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DELTA REPORT

10-Q

ADN - ADVENT TECHNOLOGIES HOLDI

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 628

■ CHANGES 253

■ DELETIONS 183

■ ADDITIONS 192

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended ~~June~~ **September 30, 2023**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 001-38742

Advent Technologies Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	83-0982969
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
500 Rutherford Avenue Boston, Massachusetts	02129
(Address of principal executive offices)	(Zip code)

(617) 617-6556000

(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	ADN	The Nasdaq Capital Market
Warrants	ADNWW	The Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of ~~August 11, 2023~~ **November 10, 2023**, the registrant had ~~59,983,339~~ **62,531,232** shares of common stock, par value \$0.0001 per share, issued and outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements, which reflect our current views with respect to, among other things, our operations and financial performance. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "could," "target," "predict," "seek" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short- and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those referenced in the section titled "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 Annual Report") which could cause actual results to differ materially. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in or implied by any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Some of the key factors that could cause actual results to differ from our expectations include:

- our ability to maintain the listing of our shares of common stock and warrants on Nasdaq;
- our ability to raise financing in the future;
- our success in retaining or recruiting officers, key employees or directors;
- factors relating to our business, operations and financial performance, including:
 - our ability to control the costs associated with our operations;
 - our ability to grow and manage growth profitably;
 - our reliance on complex machinery for our operations and production;
 - the market's willingness to adopt our technology;
 - our ability to maintain relationships with customers;
 - the potential impact of product recalls;
 - our ability to compete within our industry;
 - increases in costs, disruption of supply or shortage of raw materials;
 - risks associated with strategic alliances or acquisitions;
 - the impact of unfavorable changes in U.S. and international regulations;
 - the availability of and our ability to meet the terms and conditions for government grants and economic incentives; and
 - our ability to protect our intellectual property rights;

- market conditions and global and economic factors beyond our control;
- volatility of our stock price and potential share dilution;
- future exchange and interest rates; and
- other factors detailed within the 2022 Annual Report under the section entitled "Risk Factors."

The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report. You should not rely upon forward-looking statements as predictions of future events. We cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or reflect interim developments.

As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. For a discussion of the risks involved in our business and investing in our common stock, see the section entitled "Risk Factors" within the 2022 Annual Report.

Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

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Advent Technologies Holdings, Inc.

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PART I—FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in USD thousands, except share and per share amounts)

	As of		As of	
	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(Unaudited)		(Unaudited)	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 10,052	\$ 32,869	\$ 3,661	\$ 32,869
Restricted cash, current	1,996	-	2,018	-
Accounts receivable, net	1,020	979	833	979
Contract assets	51	52	63	52
Inventories	15,164	12,620	13,913	12,620
Prepaid expenses and Other current assets	3,185	2,980	3,030	2,980
Total current assets	31,468	49,500	23,518	49,500
Non-current assets:				
Goodwill	-	5,742	-	5,742
Intangibles, net	1,909	6,062	1,789	6,062
Property and equipment, net	20,507	17,938	24,260	17,938
Right-of-use assets	3,829	4,055	3,741	4,055
Restricted cash, non-current	750	750	750	750
Other non-current assets	5,113	5,221	1,023	5,221
Available for sale financial asset	326	320	316	320
Total non-current assets	32,434	40,088	31,879	40,088
Total assets	\$ 63,902	\$ 89,588	\$ 55,397	\$ 89,588
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Trade and other payables	\$ 6,545	\$ 4,680	\$ 6,134	\$ 4,680
Deferred income from grants, current	990	801	780	801
Contract liabilities	951	1,019	712	1,019
Other current liabilities	2,321	4,703	2,668	4,703
Operating lease liabilities	2,385	2,280	2,340	2,280
Income tax payable	187	183	181	183
Total current liabilities	13,379	13,666	12,815	13,666
Non-current liabilities:				
Warrant liability	177	998	99	998
Long-term operating lease liabilities	9,036	9,802	8,774	9,802
Defined benefit obligation	86	72	89	72
Deferred income from grants, non-current	421	50	338	50
Other long-term liabilities	744	852	700	852
Total non-current liabilities	10,464	11,774	10,000	11,774
Total liabilities	23,843	25,440	22,815	25,440
Commitments and contingent liabilities				
Stockholders' equity				

Common stock (\$0.0001 par value per share; Shares authorized: 500,000,000 and 110,000,000 at June 30, 2023 and December 31, 2022, respectively; Issued and outstanding: 58,420,207 and 51,717,720 at June 30, 2023 and December 31, 2022, respectively)	6	5		
Preferred stock (\$0.0001 par value per share; Shares authorized: 1,000,000 at June 30, 2023 and December 31, 2022; nil issued and outstanding at June 30, 2023 and December 31, 2022)	-	-		
Common stock (\$0.0001 par value per share; Shares authorized: 500,000,000 and 110,000,000 at September 30, 2023 and December 31, 2022, respectively; Issued and outstanding: 62,108,317 and 51,717,720 at September 30, 2023 and December 31, 2022, respectively)			6	5
Preferred stock (\$0.0001 par value per share; Shares authorized: 1,000,000 at September 30, 2023 and December 31, 2022; nil issued and outstanding at September 30, 2023 and December 31, 2022)			-	-
Additional paid-in capital	183,908	174,509	188,850	174,509
Accumulated other comprehensive loss	(2,274)	(2,604)	(2,847)	(2,604)
Accumulated deficit	(141,581)	(107,762)	(153,427)	(107,762)
Total stockholders' equity	40,059	64,148	32,582	64,148
Total liabilities and stockholders' equity	\$ 63,902	\$ 89,588	\$ 55,397	\$ 89,588

See accompanying notes to unaudited condensed consolidated financial statements.

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ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in USD thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,		Three months ended September 30, (Unaudited)		Nine months ended September 30, (Unaudited)	
	(Unaudited)		(Unaudited)		2023	2022	2023	2022
	2023	2022	2023	2022				
Revenue, net	\$ 1,112	\$ 2,225	\$ 2,089	\$ 3,481				
Revenue					\$ 1,264	\$ 2,399	\$ 3,353	\$ 5,880
Cost of revenues	(1,905)	(2,270)	(3,389)	(3,787)	(2,456)	(2,339)	(5,845)	(6,126)
Gross loss	(793)	(45)	(1,300)	(306)	(1,192)	60	(2,492)	(246)
Income from grants	660	209	1,194	717	496	294	1,690	1,011
Research and development expenses	(2,883)	(2,642)	(6,024)	(4,791)	(2,131)	(2,547)	(8,155)	(7,338)
Administrative and selling expenses	(8,331)	(7,956)	(16,820)	(18,454)	(8,916)	(8,203)	(25,736)	(26,657)
Sublease income	138	-	265	-	139	-	404	-
Amortization of intangibles	(188)	(718)	(409)	(1,417)	(117)	(696)	(526)	(2,113)
Credit loss – customer contracts	(127)	-	(127)	-	64	-	(63)	-
Impairment losses	(9,763)	-	(9,763)	-	-	-	(9,763)	-
Operating loss	(21,287)	(11,152)	(32,984)	(24,251)	(11,657)	(11,092)	(44,641)	(35,343)
Fair value change of warrant liability	99	(217)	489	8,159	(134)	(911)	355	7,248
Finance income / (expenses), net	8	1	118	(9)	-	-	118	(9)
Foreign exchange gains / (losses), net	159	(1)	118	(18)	(12)	(33)	106	(51)
Other income / (expenses), net	(806)	(218)	(760)	(221)	(123)	1	(883)	(220)
Loss before income tax	(21,827)	(11,587)	(33,019)	(16,340)	(11,926)	(12,035)	(44,945)	(28,375)
Income taxes	(4)	439	(800)	1,096	80	567	(720)	1,663
Net loss	\$ (21,831)	\$ (11,148)	\$ (33,819)	\$ (15,244)	\$ (11,846)	\$ (11,468)	\$ (45,665)	\$ (26,712)
Net loss per share								
Basic loss per share	(0.41)	(0.22)	(0.64)	(0.30)	(0.20)	(0.22)	(0.83)	(0.52)
Basic weighted average number of shares	53,417,230	51,476,822	52,714,105	51,365,823	60,371,473	51,660,133	55,294,610	51,465,004
Diluted loss per share	(0.41)	(0.22)	(0.64)	(0.30)	(0.20)	(0.22)	(0.83)	(0.52)
Diluted weighted average number of shares	53,417,230	51,476,822	52,714,105	51,365,823	60,371,473	51,660,133	55,294,610	51,465,004

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in USD thousands)

	Three months ended June 30,		Six months ended June 30,		Three months ended September 30,		Nine months ended September 30,	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	2023	2022	2023	2022	2023	2022	2023	2022
Net loss	\$ (21,831)	\$ (11,148)	\$ (33,819)	\$ (15,244)	\$ (11,846)	\$ (11,468)	\$ (45,665)	\$ (26,712)
Other comprehensive loss, net of tax effect:								
Foreign currency translation adjustment	(6)	(1,441)	330	(1,859)	(573)	(1,181)	(243)	(3,040)
Total other comprehensive loss	(6)	(1,441)	330	(1,859)	(573)	(1,181)	(243)	(3,040)
Comprehensive loss	\$ (21,837)	\$ (12,589)	\$ (33,489)	\$ (17,103)	\$ (12,419)	\$ (12,649)	\$ (45,908)	\$ (29,752)

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY / (DEFICIT)
(Amounts in USD thousands, except share amounts)

	Three Months Ended June 30, 2023										Three Months Ended				
	Preferred Stock Series A		Preferred Stock Series Seed		Common Stock		Additional Paid-in	Accumulated	Accumulated	Total	Preferred Stock Series A		Preferred Stock Series Seed		Common Stock
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	OCI	Equity	Shares	Amount	Shares	Amount	Shares
Balance as of															
March 31, 2023	-	\$ -	-	\$ -	52,261,643	\$ -	\$ 177,081	\$ (119,750)	\$ (2,268)	\$ 55,068					
(Unaudited)															
Balance as of															
June 30, 2023											-	\$ -	-	\$ -	58,420,207
(Unaudited)															
Issuance of common stock (Unaudited)					6,029,532	1	4,178			4,179					3,411,336
Stock issued under stock compensation plan (Unaudited)	-	-	-	-	129,032	0	-	-	-	0	-	-	-	-	276,774
Stock based compensation expense (Unaudited)	-	-	-	-	-	-	2,317	-	-	2,317	-	-	-	-	-
Reclassification of private warrants (Unaudited)	-	-	-	-	-	-	332	-	-	332	-	-	-	-	-
Net loss (Unaudited)	-	-	-	-	-	-	-	(21,831)	-	(21,831)	-	-	-	-	-
Other comprehensive gain (Unaudited)	-	-	-	-	-	-	-	-	(6)	(6)	-	-	-	-	-
Balance as of															
June 30, 2023	-	\$ -	-	\$ -	58,420,207	\$ 6	\$ 183,908	\$ (141,581)	\$ (2,274)	\$ 40,059					
(Unaudited)															
Balance as of															
September 30, 2023											-	\$ -	-	\$ -	62,108,317
(Unaudited)															

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY / (DEFICIT)
(Amounts in USD thousands, except share amounts)

