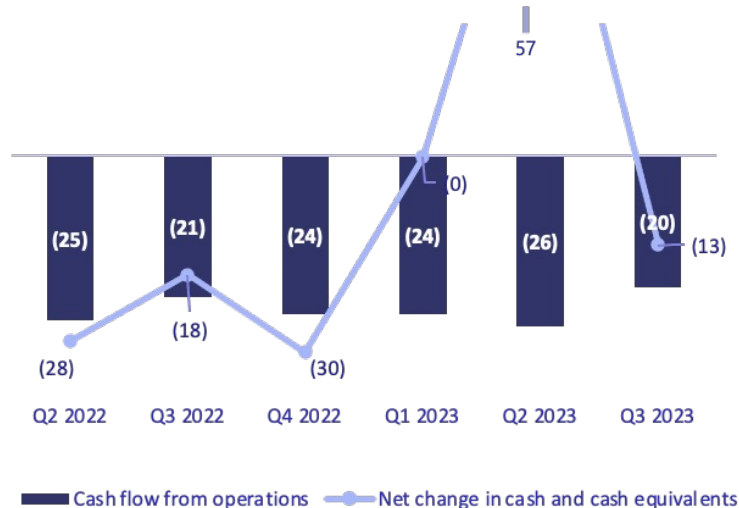
- Sales revenue of NOK 0.4m in the quarter from first sales to new distributor Mouser Electronics
- Total operating cost at NOK 18.0m, an increase of NOK 3.0m (20%) compared to previous quarter, and NOK 1.5 (8%) below the same quarter last year
- EBITDA of NOK -17.4m, NOK 3.2m below the previous quarter and in line with last year
- Revenue backlog of minimum NOK 12m over next 12 months



Q3 2023 Cash flow

Quarterly cash flow development

NOK million



Comments

- Cash flow from operations ended NOK -20.0m in the quarter, lower cash burn than the second quarter
- Net cash down NOK 13.4m quarter-on-quarter as negative cash from operations is partly offset by received soft funding and working capital financing
- Cash balance at end-Q3 of NOK 53.8m and NOK 6.5m available credit facility



Key Takeaways



Board and executive changes



Rune Rinnan

Chairman (Proposed Vice-Chair)

- CEO of Nordic Technology Group
- CrayoNano Board member for 11 years
- >30 years in international tech business



Jo Uthus

Proposed Chairman

- Transitioning from CEO to Chairman
- As new Chairman Jo will oversee the strategy of the company, including equity financing



Jens Kielland

CEO

- CrayoNano since 2022
- ~15 years of extensive experience in management positions in Glamox and Elkem and as equity analyst at SEB



Ryan Chou

CTO

- CrayoNano since 2023
- 20+ years' experience in Management positions, R&D and operations in LED and UV-C industry from ITRI, HighLink Co, EPISTAR, Sanan and NITRIDE Solutions



Camly Doan

GM Taiwan

- CrayoNano since 2021
- 15+ years' experience in LED industry, head of marketing CrayoNano, product manager, sales and business development TSLC, SemiLEDs

Q3 Key takeaways

Ongoing commercial engagement

Two commercial frame contracts signed with AquiSense and DUVROO, three more in Korea post quarter-end
Continued customer interest and strong pipeline of opportunities
Continue to bring additional partners towards design wins

Operational readiness and supply chain

New General Manager and CTO in Taiwan supporting accelerated scale up
New distributor with worldwide distribution capability generating revenue

Funding our growth

Established credit facility covering part of working capital requirements
Working on long-term capital needs



Appendix



Profit and loss

(unaudited)

<i>(Figures in NOK thousands)</i>	Q3 2023	Q3 2022	FY 2022
Sales revenue	378	208	438
Other revenue and public grants	463	2 387	7 559
Total revenues	840	2 595	7 997
Cost of goods sold	227	103	236
Payroll and related costs	10 657	10 033	34 993
Other operating costs	7 380	9 536	41 378
EBITDA	-17 423	-17 078	-68 611
Depreciation	2 048	1 687	7 253
EBIT	-19 471	-18 766	-75 864
Net financial items	- 536	41	- 633
Net profit before tax	-20 008	-18 724	-76 497
Tax expense	-4 167	-4 119	-17 145
Net profit (loss)	-15 840	-14 605	-59 351
# shares in 1000	37 524	28 401	28 401
Earnings pr share (NOK)	-0.42	-0.51	-2.09

Note: P&L presented is net of capitalized R&D



Balance sheet

(unaudited)

(Figures in NOK thousands)

	Q3 2023	Q3 2022	FY2022
Assets			
Development, patents and licenses	68 225	61 615	66 129
Deferred tax assets	55 668	37 800	43 054
Tangible fixed assets	9 719	12 433	12 735
Financial fixed assets	1 059	1 059	1 059
Total non-current assets	134 671	112 907	122 977
Current assets			
Inventory	7 767	86	2 087
Trade and other receivables	9 389	14 961	16 896
Cash and cash equivalents	53 823	40 037	10 238
Total current assets	70 980	55 084	29 221
Total assets	205 651	167 991	152 199
Equity and liabilities			
Equity			
Share capital	750	568	568
Share premium account	233 326	234 362	105 786
Additional paid-in capital	3 142	2 596	2 596
Other equity		0	
Retained earnings	-63 093	-109 685	0
Total equity	174 125	127 841	108 950
Liabilities			
Convertible loans	0	0	0
Liabilities to finance institutions	10 795	8 323	8 073
Trade payables	2 425	3 086	9 239
Government charges	2 166	3 379	2 277
Other liabilities	16 139	25 362	23 659
Total liabilities	31 526	40 150	43 249
Total equity and liabilities	205 651	167 991	152 199

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