

Business update Svenska Aerogel: "Our pipeline has grown by 30% year-over-year and multiple customer projects are showing positive progress"

Tor Einar Norbakk, CEO of Svenska Aerogel, provides an update on the current business situation and recent developments. Over the summer, several potential customers conducted pilot runs with Quartzene®, yielding highly positive results. The company continues to see significant interest in the use of the material in electric vehicle batteries, where the thermally insulating properties reduce the risk of thermal runaway.

Successful pilot runs

A European insulation manufacturer, which received 360 kg of Quartzene® in the spring, has now completed a pilot run. The results met the requirements, and final testing are planned for the fall, with the aim of launching the product in early 2025. This application primarily targets the European consumer market. The manufacturer also plans to patent the application, which underscores the level of innovation.

Tor Einar Norbakk, CEO of Svenska Aerogel commenting on the customer project: "This is a very interesting application that the customer has developed, and we see it addressing challenges that no one else has managed to solve so far."

Growing interest in Quartzene® within the transportation segment.

Interest in Quartzene's properties for use in car battery components continues to grow. This was reflected at the Battery Show in Germany this spring, where several new leads were generated. "During the year, several customer projects have shown positive results, and an increasing number of customers are now conducting comprehensive tests, both in the development and pilot phases, depending on where they are in the process."

In October, Svenska Aerogel attend the Battery Show in Detroit to meet potential and existing customers and follow up on ongoing customer projects within the electric vehicle industry.

Strong results in the building and construction segment

One of our key customers, active in both the process industry and the building and construction sectors, completed pilot runs in late summer. The results were very promising, and the customer plans to launch

the product globally in the fall. “This launch will enable customers to integrate Quartzene® into their paint formulations, and we are optimistic about the anticipated volumes.”

Tor Einar also provides an update on another customer in the building and construction segment. Earlier this year, the company signed a call-off order with the French distributor Novcoat. The deliveries of Quartzene® are made in several batches throughout the year and are used by Novcoats customer in their cool roof product. Half the volume has already been delivered, meaning the 2024 delivery contract is proceeding according to plan.

“After a challenging year for the building and construction sector in Europe, we are pleased to have received one more order as per the agreement. This confirms that cool roof solutions remain a relevant and up to date solution in Southern Europe, where demand for energy-efficient and heat-reflective materials is growing.”

Development of high-performance toothpaste with aerogel material progresses - launch planned for 2025

Svenska Aerogel previously announced that the company will be the exclusive supplier of aerogel material for a patented high-performance toothpaste designed to combat tooth sensitivity. During the year, the development work has progressed, and final user tests are now underway. In parallel, negotiations regarding an agreement on scaling up and the commercial terms between the company and the customer are ongoing. If all goes according to plan, the toothpaste is expected to launch in 2025 in the UK retail market, alongside a few other selected markets.

Additionally, Tor Einar reports on receiving several smaller orders from Asia during 2024: “We have recently received a small order from another Asian partner. Several customer projects are currently in the product development phase, which will be interesting to follow.”

Lastly, Tor Einar shares that the company now has over 130 customer projects ongoing, representing a 30% increase compared to the previous year. “Our efforts to market and generate interest in our products have been successful over the past year, thanks to our persistent and long-term work. We are now seeing the results of the effort, with several leads having been converted into development projects with great potential among our customers.”

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About Svenska Aerogel Holding AB (publ)

Svenska Aerogel manufactures and commercializes the mesoporous material Quartzene®. Svenska Aerogel's business concept is to meet the market's need for new materials that are in line with global sustainability objectives. Quartzene® is flexible and can be tailored to different applications to add essential properties to an end product. The company's vision is to be the most valued business partner providing pioneering material solutions for a sustainable world.

Svenska Aerogel Holding AB is listed on Nasdaq First North Growth Market. Certified Adviser is FNCA.

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