	Three Months Ended June 30, 2022										Three Months End					
	Preferred Stock		Preferred Stock		Common Stock		Additional			Total	Preferred Stock		Preferred Stock		Common	
	Series A		Series Seed				Paid-in	Accumulated	Accumulated	Stockholders'	Series A		Series Seed		Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	OCI	Equity	Shares	Amount	Shares	Amount	Shares	Amou
Balance as of																
March 31, 2022	-	\$ -	-	\$ -	51,253,591	\$ 5	\$ 167,755	\$ (37,521)	\$ (1,691)	\$ 128,548						
(Unaudited)																
Balance as of																
June 30, 2022											-	\$ -	-	\$ -	51,631,509	\$
(Unaudited)																
Stock issued under stock compensation plan (Unaudited)	-	-	-	-	377,918	0	-	-	-	0	-	-	-	-	86,211	
Stock based compensation expense (Unaudited)	-	-	-	-	-	-	2,225	-	-	2,225	-	-	-	-	-	
Net loss (Unaudited)	-	-	-	-	-	-	-	(11,148)	-	(11,148)	-	-	-	-	-	
Other comprehensive loss (Unaudited)	-	-	-	-	-	-	-	-	(1,441)	(1,441)	-	-	-	-	-	
Balance as of																
June 30, 2022	-	\$ -	-	\$ -	51,631,509	\$ 5	\$ 169,980	\$ (48,669)	\$ (3,132)	\$ 118,184						
(Unaudited)																
Balance as of																
September 30, 2022											-	\$ -	-	\$ -	51,717,720	\$
(Unaudited)																

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY / (DEFICIT)
(Amounts in USD thousands, except share amounts)

	Six Months Ended June 30, 2023										Nine Months End					
	Preferred Stock Series A		Preferred Stock Series Seed		Common Stock		Additional			Total	Preferred Stock Series A		Preferred Stock Series Seed		Common Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Accumulated OCI	Stockholders' Equity	Shares	Amount	Shares	Amount	Shares	Amount
Balance as of December 31, 2022	-	\$ -	-	\$ -	51,717,720	\$ 5	\$ 174,509	\$ (107,762)	\$ (2,604)	\$ 64,148	-	\$ -	-	\$ -	51,717,720	\$ -
Issuance of common stock (Unaudited)					6,029,532	1	4,178			4,179					9,440,868	
Stock issued under stock compensation plan (Unaudited)					672,955	0	-			0					949,729	
Stock based compensation expense (Unaudited)	-	-	-	-	-	-	4,889	-	-	4,889	-	-	-	-	-	-
Reclassification of private warrants (Unaudited)	-	-	-	-	-	-	332	-	-	332	-	-	-	-	-	-
Net loss (Unaudited)	-	-	-	-	-	-	-	(33,819)	-	(33,819)	-	-	-	-	-	-
Other comprehensive loss (Unaudited)	-	-	-	-	-	-	-	-	330	330	-	-	-	-	-	-
Balance as of June 30, 2023 (Unaudited)	-	\$ -	-	\$ -	58,420,207	\$ 6	\$ 183,908	\$ (141,581)	\$ (2,274)	\$ 40,059						
Balance as of September 30, 2023 (Unaudited)											-	\$ -	-	\$ -	62,108,317	\$ -

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY / (DEFICIT)
(Amounts in USD thousands, except share amounts)

	Six Months Ended June 30, 2022										Nine Months End					
	Preferred Stock Series A		Preferred Stock Series Seed		Common Stock		Additional			Total	Preferred Stock Series A		Preferred Stock Series Seed		Common Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Accumulated Deficit	Accumulated OCI	Stockholders' Equity	Shares	Amount	Shares	Amount	Shares	Amou
Balance as of																
December 31, 2021	-	\$ -	-	\$ -	51,253,591	\$ 5	\$ 164,894	\$ (33,425)	\$ (1,273)	\$ 130,201	-	\$ -	-	\$ -	51,253,591	\$ -
Stock issued under stock compensation plan (Unaudited)	-	-	-	-	377,918	0	-	-	-	0	-	-	-	-	464,129	-
Stock based compensation expense (Unaudited)	-	-	-	-	-	-	5,086	-	-	5,086	-	-	-	-	-	-
Net loss (Unaudited)	-	-	-	-	-	-	-	(15,244)	-	(15,244)	-	-	-	-	-	-
Other comprehensive loss (Unaudited)	-	-	-	-	-	-	-	-	(1,859)	(1,859)	-	-	-	-	-	-
Balance as of June 30, 2022 (Unaudited)	-	\$ -	-	\$ -	51,631,509	\$ 5	\$ 169,980	\$ (48,669)	\$ (3,132)	\$ 118,184						
Balance as of September 30, 2022 (Unaudited)											-	\$ -	-	\$ -	51,717,720	\$ -

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENT TECHNOLOGIES HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in USD thousands)

	Six months ended June 30,		Nine months ended September 30,	
	(Unaudited)		(Unaudited)	
	2023	2022	2023	2022
Net Cash used in Operating Activities	\$ (18,899)	\$ (29,356)	\$ (26,338)	\$ (32,166)
Cash Flows from Investing Activities:				
Purchases of property and equipment	(2,348)	(2,673)	(3,226)	(3,549)
Purchases of intangible assets	-	(121)	-	(117)
Advances for the acquisition of property and equipment	(1,214)	-	(1,255)	-
Acquisition of available for sale financial assets	-	(328)	-	(319)
Acquisition of subsidiaries	(1,864)	-	(1,864)	-
Net Cash used in Investing Activities	\$ (5,426)	\$ (3,122)	\$ (6,345)	\$ (3,985)
Cash Flows from Financing Activities:				
Proceeds of issuance of common stock and paid-in capital	3,410	-		
Net Cash provided by Financing Activities	\$ 3,410	\$ -		
Issue of common stock and paid-in capital			5,488	
State refundable deposit repayment			-	(41)
Net Cash (used in) provided by Financing Activities			\$ 5,488	\$ (41)
Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ (20,915)	\$ (32,478)	\$ (27,195)	\$ (36,192)
Effect of exchange rate changes on cash, cash equivalent, restricted cash and restricted cash equivalents	94	(750)	5	(1,126)
Cash, cash equivalents, restricted cash and restricted cash equivalents at the beginning of the period	33,619	79,764	33,619	79,764
Cash, cash equivalents, restricted cash and restricted cash equivalents at the end of the period	\$ 12,798	\$ 46,536	\$ 6,429	\$ 42,446
Reconciliation to Condensed Consolidated Balance Sheets:				
Cash and cash equivalents	\$ 10,052	\$ 45,786	\$ 3,661	\$ 41,696
Restricted cash, current	1,996	-	2,018	-
Restricted cash, non-current	750	750	750	750
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 12,798	\$ 46,536	\$ 6,429	\$ 42,446
Supplemental Cash Flow Information				
Cash activities				
Interest paid	\$ 16	\$ 7	\$ 16	\$ 16
Non-cash Investing and Financing Activities:				
Assets acquired under operating leases	\$ -	\$ 1,594	\$ -	\$ 1,594
Issuance of common stock and paid-in capital	\$ 769	\$ -	\$ 769	\$ -

See accompanying notes to unaudited condensed consolidated financial statements.

1. Basis of presentation

1. Basis of presentation

Overview

Advent Technologies Holdings, Inc. and its subsidiaries (collectively referred to as “Advent” or the “Company”) is an advanced materials and technology development company operating in the fuel cell and hydrogen technology space. Advent develops, manufactures and assembles the critical components that determine the performance of hydrogen fuel cells and other energy systems. To date, Advent’s principal operations have been to develop and manufacture Membrane Electrode Assembly (MEA), and fuel cell stacks and complete fuel cell systems for a range of customers in the stationary power, portable power, automotive, aviation, energy storage and sensor markets.

Advent has its headquarters in Boston, Massachusetts, which includes a research and development and manufacturing facility, a product development facility in Livermore, California, production facilities in Greece, Denmark, and Germany, and sales and warehousing facilities in the Philippines.

On February 4, 2021 (“Closing Date”), AMCI Acquisition Corp. (“AMCI”), consummated the business combination (the “Business Combination”) pursuant to that certain merger agreement (the “Agreement and Plan of Merger”), dated October 12, 2020, by and among AMCI, AMCI Merger Sub Corp., a Delaware corporation and newly formed wholly-owned subsidiary of AMCI (“Merger Sub”), AMCI Sponsor LLC (the “Sponsor”), solely in the capacity as the representative from and after the effective time of the Business Combination for the stockholders of AMCI, Advent Technologies, Inc., a Delaware corporation (“Legacy Advent”), and Vassilios Gregoriou, solely in his capacity as the representative from and after the effective time for the Legacy Advent stockholders (the “Seller Representative”), as amended by Amendment No. 1 and Amendment No. 2 to the Agreement and Plan of Merger, dated as of October 19, 2020 and December 31, 2020, respectively, by and among AMCI, Merger Sub, Sponsor, Legacy Advent, and Seller Representative. In connection with the closing of the Business Combination (the “Closing” or “Closing Date”), AMCI acquired 100% of the stock of Legacy Advent (as it existed immediately prior to the Closing) and its subsidiaries.

On the Closing Date, and in connection with the closing of the Business Combination, AMCI changed its name to Advent Technologies Holdings, Inc. Legacy Advent was deemed the accounting acquirer in the Business Combination based on an analysis of the criteria outlined in Accounting Standards Codification (“ASC”) 805. This determination was primarily based on Legacy Advent’s stockholders prior to the Business Combination having a majority of the voting interests in the combined company, Legacy Advent’s operations comprising the ongoing operations of the combined company, Legacy Advent’s board of directors comprising a majority of the board of directors of the combined company, and Legacy Advent’s senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Legacy Advent issuing stock for the net assets of AMCI, accompanied by a recapitalization. The net assets of AMCI are stated at historical cost, with no goodwill or other intangible assets recorded.

While AMCI was the legal acquirer in the Business Combination, because Legacy Advent was deemed the accounting acquirer, the historical financial statements of Legacy Advent became the historical financial statements of the combined company, upon the consummation of the Business Combination. As a result, the consolidated financial statements included in this report reflect (i) the historical operating results of Legacy Advent prior to the Business Combination; (ii) the results of the Company (combined results of AMCI and Legacy Advent) following the closing of the Business Combination; (iii) the assets and liabilities of Legacy Advent at their historical cost; and (iv) Company’s equity structure for all periods presented.

In accordance with guidance applicable to these circumstances, the equity structure has been restated in all comparative periods up to the Closing Date, to reflect the number of shares of the Company’s common stock, \$0.0001 par value per share (the “Common Stock”), issued to Legacy Advent’s stockholders in connection with the recapitalization transaction. As such, the shares and corresponding capital amounts and earnings per share related to Legacy Advent Preferred Stock (“Preferred Series A” and “Preferred Series Seed”) and Legacy Advent common stock prior to the Business Combination have been retroactively restated as shares reflecting the exchange ratio established in the Business Combination Agreement. Activity within the statement of changes in stockholders’ equity / (deficit) for the issuances of Legacy Advent’s Preferred Stock, were also retroactively converted to Legacy Advent common stock.

On February 18, 2021, Advent Technologies, Inc. entered into a Membership Interest Purchase Agreement with Bren-Tronics, Inc. ("Bren-Tronics") and UltraCell, LLC ("UltraCell"), a Delaware limited liability company and a direct wholly owned subsidiary of Bren-Tronics.

UltraCell LLC was renamed to Advent Technologies LLC following its acquisition by the Company.

On June 25, 2021, the Company entered into a Share Purchase Agreement, with F.E.R. fischer Edelstahlrohre GmbH, a limited liability company incorporated under the Laws of Germany (the "Seller") to acquire all of the issued and outstanding equity interests in SerEnergy A/S, a Danish stock corporation and a wholly-owned subsidiary of the Seller ("SerEnergy") and fischer eco solutions GmbH, a German limited liability company and a wholly-owned subsidiary of the Seller ("FES") together with certain outstanding shareholder loan receivables.

SerEnergy and FES were renamed to Advent Technologies A/S and Advent Technologies GmbH, respectively, following their acquisition by the Company on August 31, 2021.

The unaudited condensed consolidated financial statements of the Company have been prepared to reflect the consolidation of the companies listed below:

Company Name	Country of Incorporation	Ownership Interest		Statements of Operations	
		Direct	Indirect	2023	2022
Advent Technologies, Inc.	USA	100%	-	01/01 - 9/30	01/01 - 9/30
Advent Technologies S.A.	Greece	-	100%	01/01 - 9/30	01/01 - 9/30
Advent Technologies LLC	USA	-	100%	01/01 - 9/30	01/01 - 9/30
Advent Technologies GmbH	Germany	100%	-	01/01 - 9/30	01/01 - 9/30
Advent Technologies A/S	Denmark	100%	-	01/01 - 9/30	01/01 - 9/30
Advent Green Energy Philippines, Inc	Philippines	-	100%	01/01 - 9/30	01/01 - 9/30

Company Name	Country of Incorporation	Ownership Interest		Statements of Operations	
		Direct	Indirect	2023	2022
Advent Technologies, Inc.	USA	100%	-	01/01 - 6/30	01/01 - 6/30
Advent Technologies S.A.	Greece	-	100%	01/01 - 6/30	01/01 - 6/30
Advent Technologies LLC	USA	-	100%	01/01 - 6/30	01/01 - 6/30
Advent Technologies GmbH	Germany	100%	-	01/01 - 6/30	01/01 - 6/30
Advent Technologies A/S	Denmark	100%	-	01/01 - 6/30	01/01 - 6/30
Advent Green Energy Philippines, Inc	Philippines	-	100%	01/01 - 6/30	01/01 - 6/30

Unaudited Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and pursuant to the regulations of the U.S. Securities and Exchange Commission ("SEC"). The unaudited financial information reflects, in the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of the Company's financial position, results of operations and cash flows for the periods indicated. The results reported for the interim period presented are not necessarily indicative of results that may be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's audited consolidated financial statements as of and for the year ended December 31, 2022, included in the Annual Report on Form 10-K filed with the SEC on March 31, 2023. We reclassified certain prior year amounts in our consolidated financial statements to conform to the current year presentation.

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated.

Share and per share amounts are presented on a post-conversion basis for all periods presented, unless otherwise specified.

Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year from the date these unaudited condensed consolidated financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As such, the accompanying unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and their carrying amounts, or the amount and classification of liabilities that may result should the Company be unable to continue as a going concern.

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date that the unaudited condensed consolidated financial statements are issued. The Company's ability to meet its liquidity needs will largely depend on its ability to generate cash in the future. During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, the Company used **\$18.9** **\$26.3** million of cash in operating activities, and the Company's ability to generate cash in the future is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond the Company's control. The transition to profitability is dependent upon the successful development, approval, and commercialization of its products and the achievement of a revenue level adequate to support its cost structure. Based on the Company's current operating plan, the Company believes that its cash and cash equivalents as of **June 30, 2023** **September 30, 2023** of **\$10.1** **3.7** million will not be sufficient to fund operations and capital expenditures for the twelve months following the filing of this Quarterly Report on Form 10-Q, and the Company will need to obtain additional funding. In July 2022, the Company received official ratification from the European Commission of the European Union for one of the Important Projects of Common European Interest ("IPCEI"), Green HiPo. This project provides for the availability of funding **of up to** €782.1 million over the next six years. As of the issuance date of the unaudited condensed consolidated financial statements, the Company has not received an agreement which provides the terms of the funding. In addition, on April 10, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("Lincoln Park"), which provides that the Company has the right, but not the obligation, to sell to Lincoln Park up to \$50 million worth of shares of the Company's Common Stock, from time to time over the **36** **month** **36-month** term of the Purchase Agreement. Concurrently with entering into the Purchase Agreement, the Company also entered into a registration rights agreement with Lincoln Park, pursuant to which the Company agreed to register the resale of the shares of the Company's Common Stock that have been and may be issued to Lincoln Park under the Purchase Agreement pursuant to a registration statement (the "Registration Statement"). The Registration Statement was filed on April 21, 2023 and declared effective on May 2, 2023. Per the terms of the Purchase Agreement, the Company will be unable to sell shares of the Company's Common Stock to Lincoln Park if the sale price falls below \$0.50 per share. On June 2, 2023, the Company entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC, as sales agent (the "Agent"), for an at-the-market equity program under which it may sell up to \$50 million of shares of the Company's Common Stock from time to time through the Agent. The Company has no obligation to sell, and the Agent is not obligated to buy or sell, any of the Shares under the ATM Agreement and may at any time suspend offers under the ATM Agreement or terminate the ATM Agreement. The ATM Offering will terminate upon the earlier of (i) the issuance and sale of all shares of our Common Stock subject to the ATM Agreement, or (ii) the termination of the ATM Agreement as permitted therein. There is no assurance that the Company will have full access to either facility over the next twelve months. If the Company is unable to obtain sufficient funding, it could be required to delay its development efforts, limit activities and reduce research and development costs, which could adversely affect its business prospects. Because of the uncertainty in securing additional funding and the insufficient amount of cash and cash equivalents as of the financial statement filing date, management has concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern for one year from the date the unaudited condensed consolidated financial statements are issued.

2. Summary of Significant Accounting Policies

2. Summary of Significant Accounting Policies

There have been no significant changes from the significant accounting policies disclosed in Note 2 of the "Notes to Consolidated Financial Statements" included in the Annual Report on Form 10-K filed with the SEC on March 31, 2023.

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"). As an emerging growth company ("EGC"), the JOBS Act allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company elected to use this extended transition period under the JOBS Act until such time the Company is no longer considered to be an EGC. The Company did not apply any new accounting policies during the six-month nine-month period ended June 30, 2023 September 30, 2023 other than those noted below.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to the selection of useful lives for tangible assets, expected future cash flows from long-lived assets to support impairment tests, the carrying value of goodwill, provisions necessary for accounts receivables and inventory write downs, provisions for legal disputes, and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

Cash and cash equivalents are highly liquid investments with original maturities of three months or less. Cash and cash equivalents consist of cash on hand, deposits held on call with banks and investments in money market funds with original maturities of three months or less at the date of acquisition. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company has cash and cash equivalents which are restricted of \$2.7 2.8 million and \$0.8 million, respectively. The restricted cash, current is cash the Company received on behalf of other grant partners and is offset by a corresponding liability in trade and other current payables. The restricted cash, non-current is a letter of credit required by the Company's lease agreement for the Hood Park facility in Boston, MA. The letter of credit is required for the duration of the lease agreement which has a term of eight years. The lease commenced in October 2022.

The Company reconciles cash, cash equivalents, restricted cash and restricted cash equivalents reported in the consolidated balance sheets that aggregate to the beginning and ending balances shown in the unaudited condensed consolidated statements of cash flows as follows:

	June 30, 2023	December 31, 2022
(Amounts in thousands)	(Unaudited)	
Cash and cash equivalents	\$ 10,052	\$ 32,869
Restricted cash, current	1,996	-
Restricted cash, non-current	750	750
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 12,798	\$ 33,619

	September 30, 2023	December 31, 2022
(Amounts in thousands)	(Unaudited)	
Cash and cash equivalents	\$ 3,661	\$ 32,869
Restricted cash, current	2,018	-
Restricted cash, non-current	750	750
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 6,429	\$ 33,619

Warranties

The Company provides a warranty on fuel cells we sell for typically 2 years. The Company accrues a warranty reserve of 8% of the sale price of the fuel cells sold, which includes the Company's best estimate of the projected costs to repair or replace items under warranties and recalls when identified. Warranty reserve is released when repairs or replacements are carried out in relation to items under warranties or when the warranty period for the fuel cell expires. The portion of the warranty reserve expected to be incurred within the next 12 months is included within Other current liabilities, while the remaining balance is included within Other long-term liabilities on the unaudited condensed consolidated balance sheets. Warranty expense is recorded as a component of cost of revenue in the unaudited condensed consolidated statements of operations.

The changes in the accrued warranty reserve for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 were as follows:

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
<i>(Amounts in thousands)</i>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at beginning of period	\$ 972	\$ 1,012	\$ 1,047	\$ 1,048	\$ 969	\$ 311	\$ 1,047	\$ -
Additions	53	10	73	30	34	-	107	311
Settlements	(55)	(32)	(168)	(68)	(62)	-	(230)	-
Foreign exchange fluctuations	(1)	(65)	17	(85)	(30)	(20)	(13)	(20)
Balance at end of period	<u>\$ 969</u>	<u>\$ 925</u>	<u>\$ 969</u>	<u>\$ 925</u>	<u>\$ 911</u>	<u>\$ 291</u>	<u>\$ 911</u>	<u>\$ 291</u>
Credit Losses								

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instruments, which amends the requirement on the measurement and recognition of expected credit losses for financial assets held. Furthermore, amendments ASU 2019-10 and ASU 2019-11 provided additional clarification for implementing ASU 2016-13. ASU 2016-13 is effective for the Company beginning January 1, 2023, with early adoption permitted. The Company adopted the standard on January 1, 2023, in accordance with the adoption dates for private entities applicable to it under its emerging growth company status and the standard did not have a material impact on the Company's unaudited condensed consolidated financial statements and related disclosures. The Company is exposed to credit losses primarily through sales of its products. The Company assesses each customer's ability to pay and a credit loss estimate by conducting a credit review which includes consideration of established credit rating or an internal assessment of the customer's creditworthiness based on an analysis of their payment history when a credit rating is not available. The Company monitors credit exposure through active review of customer balances. The Company's expected loss methodology for accounts receivable is developed through consideration of factors including, but not limited to, historical collection experience, current customer credit ratings, current customer financial condition, current and future economic and market conditions, and age of the receivables. Charges related to credit losses are included in Credit loss – customer contracts and are recorded in the period that the outstanding receivables are determined to be doubtful. Account balances are written-off against the allowance when they are deemed uncollectible.

Inventories

Inventories, which consist of raw materials, work-in-process and finished goods are stated at the lower of cost or net realizable value using the first-in, first-out cost method. Cost includes the cost of purchased materials, inbound freight charges, external and internal processing and applicable labor and overhead costs. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

The Company periodically reviews quantities of inventories on hand and compares these amounts to the expected use of each product. Inventories are reviewed to determine if valuation allowances are required for obsolescence (excess, obsolete, and slow-moving inventory). This review includes analyzing inventory levels of individual parts considering the current design of our products and production requirements as well as the expected inventory requirements for maintenance on installed power platforms. The Company records a charge to cost of revenue for the amount required to reduce the carrying value of inventory to the net realizable value.

Sublease

On January 9, 2023, the Company entered into a sublease agreement by and among the Company, in its capacity as sublandlord, BP Hancock LLC, a Delaware limited liability company, in its capacity as landlord, and Hughes Boston, Inc. ("Hughes"), in its capacity as subtenant. The sublease provides for the rental by Hughes of office space at 200 Clarendon Street, Boston, MA 02116. Under the terms of the sublease, Hughes subleases 6,041 square feet at an initial fixed annual rent of \$0.6 million and will increase 3.0% on each anniversary of the sublease commencement date. The term of the sublease is through March 2026 (unless terminated as provided in the sublease) and the sublease commencement date was February 1, 2023. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recognized \$0.1 million and \$0.30.4 million, respectively, in rent income which is included as sublease income in the unaudited condensed consolidated statement of operations.

Fair Value Measurements

The Company follows the accounting guidance in ASC 820 for its fair value measurements of financial assets and liabilities measured at fair value on a recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The accounting guidance requires fair value measurements be classified and disclosed in one of the following three categories:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, for similar assets or liabilities that are directly or indirectly observable in the marketplace.
- Level 3: Unobservable inputs which are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Convertible Bond Loan

On May 25, 2022, Advent Technologies S.A (“Advent SA”) and UNI.FUND Mutual Fund (“UNIFUND”) entered into an agreement to finance Cyrus SA (“Cyrus”) with a convertible bond loan (“Bond Loan”) of €1.0 million. As a part of this transaction, Advent SA offered €0.3 million in bond loans with an annual interest rate of 8.00%. The term of the loan is three years and there is a surcharge of 2.5% for overdue interest.

Cyrus business relates to the research and experimental development in natural sciences and mechanics, the construction of pumps and hydrogen compressors and the wholesale of compressors. Hydrogen compressors are a critical part of the Hydrogen Refueling Stations (HRS) to be used by transport applications. Cyrus has developed a prototype Metal Hydride Compressor which offers unique advantages. The proceeds from the Bond Loan are to cover Cyrus’s working capital needs in the context of its operation and the product development.

Mandatory conversion of the Bond Loan will occur in the event of qualified financing which is equivalent to a share capital increase by Cyrus in the first three years from the execution of the Bond Loan agreement with a total amount over €3 million which is covered by third parties unrelated to the basic shareholders or by investors related to them.

The Company classifies the Bond Loan as an available for sale financial asset on the consolidated balance sheets. The Company recognizes interest income within the consolidated statement of operations. For the three and six nine months ended June 30, 2023 September 30, 2023, the Company recognized \$7.6 thousand and \$13.19 thousand, respectively, of interest income related to the Bond Loan within the consolidated statements of operations. The Company did not recognize any interest income related to the Bond Loan during the three and six nine months ended June 30, 2022 September 30, 2022.

The Company initially measured the available for sale Bond Loan at the transaction price plus any applicable transaction costs. The Bond Loan is remeasured to its fair value at each reporting period and upon settlement. The estimated fair value of the Bond Loan is determined using Level 3 inputs by using a discounted cash flow model. The change in fair value is recognized within the consolidated statements of comprehensive loss. The Company did not recognize any unrealized gain / (loss) during the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

Warrant Liability

As a result of the Business Combination, the Company assumed a warrant liability (the "Warrant Liability") related to previously issued 3,940,278 warrants, each exercisable to purchase one share of common stock at an exercise price of \$11.50 per share, originally sold to AMCI Sponsor LLC (the "Sponsor") in a private placement consummated in connection with AMCI's initial public offering (the "Private Placement Warrants") and the 400,000 warrants, each exercisable to purchase one share of Common Stock at an exercise price of \$11.50 per share, converted from the Sponsor's non-interest bearing loan to the Company of \$0.4 million in connection with the closing of the Business Combination (the "Working Capital Warrants") (Note 14). The Private Placement Warrants and the Working Capital Warrants have substantially the same terms as the 24,399,418 warrants, each exercisable to purchase one share of Common Stock at an exercise price of \$11.50 per share, issued by AMCI in its initial public offering (the "Public Warrants"). As of **June 30, 2023** **September 30, 2023**, the Company had an aggregate of 1,970,139 Private Placement Warrants and Working Capital Warrants outstanding.

The following tables summarize the fair value of the Company's assets and liabilities measured at fair value on a recurring basis as of **June 30, 2023** **September 30, 2023** and December 31, 2022.

<i>(Amounts in thousands)</i>	As of June 30, 2023 (Unaudited)		As of September 30, 2023 (Unaudited)	
	Fair Value	Unobservable Inputs (Level 3)	Fair Value	Unobservable Inputs (Level 3)
Assets				
Available for sale financial asset	\$ 326	\$ 326	\$ 316	\$ 316
	<u>\$ 326</u>	<u>\$ 326</u>	<u>\$ 316</u>	<u>\$ 316</u>
Liabilities				
Warrant liability	\$ 177	\$ 177	\$ 99	\$ 99
	<u>\$ 177</u>	<u>\$ 177</u>	<u>\$ 99</u>	<u>\$ 99</u>

<i>(Amounts in thousands)</i>	As of December 31, 2022	
	Fair Value	Unobservable Inputs (Level 3)
Assets		
Available for sale financial asset	\$ 320	\$ 320
	<u>\$ 320</u>	<u>\$ 320</u>
Liabilities		
Warrant liability	\$ 998	\$ 998
	<u>\$ 998</u>	<u>\$ 998</u>

<i>(Amounts in thousands)</i>	As of December 31, 2022	
	Fair Value	Unobservable Inputs (Level 3)
Assets		
Available for sale financial asset	\$ 320	\$ 320
	<u>\$ 320</u>	<u>\$ 320</u>
Liabilities		
Warrant liability	\$ 998	\$ 998
	<u>\$ 998</u>	<u>\$ 998</u>

The carrying amounts of the Company's remaining financial instruments reflected on the consolidated balance sheets and which consist of cash and cash equivalents, accounts receivables, net, other current assets, trade and other payables, and other current liabilities, approximate their respective fair values due to their short-term nature.

Changes in the fair value of Level 3 assets and liabilities for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 were as follows:

Available for Sale Financial Asset	Available for Sale Financial Asset				Available for Sale Financial Asset			
	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
<i>(Amounts in thousands)</i>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Estimated fair value (beginning of period)	\$ 326	\$ -	\$ 320	\$ -	\$ 326	\$ 311	\$ 320	\$ -
Estimated fair value of available for sale financial asset acquired	-	311	-	311	-	-	-	311
Foreign exchange fluctuations	-	-	6	-	(10)	(20)	(4)	(20)
Change in estimated fair value	-	-	-	-	-	-	-	-
Estimated fair value (end of period)	\$ 326	\$ 311	\$ 326	\$ 311	\$ 316	\$ 291	\$ 316	\$ 291
Warrant Liability	Warrant Liability				Warrant Liability			
	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
<i>(Amounts in thousands)</i>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Estimated fair value (beginning of period)	\$ 608	\$ 1,997	\$ 998	\$ 10,373	\$ 177	\$ 2,214	\$ 998	\$ 10,373
Change in estimated fair value	(99)	217	(489)	(8,159)	135	911	(355)	(7,248)
Reclassification of private placement warrants	(332)	-	(332)	-	(213)	-	(545)	-
Estimated fair value (end of period)	\$ 177	\$ 2,214	\$ 177	\$ 2,214	\$ 99	\$ 3,125	\$ 99	\$ 3,125

The Warrant Liability is remeasured to its fair value at each reporting period and upon settlement. The change in fair value is recognized in "Fair value change of warrant liability" on the consolidated statements of operations.

The estimated fair value of the Private Placement Warrants and the Working Capital Warrants (each as defined below) is determined using Level 3 inputs by using the Black-Scholes model. The application of the Black-Scholes model requires the use of a number of inputs and significant assumptions including volatility. Significant judgment is required in determining the expected volatility of our common stock. Due to the limited history of trading of our Common Stock, we determined expected volatility based on a peer group of publicly traded companies.

The following tables provide quantitative information regarding Level 3 fair value measurement inputs as of their measurement date of **June 30, 2023** **September 30, 2023**:

Available for Sale Financial Asset			
Interest Rate		8.00	8.00 %
Discount Rate		8.00	8.00 %
Remaining term (in years)		1.65	1.90
	Warrant Liability	Warrant Liability	Warrant Liability
Stock price	\$ 0.59	\$ 0.39	
Exercise price (strike price)	\$ 11.50	\$ 11.50	
Risk-free interest rate	4.54 %	4.83 %	
Volatility	114.7 %	128.2 %	
Remaining term (in years)	2.59	2.34	

The Company performs routine procedures such as comparing prices obtained from independent source to ensure that appropriate fair values are recorded.

163. Related party disclosures

3. Related party disclosures

Balances with related parties

The were no outstanding balances with related parties as of June 30, 2023, September 30, 2023 and December 31, 2022.

Transactions with related parties

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

4. Accounts receivable, net

4. Accounts receivable, net

Accounts receivable consist of the following:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<i>(Amounts in thousands)</i>	(Unaudited)		(Unaudited)	
Accounts receivable from third party customers	\$ 1,401	\$ 1,295	\$ 1,205	\$ 1,295
Less: Allowance for credit losses	(381)	(316)	(372)	(316)
Accounts receivable, net	\$ 1,020	\$ 979	\$ 833	\$ 979

5. Inventories

5. Inventories

Inventories consist of the following:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<i>(Amounts in thousands)</i>	(Unaudited)		(Unaudited)	
Raw materials and supplies	\$ 8,086	\$ 7,518	\$ 8,524	\$ 7,518
Work-in-process	618	547	523	547
Finished goods	6,696	4,787	5,798	4,787
Total	\$ 15,400	\$ 12,852	\$ 14,845	\$ 12,852
Provision for slow moving inventory	(236)	(232)	(932)	(232)
Total	\$ 15,164	\$ 12,620	\$ 13,913	\$ 12,620

The changes in the provision for slow moving inventory is as follows:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
<i>(Amounts in thousands)</i>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at beginning of period	\$ (236)	\$ (47)	\$ (232)	\$ (48)
Exchange differences	-	3	(4)	4
Balance at end of period	\$ (236)	\$ (44)	\$ (236)	\$ (44)

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
(Amounts in thousands)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at beginning of period	\$ (236)	\$ (44)	\$ (232)	\$ (48)
Additions	(723)	(204)	(723)	(204)
Exchange differences	27	20	23	24
Balance at end of period	\$ (932)	\$ (228)	\$ (932)	\$ (228)

6. Prepaid expenses and other current assets

6. Prepaid expenses and other current assets

Prepaid expenses are analyzed as follows:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
(Amounts in thousands)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Prepaid insurance expenses	\$ 925	\$ 263	\$ 544	\$ 263
Prepaid research expenses	3	212	25	212
Prepaid rent expenses	14	32	-	32
Other prepaid expenses	259	181	181	181
Total	\$ 1,201	\$ 688	\$ 750	\$ 688

Prepaid insurance expenses as of June 30, 2023, September 30, 2023 and December 31, 2022 mainly include prepayments to insurers for directors' and officers' insurance for liabilities that may arise in their capacity as directors and officers of a public entity.

Prepaid research expenses as of June 30, 2023, September 30, 2023 and December 31, 2022 mainly relate to prepayments for expenses under the Cooperative Research and Development Agreement as discussed in Note 16.

Other prepaid expenses as of June 30, 2023, September 30, 2023 and December 31, 2022 mainly include prepayments for professional fees and purchases.

Other current assets are analyzed as follows:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<i>(Amounts in thousands)</i>	(Unaudited)		(Unaudited)	
VAT receivable	\$ 702	\$ 530	\$ 599	\$ 530
Withholding tax	19	839	21	839
Grant receivable	527	265	613	265
Purchases under receipt	5	83	-	83
Guarantees	38	38	37	38
Other receivables	578	524	579	524
Accrued interest income	35	13	32	13
Accrued sublease income	80	-	80	-
Tax receivable			319	-
Total	\$ 1,984	\$ 2,292	\$ 2,280	\$ 2,292

7. Goodwill and Intangible Assets

7. Goodwill and Intangible Assets

Goodwill

As of December 31, 2022, the Company had goodwill of \$5.7 million related to the acquisitions of UltraCell, SerEnergy, and FES, which is analyzed as follows:

<i>(Amounts in thousands)</i>	Gross Carrying Amount	Cumulative Impairment	Net Carrying Amount	Gross Carrying Amount	Cumulative Impairment	Net Carrying Amount
Goodwill on acquisition of UltraCell	\$ 631	\$ -	\$ 631	\$ 631	\$ -	\$ 631
Goodwill on acquisition of SerEnergy and FES	29,399	(24,288)	5,111	29,399	(24,288)	5,111
Total goodwill	\$ 30,030	\$ (24,288)	\$ 5,742	\$ 30,030	\$ (24,288)	\$ 5,742

The Company performed a qualitative analysis for the quarter ended June 30, 2023 and determined that triggering events for two of the Company's reporting units, UltraCell and SerEnergy / FES, had occurred which would require testing goodwill and long-lived assets, including definite-lived intangibles, for impairment.

The Company considered the triggering events related to current and expected future economic and market conditions and their impact on the Company, as well as the current revenue forecasts. Given certain market factors, the Company determined that these triggering events had occurred and would require a quantitative analysis to be performed.

As a part of the impairment assessment, the Company updated significant fair value input assumptions including revenues, margin, and capital expenditures to reflect current market conditions. Other changes in valuation assumptions included increases in interest rates and market volatility, resulting in higher discount rates.

UltraCell Reporting Unit

In the second quarter of 2023, the Company updated the forecasted future cash flows of UltraCell used in the fair value measurement of the intangible assets and goodwill using a combination of market, cost and income approach methods. The Company is phasing out use of the UltraCell trade name and therefore recognized an impairment charge of \$0.4 million during the period. The Patented Technology was valued with the multi-period excess earnings method, which is an income approach. The discount rate used for the valuation of the Patented Technology increased to 17.7% from 11.6% at the time of the acquisition of UltraCell. The Company determined that the undiscounted cash flows related to the Patented Technology was less than the current carrying value and therefore recognized an impairment charge of \$3.3 million during the period. The Company determined that the fair value of the reporting unit utilizing the updated forecast was less than its current carrying value. As a result, the Company recorded a goodwill impairment charge of \$0.6 million during the period.

SerEnergy and FES Reporting Unit

In the second quarter of 2023, the Company updated the forecasted future cash flows of SerEnergy and FES used in the fair value measurement of the intangible assets and goodwill using a combination of market, cost and income approach methods. The Company acquired finite-lived intangible assets, including patents, process know-how, and order backlog in conjunction with the SerEnergy and FES acquisition. The Company determined the undiscounted cash flows attributable to the IPR&D was greater than the current carrying value. As a result, the Company believes that the updated long-term forecast did not indicate impairment related to IPR&D. All other finite-lived intangible assets related to the SerEnergy and FES acquisition were previously fully amortized or impaired. The Company determined that the fair value of the reporting unit was \$13.6 million utilizing the updated forecast, which was less than its current carrying value. As a result, the Company recorded a goodwill impairment charge of \$5.1 million during the period.

In the event there are further adverse changes in the Company's projected cash flows and/or further changes in key assumptions, including but not limited to an increase in the discount rate, lower market multiples, lower revenue growth, lower margin, and/or a lower terminal growth rate, the Company may be required to record non-cash impairment charges to its intangible assets and/or long-lived assets. Such non-cash charges could have a material adverse effect on the Company's consolidated statements of operations and balance sheets in the reporting period of the charge. The assessment is sensitive to broader market conditions, including the discount rate and market multiples, and to the Company's estimated future cash flows.

As of June 30, 2023 September 30, 2023, the Company fully impaired goodwill:

<i>(Amounts in thousands)</i>	Gross Carrying Amount	Cumulative Impairment	Net Carrying Amount	Gross Carrying Amount	Cumulative Impairment	Net Carrying Amount
Goodwill on acquisition of UltraCell	\$ 631	\$ (631)	\$ -	\$ 631	\$ (631)	\$ -
Goodwill on acquisition of SerEnergy and FES	29,399	(29,399)	-	29,399	(29,399)	-
Total goodwill	\$ 30,030	\$ (30,030)	\$ -	\$ 30,030	\$ (30,030)	\$ -

Intangible Assets

Information regarding our intangible assets, including assets recognized from our acquisitions, as of June 30, 2023 September 30, 2023 and December 31, 2022 is as follows:

As of June 30, 2023 (Unaudited)				
<i>(Amounts in thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Cumulative Impairment	Net Carrying Amount
Indefinite-lived intangible assets:				
Trade name "UltraCell"	\$ 406	\$ -	\$ (406)	\$ -
Total indefinite-lived intangible assets	\$ 406	\$ -	\$ (406)	\$ -
Finite-lived intangible assets:				
Patents	21,221	(3,247)	(17,974)	-
Process know-how (IPR&D)	2,612	(798)	-	1,814
Order backlog	266	(266)	-	-
Software	237	(142)	-	95
Total finite-lived intangible assets	\$ 24,336	\$ (4,453)	\$ (17,974)	\$ 1,909
Total intangible assets	\$ 24,742	\$ (4,453)	\$ (18,380)	\$ 1,909
As of December 31, 2022				
<i>(Amounts in thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Cumulative Impairment	Net Carrying Amount
Indefinite-lived intangible assets:				
Trade name "UltraCell"	\$ 406	\$ -	\$ -	\$ 406
Total indefinite-lived intangible assets	\$ 406	\$ -	\$ -	\$ 406
Finite-lived intangible assets:				
Patents	21,221	(3,068)	(14,634)	3,519
Process know-how (IPR&D)	2,612	(582)	-	2,030
Order backlog	266	(266)	-	-
Software	233	(126)	-	107
Total finite-lived intangible assets	\$ 24,332	\$ (4,042)	\$ (14,634)	\$ 5,656
Total intangible assets	\$ 24,738	\$ (4,042)	\$ (14,634)	\$ 6,062
As of September 30, 2023 (Unaudited)				
<i>(Amounts in thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Cumulative Impairment	Net Carrying Amount
Indefinite-lived intangible assets:				
Trade name "UltraCell"	\$ 406	\$ -	\$ (406)	\$ -
Total indefinite-lived intangible assets	\$ 406	\$ -	\$ (406)	\$ -
Finite-lived intangible assets:				
Patents	21,221	(3,247)	(17,974)	-
Process know-how (IPR&D)	2,612	(908)	-	1,704
Order backlog	266	(266)	-	-
Software	230	(145)	-	85
Total finite-lived intangible assets	\$ 24,329	\$ (4,566)	\$ (17,974)	\$ 1,789
Total intangible assets	\$ 24,735	\$ (4,566)	\$ (18,380)	\$ 1,789

(Amounts in thousands)	As of December 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Cumulative Impairment	Net Carrying Amount
Indefinite-lived intangible assets:				
Trade name "UltraCell"	\$ 406	\$ -	\$ -	\$ 406
Total indefinite-lived intangible assets	\$ 406	\$ -	\$ -	\$ 406
Finite-lived intangible assets:				
Patents	21,221	(3,068)	(14,634)	3,519
Process know-how (IPR&D)	2,612	(582)	-	2,030
Order backlog	266	(266)	-	-
Software	233	(126)	-	107
Total finite-lived intangible assets	\$ 24,332	\$ (4,042)	\$ (14,634)	\$ 5,656
Total intangible assets	\$ 24,738	\$ (4,042)	\$ (14,634)	\$ 6,062

The Company did not record any additions to indefinite-lived intangible assets during the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

In 2021, the Company recorded \$22.9 million (net carrying amount) of amortizing intangible assets, most of which were in connection with the Company's acquisitions of UltraCell, SerEnergy, and FES. The amortizing intangible assets consist of patents, process know-how (IPR&D), order backlogs, and software which are amortized over 10 years, 6 years, 1 year, and 5 years, respectively. In the three and six nine months ended June 30, 2023 September 30, 2023, the Company did not record any additions to definite-lived intangible assets. In the three and six nine months ended June 30, 2022 September 30, 2022, the Company recorded \$0.1 million and \$0.1 million, respectively, of amortizing intangible assets related to software. The amortization expense for the intangible assets for the three months ended June 30, 2023 September 30, 2023 and 2022 was \$0.2 million and \$0.7 million, respectively. The amortization expense for the intangible assets for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$0.4 million and \$1.4 million, respectively.

Amortization expense is recorded on a straight-line basis. Assuming constant foreign currency exchange rates and no change in the gross carrying amount of the intangible assets, future amortization expense related to the Company's intangible assets subject to amortization as of June 30, 2023 September 30, 2023 is expected to be as follows:

(Amounts in thousands)	
Fiscal Year Ended December 31,	
2023	\$ 233
2024	465
2025	465
2026	452
2027	293
Thereafter	1
Total	\$ 1,909

(Amounts in thousands)	
Fiscal Year Ended December 31,	
2023	\$ 116
2024	465
2025	465
2026	438
2027	305
Thereafter	-
Total	\$ 1,789

8. Property, plant and equipment, net

8. Property, plant and equipment, net

The Company's property, plant and equipment, net, consisted of the following:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(Unaudited)		(Unaudited)	
<i>(Amounts in thousands)</i>				
Land, Buildings & Leasehold Improvements	\$ 14,130	\$ 1,977	\$ 14,329	\$ 1,977
Machinery	9,888	8,155	13,908	8,155
Equipment	5,339	4,687	5,300	4,687
Assets under construction	73	10,436	36	10,436
	\$ 29,430	\$ 25,255	\$ 33,573	\$ 25,255
Less: accumulated depreciation	(8,648)	(7,317)	(9,038)	(7,317)
Less: cumulative impairment	(275)	-	(275)	-
Total	\$ 20,507	\$ 17,938	\$ 24,260	\$ 17,938

During the three and six nine months ended June 30, 2023 September 30, 2023, additions to property, plant and equipment were \$1.45.1 million and \$3.99.0 million, respectively, primarily consisting of machines and assets related to the construction of the Hood Park facility. Additionally, on April 27, 2023, the Company entered into an agreement with ETTTEL S.A. to purchase land in Kozani, Greece in the amount of €0.8 million. During the three and six nine months ended June 30, 2022 September 30, 2022, additions to property, plant and equipment of \$1.80.8 million and \$2.73.5 million, respectively, include leasehold improvements, machinery, office and other equipment and assets under construction.

Assets under construction mainly relate to the design and construction of Company's leased premises at Hood Park in Charlestown, MA. Completed assets are transferred to their respective asset classes, and depreciation begins when an asset is ready for its intended use. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company transferred assets under construction to land, buildings and leasehold improvements. During the three and six nine months ended June 30, 2022 September 30, 2022, the Company did not not transfer any assets under construction to other asset classes.

Depreciation expense during the three months ended June 30, 2023 September 30, 2023 and 2022 was \$0.80.9 million and \$0.40.3 million, respectively. Depreciation expense during the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$1.22.1 million and \$0.81.1 million, respectively.

During the three months ended June 30, 2023, the Company decided to consolidate certain of its German operations with its operations in Denmark and Greece. In July 2023, the Company initiated the process to communicate its plan to affected employees in Germany and to relocate certain equipment to either Denmark or Greece. As part of this consolidation, the Company anticipates it will dispose of equipment below its current carrying value, resulting in an impairment charge of \$0.3 million during the period, second quarter of 2023. The affected employees will continue to provide service through their termination dates, and as a result, the Company does not anticipate material severance charges.

There are no collaterals or other commitments on the Company's property, plant and equipment.

9. Other non-current assets

9. Other non-current assets

Other non-current assets as of June 30, 2023, September 30, 2023 and December 31, 2022 are mostly comprised of advances to suppliers for the acquisition of fixed assets of \$47.05 million and \$4.9 million, respectively.

10. Trade and other payables

10. Trade and other payables

Trade and other payables include balances of suppliers and consulting service providers.

2211. Other current liabilities

11. Other current liabilities

As of June 30, 2023, September 30, 2023 and December 31, 2022, other current liabilities consist of the following:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<i>(Amounts in thousands)</i>	(Unaudited)		(Unaudited)	
Accrued expenses ⁽¹⁾	\$ 1,003	\$ 1,522	\$ 1,139	\$ 1,522
Other short-term payables ⁽²⁾	388	2,260	503	2,260
Taxes and duties payable	150	285	413	285
Provision for unused vacation	399	300	285	300
Accrued provision for warranties, current portion (Note 16)	242	213	228	213
Social security funds	116	88	88	88
Overtime provision	23	35	12	35
Total	\$ 2,321	\$ 4,703	\$ 2,668	\$ 4,703

(1) Accrued expenses are analyzed as follows:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<i>(Amounts in thousands)</i>	(Unaudited)		(Unaudited)	
Accrued construction fees	\$ 204	\$ 476	\$ -	\$ 476
Accrued expenses for legal and consulting fees	236	159	313	159
Accrued payroll fees	244	142	265	142
Other accrued expenses	319	745	561	745
Total	\$ 1,003	\$ 1,522	\$ 1,139	\$ 1,522

(2) Other short-term payables as of December 31, 2022 included an amount of \$2.0 million, which was payable to F.E.R. fischer Edelstahlrohre GmbH to complete the acquisition of SerEnergy and FES and was paid in June 2023.

12. Private Placement Warrants and Working Capital Warrants

12. Private Placement Warrants and Working Capital Warrants

In connection with the Business Combination, the Company assumed 3,940,278 Private Placement Warrants issued upon AMCI's initial public offering. In addition, upon the closing of the Business Combination, the working capital loan provided by AMCI's Sponsor to AMCI was converted into 400,000 Working Capital Warrants, which were also assumed. The terms of the Working Capital Warrants are the same as those of the Private Placement Warrants.

As of June 30, 2023, September 30, 2023 and December 31, 2022, the Company had an aggregate of 1,970,139 and 4,340,278 Private Placement Warrants and Working Capital Warrants outstanding, respectively. Each Private Placement Warrant and Working Capital Warrant entitles the registered holder to purchase one share of Common Stock at a price of \$11.50 per share, subject to adjustment, at any time commencing 30 days after the completion of the Business Combination. The Public Warrants expire five years after the closing of the Business Combination or earlier upon redemption or liquidation.

The Private Placement Warrants and Working Capital Warrants are identical to the Public Warrants, except that the Private Placement Warrants and Working Capital Warrants and the common stock issuable upon the exercise of those warrants were not transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants and Working Capital Warrants are exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If those warrants are held by someone other than the initial purchasers or their permitted transferees, they will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. As of June 30, 2023, September 30, 2023, an aggregate of 1,970,139 Private Placement Warrants and Working Capital Warrants are held by its initial purchasers.

According to the provisions of the Private Placement Warrants and Working Capital Warrants, the exercise price and number of shares of common stock issuable upon exercise of those warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. Private Placement Warrants and Working Capital Warrants are classified as liabilities in accordance with the Company's evaluation of the provisions of ASC 815-40-15, which provides that a warrant is not indexed to the issuer's common stock if the terms of the warrant require an adjustment to the exercise price upon a specified event and that event is not an input to the fair value of the warrant with a fixed exercise price and fixed number of underlying shares.

13. Other long-term liabilities

13. Other long-term liabilities

Other long-term liabilities as of June 30, 2023, September 30, 2023 and December 31, 2022 mainly include an amount of \$0.7 million and \$0.8 million, respectively, being the non-current portion of a total accrued warranty reserve of \$1.0, 0.9 million and \$1.0 million, respectively.

2414. Stockholders' Equity

14. Stockholders' Equity

Shares Authorized

As of ~~June 30, 2023~~ September 30, 2023, the Company had authorized a total of 501,000,000 shares for issuance with 500,000,000 shares designated as common stock, par value \$0.0001 per share, and 1,000,000 shares designated as preferred stock, par value \$0.0001 per share.

Common Stock

As of June 30, 2023, September 30, 2023 and December 31, 2022, there were 58,420,207, 62,108,317 and 51,717,720 shares of issued and outstanding common stock with a par value of \$0.0001 per share, respectively.

Purchase Agreement with Lincoln Park

On April 10, 2023, the Company entered into the Purchase Agreement with Lincoln Park, which provides that the Company has the right, but not the obligation, to sell to Lincoln Park up to \$50 million worth of shares of the Company's Common Stock ("Purchase Shares") from time to time over the 36-month term of the Purchase Agreement. Concurrently with entering into the Purchase Agreement, the Company also entered into a registration rights agreement with Lincoln Park, pursuant to which the Company agreed to register the resale of the shares of the Company's Common Stock that have been and may be issued to Lincoln Park under the Purchase Agreement pursuant to a registration statement. The Company will control the timing and amount of any sales of Purchase Shares to Lincoln Park pursuant to the Purchase Agreement.

Under the Purchase Agreement, on any business day selected by the Company, the Company may direct Lincoln Park to purchase up to 200,000 shares of its Common Stock on such business day (or the purchase date) (a "Regular Purchase"), provided that the closing sale price of the Company's Common Stock on the Nasdaq Stock Market ("Nasdaq") on the applicable purchase date is not below \$0.50 and subject to other adjustments. A Regular Purchase may be increased to up to (i) 250,000 shares if the closing sale price of the Company's Common Stock on Nasdaq is not below \$1.50 on the applicable purchase date; (ii) 300,000 shares if the closing sale price of the Company's Common Stock on Nasdaq is not below \$3.00 on the applicable purchase date; and (iii) 400,000 shares if the closing sale price of the Company's common stock on Nasdaq is not below \$5.00 on the applicable purchase date. The Company may direct Lincoln Park to purchase shares in Regular Purchases multiple times on the same business day, provided the Company has not failed to deliver Purchase Shares for the most recent prior Regular Purchase.

The purchase price per share for each such Regular Purchase will be equal to the lesser of (a) the lowest sale price for the Company's Common Stock on Nasdaq on the purchase date of such shares; and (b) the average of the three lowest closing sale prices for the Company's Common Stock on Nasdaq during the 10 consecutive business days prior to the purchase date of such shares.

In addition, the Company may also direct Lincoln Park, on any business day on which the Company has submitted a Regular Purchase notice for the maximum amount allowed for such Regular Purchase, to purchase an additional amount of the Company's Common Stock (an "Accelerated Purchase") of up to the lesser of (a) three times the number of shares purchased pursuant to such Regular Purchase; and (b) 30% of the aggregate shares of the Company's Common Stock traded on Nasdaq during all or, if certain trading volume or market price thresholds specified in the Purchase Agreement are crossed on the applicable Accelerated Purchase date, the portion of the normal trading hours on the applicable Accelerated Purchase date prior to such time that any one of such thresholds is crossed (the "Accelerated Purchase Measurement Period").

The purchase price per share for each such Accelerated Purchase will be equal to 95% of the lower of (a) the volume-weighted average price of the Company's Common Stock on Nasdaq during the applicable Accelerated Purchase Measurement Period on the applicable Accelerated Purchase date; and (b) the closing sale price of the Company's Common Stock on Nasdaq on the applicable Accelerated Purchase date.

The Company may also direct Lincoln Park on any business day on which an Accelerated Purchase has been completed and all of the shares to be purchased thereunder have been delivered to Lincoln Park in accordance with the Purchase Agreement, to purchase an additional amount of the Company's Common Stock (the "Additional Accelerated Purchase"), as described in the Purchase Agreement.

In the case of Regular Purchases, Accelerated Purchases and Additional Accelerated Purchases, the purchase price per share will be equitably adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction occurring during the business days used to compute the purchase price.

The Purchase Agreement prohibits the Company from directing Lincoln Park to purchase any shares of Common Stock if those shares, when aggregated with all other shares of Common Stock then beneficially owned by Lincoln Park and its affiliates (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended, and Rule 13d-3 thereunder), would result in Lincoln Park and its affiliates beneficially owning more than 9.99% of the then total outstanding shares of the Company's Common Stock.

Upon the execution of the Purchase Agreement, the Company issued 635,593 shares of Common Stock to Lincoln Park as consideration for its commitment to purchase shares of the Company's Common Stock under the Purchase Agreement. Lincoln Park has agreed not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the Company's Common Stock.

The Company evaluated the contract that includes the right to require Lincoln Park to purchase additional shares of Common Stock in the future ("put right") considering the guidance in ASC 815-40, "Derivatives and Hedging - Contracts on an Entity's Own Equity" ("ASC 815-40") and concluded that it is an equity-linked contract that does not qualify for equity classification, and therefore requires fair value accounting. The Company has analyzed the terms of the put right and has concluded that it has immaterial value as of **June 30, 2023** **September 30, 2023**.

The Company incurred costs of approximately \$0.9 million related to the execution of the Purchase Agreement. Of the total costs incurred, approximately \$0.6 million was paid in Common Stock to Lincoln Park as a commitment fee and \$0.03 million to reimburse Lincoln Park for expenses. These transaction costs were included in other income / (expenses), net in the unaudited condensed consolidated statement of operations. Approximately \$0.2 million was incurred for legal fees, which were included in administrative and selling expenses on the unaudited condensed consolidated statement of operations.

During the three and nine months ended **June 30, 2023** **September 30, 2023**, the Company issued and sold an aggregate of **5,393,939** **3,411,336** and **8,805,275** shares pursuant to the Purchase Agreement and received net proceeds of **\$3.4** **2.1** million. **The million** and **\$5.5 million**, respectively. During the three and nine months ended **September 30, 2023**, the Company incurred approximately **\$0.2** **0.1** million and **\$0.3** million of expenses, respectively, related to the discount on the issuance of common stock to Lincoln Park, which is included in other income / (expenses), net in the unaudited condensed consolidated statement of operations.

From July 1, 2023 through the date of this filing, the Company sold an aggregate of 1,442,366 shares and received net proceeds of \$1.0 million under the Purchase Agreement.

At the Market Offering Agreement

On June 2, 2023, the Company entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC, as sales agent (the "Agent"), to create an at-the-market equity program under which it may sell up to **\$50 million** **\$50 million** of shares of the Company's common stock (the "Shares") from time to time through the Agent (the "ATM Offering"). Under the ATM Agreement, the Agent will be entitled to a commission at a fixed rate of 3.0% of the gross proceeds from each sale of Shares under the ATM Agreement.

Sales of the Shares, if any, under the ATM Agreement may be made in transactions that are deemed to be "at-the-market equity offerings" as defined in Rule 415 under the Securities Act, including sales made by means of ordinary brokers' transactions, including on the Nasdaq Capital Market, at prevailing market prices at the time of sale or as otherwise agreed with the Agent. The Company has no obligation to sell, and the Agent is not obligated to buy or sell, any of the Shares under the Agreement and may at any time suspend offers under the Agreement or terminate the Agreement. The ATM Offering will terminate upon the termination of the ATM Agreement as permitted therein. The Shares will be issued pursuant to the Company's previously filed Registration Statement on Form S-3 (File No. 333-271389) that was declared effective on May 2, 2023 and a prospectus supplement and accompanying prospectus relating to the ATM Offering filed with the SEC on June 2, 2023.

Deferred offering costs associated with the ATM Agreement are reclassified to additional paid in capital on a pro-rata basis when the Company completes offerings under the ATM Agreement. Any remaining deferred costs will be expensed to the statements of operations should the planned offering be terminated.

During the three months ended June 30, 2023, no No shares were sold under the ATM Offering. Offering during the three and nine months ended September 30, 2023.

Public Warrants

In connection with the Business Combination, the Company assumed the Public Warrants issued upon AMCI's initial public offering.

As of December 31, 2020, the Company had 22,052,077 Public Warrants outstanding. Each Public Warrant entitles the registered holder to purchase one share of common stock at a price of \$11.50 per share, subject to adjustment, at any time commencing 30 days after the completion of the Business Combination. The Public Warrants will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation. During the second quarter of 2021, certain warrant holders exercised their option to purchase an additional 22,798 shares at \$11.50 per share. These exercises generated \$262,177 additional proceeds to the Company and increased the Company's shares outstanding by 22,798 shares. During 2023, one original Private Warrant Holder sold all their Private Placement Warrants resulting in a reclassification to Public Warrants. As of **June 30, 2023** **September 30, 2023**, the Company's Public Warrants amounted to 24,399,418.

Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption;
- if, and only if, the reported last sale price of the Company's Common Stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying such warrants.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of Common Stock at a price below its exercise price. In addition, the warrant agreement provides that in case of a tender offer or exchange that involves 50% or more of the Company's stockholders, the Public Warrants may be settled in cash, equity securities or other assets depending on the kind and amount received per share by the holders of the common stock in such consolidation or merger that affirmatively make such election.

The Public Warrants are classified in equity in accordance with the Company's evaluation of the provisions of ASC 480 and ASC 815. The Company analyzed the terms of the Public Warrants and concluded that there are no terms that provide that the warrant is not indexed to the issuer's common stock. The Company also analyzed the tender offer provision discussed above and considering that upon the Closing of the Business Combination the Company has a single class of common shares, concluded that the exception discussed in ASC 815-40-25 applies, and thus equity classification is not precluded.

Stock-Based Compensation Plans

2021 Equity Incentive Plan

The Company's Board of Directors and stockholders previously approved the 2021 Equity Incentive Plan (the "Plan") to reward certain employees and directors of the Company. The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock and Stock-based Awards. The maximum number of shares of Common Stock that may be delivered in satisfaction of Awards under the Plan is 6,915,892 shares.

Stock Options

Pursuant to and subject to the terms of the Plan the Company entered into separate Stock Option Agreements with each participant according to which each participant is granted an option (the "Stock Option") to purchase up to a specific number of shares of Common Stock set forth in each agreement with an exercise price equal to the market price of Company's Common Stock at the date of grant. The Company did not grant Stock Options during the six nine months ended June 30, 2023 September 30, 2023.

Stock Options are granted to each participant in connection with their employment with the Company. The Stock Options vest on a graded basis over four years. The Company has a policy of recognizing compensation cost on a straight-line basis over the total requisite service period for the stock options. The Company recognized compensation cost of \$0.7 0.8 million and \$1.6 2.5 million in respect of Stock Options granted, which is included in administrative and selling expenses in the consolidated statements of operations for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recognized compensation cost of \$0.8 0.9 million and \$1.7 2.6 million in respect of Stock Options granted, which is included in administrative and selling expenses in the consolidated statements of operations for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The Company also has a policy of accounting for forfeitures when they occur.

The following table summarizes the activities for our unvested stock options for the six nine months ended June 30, 2023 September 30, 2023:

	Number of options	Weighted Average Grant Date Fair Value	Number of options	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2022	2,683,182	\$ 4.18	2,683,182	\$ 4.18
Vested	(557,479)	\$ 4.71	(785,797)	\$ 4.33
Forfeited	(137,354)	\$ 3.89	(159,363)	\$ 3.80
Unvested as of June 30, 2023	1,988,349	\$ 4.05		
Unvested as of September 30, 2023			1,738,022	\$ 4.14

As of June 30, 2023 September 30, 2023, there was \$6.3 5.4 million of unrecognized compensation cost related to unvested Stock Options. This amount is expected to be recognized over the remaining vesting period of Stock Options.

Restricted Stock Units

Pursuant to and subject to the terms of the Plan the Company entered into separate Restricted Stock Units (“RSUs”) with each participant. On the grant date of RSUs, the Company grants to each participant a specific number of RSUs as set forth in each agreement, giving each participant the conditional right to receive without payment one share of common stock. The RSUs are granted to each participant in connection with their ongoing employment with the Company. The Company has in place Restricted Stock Unit Agreements that vest within one year and Restricted Stock Unit Agreements that vest on a graded basis over four years. The Company has a policy of recognizing compensation cost on a straight-line basis over the total requisite service period. The Company recognized compensation cost of \$1.6 million and \$3.34.9 million in respect of RSUs, which is included in administrative and selling expenses in the consolidated statements of operations for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recognized compensation cost of \$1.41.8 million and \$3.45.1 million in respect of RSUs, which is included in administrative and selling expenses in the consolidated statements of operations for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The Company also has a policy of accounting for forfeitures when they occur.

Restricted Stock Units have been granted during the three nine months ended June 30, 2023 September 30, 2023 are as follows:

	Number of Shares	Grant Date Fair Value
Granted on May 1, 2023	100,000	\$ 0.74
Granted on June 29, 2023	200,000	\$ 0.60
Total restricted stock units granted in 2023	300,000	

	Number of Shares	Grant Date Fair Value
Granted on May 1, 2023	100,000	\$ 0.74
Granted on June 29, 2023	200,000	\$ 0.60
Total restricted stock units granted in 2023	300,000	

The following table summarizes the activities for our unvested RSUs for the six nine months ended June 30, 2023 September 30, 2023:

	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2022	2,877,511	\$ 7.34	2,877,511	\$ 7.34
Granted	300,000	\$ 0.65	300,000	\$ 0.65
Vested	(751,027)	\$ 7.42	(979,345)	\$ 6.90
Forfeited	(138,134)	\$ 6.24	(160,144)	\$ 6.05
Unvested as of June 30, 2023	2,288,350	\$ 6.50		
Unvested as of September 30, 2023			2,038,022	\$ 6.66

As of June 30, 2023 September 30, 2023, there was \$11.7 10.0 million of unrecognized compensation cost related to unvested RSUs. This amount is expected to be recognized over the remaining vesting period of Restricted Stock Unit Agreements.

15. Revenue

15. Revenue

Revenue is analyzed as follows:

	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>(Amounts in thousands)</i>												
Sales of goods	\$ 1,026	\$ 2,213	\$ 1,795	\$ 2,889	\$ 1,260	\$ 2,395	\$ 3,055	\$ 5,284				
Sales of services	86	12	294	592	4	4	298	596				
Total revenue from contracts with customers	\$ 1,112	\$ 2,225	\$ 2,089	\$ 3,481	\$ 1,264	\$ 2,399	\$ 3,353	\$ 5,880				

The timing of revenue recognition is analyzed as follows:

	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>(Amounts in thousands)</i>												
Timing of revenue recognition												
Revenue recognized at a point in time	\$ 1,112	\$ 2,225	\$ 2,089	\$ 3,481	\$ 1,264	\$ 2,399	\$ 3,353	\$ 5,880				
Revenue recognized over time	-	-	-	-	-	-	-	-				
Total revenue from contracts with customers	\$ 1,112	\$ 2,225	\$ 2,089	\$ 3,481	\$ 1,264	\$ 2,399	\$ 3,353	\$ 5,880				

As of June 30, 2023 September 30, 2023 and December 31, 2022, Advent recognized contract assets of \$0.1 million and \$0.1 million, respectively, on the consolidated balance sheets.

As of June 30, 2023 September 30, 2023 and December 31, 2022, Advent recognized contract liabilities of \$1.0.7 million and \$1.0 million, respectively, in the consolidated balance sheets. During the six nine months ended June 30, 2023 September 30, 2023, the Company recognized the amount of \$0.1 million in revenues.

16. Collaborative Arrangements

16. Collaborative Arrangements

Cooperative Research and Development Agreement

In August 2020, the Company entered into a Cooperative Research and Development Agreement ("CRADA") with Triad National Security, LLC ("TRIAD"), Alliance for Sustainable Energy LLC ("ASE"), and Brookhaven Science Associates ("BSA"). The purpose of this project is to build a fuel cell prototype that moves this technology closer to commercial readiness which was sanctioned by the Los Alamos National Laboratory and the National Renewable Energy Laboratory. The Government's estimated total contribution, which is provided through TRIAD's, ASE's, and BSA's respective contracts with the Department of Energy is \$1.2 million, subject to available funding. As a part of the CRADA, the Company is required to contribute \$1.2 million in cash and \$0.6 million of in-kind contributions, such as personnel salaries. The cash payments were capitalized and amortized on a straight-line basis over the original life of the contract. The Company has completed its obligation to contribute \$1.2 million in cash under this agreement. In-kind contributions are expensed as incurred. To date, the Company has not recognized any revenue from the CRADA. In December 2022, the term of the agreement was extended until March 3, 2024.

Expenses from Collaborative Arrangements

For the three and six months ended June 30, 2023 September 30, 2023, an amount of \$0.5 million and \$1.3 million has been recognized in research and development expenses on the consolidated statements of operations, respectively. For the three and six months ended June 30, 2022 September 30, 2022, an amount of \$0.3 million and \$0.6 million has been recognized in research and development expenses on the consolidated statements of operations, respectively.

17. Income Taxes

17. Income Taxes

To calculate the interim tax provision, at the end of each interim period the Company estimates the annual effective tax rate and applies that to its ordinary quarterly earnings. The effect of changes in the enacted tax laws or rates is recognized in the interim period in which the change occurs. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and judgments including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in foreign jurisdictions, permanent differences between book and tax amounts, and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, additional information is obtained, or the tax environment changes.

During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recorded income tax provisions benefits (provisions) of \$480 thousand and \$(0.8 0.7) million, respectively, mainly related to the Company's recoverability assessment of research and development tax credits in Denmark. During the three and six nine months ended June 30, 2022 September 30, 2022, the Company recorded income tax benefits of \$0.4 0.6 million and \$1.1 1.7 million, mainly related to net operating loss carryforwards in Denmark that resulted in a deferred tax asset. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company provided a valuation allowance to offset the deferred tax asset related to the net operating loss carryforwards in Denmark.

18. Segment Reporting and Information about Geographical Areas

18. Segment Reporting and Information about Geographical Areas

Reportable Segments

The Company develops and manufactures high-temperature proton exchange membranes ("HT-PEM" or "HT-PEMs") and fuel cell systems for the off-grid and portable power markets and plans to expand into the mobility market. The Company's current revenue is derived from the sale of fuel cell systems and from the sale of MEAs, membranes, and electrodes for specific applications in the fuel cell and energy storage (flow battery) markets. The research and development activities are viewed as another product line that contributes to the development, design, production and sale of fuel cell products; however, it is not considered a separate operating segment. The Company has identified one business segment.

Geographic Information

The following table presents revenues, by geographic location (based on the location of the entity selling the product) for the three and six months ended June 30, 2023 September 30, 2023 and 2022:

	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>(Amounts in thousands)</i>												
North America	\$ 86	\$ 941	\$ 477	\$ 1,433	\$ 64	\$ 2,063	\$ 541	\$ 3,496				
Europe	976	1,256	1,487	1,635	1,155	322	2,642	1,957				
Asia	50	28	125	413	45	14	170	427				
Total net sales	\$ 1,112	\$ 2,225	\$ 2,089	\$ 3,481	\$ 1,264	\$ 2,399	\$ 3,353	\$ 5,880				

19. Commitments and contingencies

19. Commitments and contingencies

Litigation

The Company is subject to legal and regulatory actions that arise from time to time in the ordinary course of business. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves significant judgment about future events.

There is no material pending or threatened litigation against the Company that remains outstanding as of **June 30, 2023** **September 30, 2023**, that is considered probable or reasonably possible, with the following exception:

On June 7, 2023, the Company was served a Request for Arbitration from F.E.R. fischer Edelstahlrohre GmbH ("F.E.R."), pursuant to the arbitration provisions of the Share Purchase Agreement dated June 25, 2021 whereby the Company acquired Serenergy and FES, which acquisition closed on August 31, 2021. The arbitration will be held in Frankfurt am Main, Germany in accordance with the Arbitration Rules of the German Arbitration Institute. F.E.R. is asserting that it is due approximately 4.5 million euro based on the cap and corresponding value of the share consideration at the date of closing. The Company believes that the claim is without merit and intends to defend itself vigorously in these **proceedings; proceedings**, although we cannot accurately predict the ultimate outcome of this matter.

Guarantee letters

The Company has contingent liabilities in relation to performance guarantee letters and other guarantees provided to third parties that arise from its normal business activity and from which no substantial charges are expected to arise. As of **June 30, 2023** **September 30, 2023** and December 31, 2022, no letters of guarantee were outstanding.

Contractual obligations

In December 2021, the Company entered into a supply agreement by and among the Company, in its capacity as Customer, and BASF New Business GmbH, in its capacity as Seller. The supply agreement provides for the purchase by the Company of 21,000m² (Minimum Quantity) of membrane from BASF during the contract duration from January 1, 2022 until December 31, 2025.

In 2022, the Company entered into a supply agreement by and among the Company, in its capacity as Customer, and De Nora Deutschland GmbH ("De Nora"), in its capacity as Seller. The supply agreement provides for the purchase by the Company of 3,236 (Minimum Quantity) of electrodes from De Nora during the contract duration from May 3, 2022 until June 24, 2023. As of **June 30, 2023** **September 30, 2023**, the Company has no remaining obligations under this agreement.

In 2022, the Company entered into a supply agreement by and among the Company, in its capacity as Customer, and Shin-Etsu Polymer Singapore Pte, Ltd (“Shin-Etsu”), in its capacity as Seller. The supply agreement provides for the purchase by the Company of 318,400 pieces (Minimum Quantity) of bipolar plates from Shin-Etsu during the contract duration from June 1, 2022 until June 30, 2024. In May 2023, the Company amended the supply agreement with Shin-Etsu to reduce the Minimum Quantity of bipolar plates to 75,400 pieces.

The following table summarizes our contractual obligations as of **June 30, 2023** **September 30, 2023**:

Fiscal Year Ended December 31,								
	Quantity (electrodes)	Quantity (pieces)	Quantity (m2)	Price (Amounts in thousands)	Quantity (electrodes)	Quantity (pieces)	Quantity (m2)	Price (Amounts in thousands)
2023	-	17,800	2,506	\$ 976	-	15,600	1,653	\$ 676
2024	-	9,600	6,000	1,745	-	9,600	6,000	1,699
2025	-	-	8,000	2,173	-	-	8,000	2,112
Total	-	27,400	16,506	\$ 4,894	-	25,200	15,653	\$ 4,487

20. Net loss per share

20. Net loss per share

Net loss per share is computed by dividing net loss by the weighted-average number of shares of Common Stock outstanding during the year.

The following table sets forth the computation of the basic and diluted net loss per share for the three and six nine months ended June 30, 2023, September 30, 2023 and 2022:

(Amounts in thousands, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	2023	2022	2023	2022	2023	2022	2023	2022
Numerator:								
Net loss	\$ (21,831)	\$ (11,148)	\$ (33,819)	\$ (15,244)	\$ (11,846)	\$ (11,468)	\$ (45,665)	\$ (26,712)
Denominator:								
Basic weighted average number of shares	53,417,230	51,476,822	52,714,105	51,365,823	60,371,473	51,660,133	55,294,610	51,465,004
Diluted weighted average number of shares	53,417,230	51,476,822	52,714,105	51,365,823	60,371,473	51,660,133	55,294,610	51,465,004
Net loss per share:								
Basic	\$ (0.41)	\$ (0.22)	\$ (0.64)	\$ (0.30)	\$ (0.20)	\$ (0.22)	\$ (0.83)	\$ (0.52)
Diluted	\$ (0.41)	\$ (0.22)	\$ (0.64)	\$ (0.30)	\$ (0.20)	\$ (0.22)	\$ (0.83)	\$ (0.52)

Basic net loss per share is computed by dividing net loss for the periods presented by the weighted-average number of shares of Common Stock outstanding during these periods.

Diluted net loss per share is computed by dividing the net loss, by the weighted average number of shares of Common Stock outstanding for the periods, adjusted for the dilutive effect of shares of Common Stock equivalents resulting from the assumed exercise of the Public Warrants, Private Placements Warrants, Working Capital Warrants, Stock Options and RSUs. The treasury stock method was used to calculate the potential dilutive effect of these Common Stock equivalents.

As the Company incurred losses for the three and six nine months ended June 30, 2023, September 30, 2023 and 2022, the effect of including any potential shares of Common Stock in the denominator of diluted per-share computations would have been anti-dilutive; therefore, basic and diluted losses per share are the same.

21. Subsequent Events

During the three months ended June 30, 2023, On October 14, 2023, the Company decided through its wholly-owned subsidiary, FES, in its capacity as lessee, agreed to consolidate certain modify the term of its German operations lease agreement with fischer group SE &Co, KG, in its operations in Denmark and Greece. In July 2023, capacity as lessor. The lease term was modified to end on or before January 1, 2024, with rental payments of €7,768 plus VAT to end on November 1, 2023. As of September 30, 2023, the Company initiated has \$0.3 million in right-of-use assets, \$0.1 in operating lease liabilities and \$0.2 million in operating lease liabilities - long-term reflected on the process to communicate its plan to affected employees in Germany and to relocate certain equipment to either Denmark or Greece. The affected employees will continue to provide service through their termination dates, and as a result, the Company does not anticipate material severance charges. condensed consolidated balance sheets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission (the "SEC") on March 31, 2023 ("2022 Annual Report").

Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Item 1A. Risk Factors" section of this Quarterly Report on Form 10-Q and the "Item 1A. Risk Factors" section of our 2022 Annual Report, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Advent is an advanced materials and technology development company operating in the fuel cell and hydrogen technology space. Advent develops, manufactures and assembles the critical components that determine the performance of hydrogen fuel cells and other energy systems. Advent's core product offerings are complete fuel cell systems and the Membrane Electrode Assembly (MEA) at the center of the fuel cell. The Advent MEA, which derives its key benefits from the properties of Advent's engineered membrane technology, enables a more robust, longer-lasting and ultimately lower-cost fuel cell product.

To date, Advent's principal operations have been to develop and manufacture MEAs, and to design fuel cell stacks and complete fuel cell systems for a range of customers in the stationary power, portable power, automotive, aviation, energy storage and sensor markets. Advent has its headquarters, along with a research and development and manufacturing facility, in Boston, Massachusetts; a product development facility in Livermore, California; production facilities in Greece, Denmark, and Germany; and sales and warehousing facilities in the Philippines.

The majority of Advent's current revenue derives from the sale and servicing of fuel cell systems and MEAs, as well as the sale of membranes and electrodes for specific applications. Advent has also secured grant funding for a range of projects from research agencies and other organizations. Advent expects to continue to be eligible for grant funding based on its product development activities over the foreseeable future.

Business Combination

On February 4, 2021 ("Closing"), AMCI Acquisition Corp. ("AMCI"), consummated the business combination (the "Business Combination") pursuant to On October 12, 2020, the Merger Agreement with Advent Technologies, Inc. ("Legacy Advent"), AMCI Acquisition Corp. ("AMCI"), a Delaware corporation, AMCI Merger Sub Corp., a newly-formed Delaware corporation and wholly-owned subsidiary of AMCI ("Merger Sub"), AMCI Sponsor LLC, a Delaware limited liability company, solely in the capacity as the representative from and after the effective time of the Business Combination for the stockholders of AMCI, and Vassilios Gregoriou, in the capacity as Seller Representative, pursuant to which Merger Sub merged with and into Legacy Advent, with Legacy Advent surviving the Merger as a wholly-owned subsidiary of AMCI, and AMCI changed its name to "Advent Technologies Holdings, Inc." Advent Technologies, Inc. is deemed the accounting predecessor and the combined entity is the successor registrant with the SEC, meaning that Advent Technologies, Inc.'s financial statements for previous periods are and will be disclosed in the Company's current and future periodic reports filed with the SEC.

While the legal acquirer in the Merger Agreement is AMCI, for financial accounting and reporting purposes under GAAP, we have determined that Advent Technologies, Inc. is the accounting acquirer, and the Business Combination was accounted for as a "reverse recapitalization." A reverse recapitalization does not result in a new basis of accounting, and the financial statements of the combined entity represent the continuation of the financial statements of Advent Technologies in many respects. Under this method of accounting, AMCI is treated as the acquired entity whereby Legacy Advent is deemed to have issued common stock for the net assets and equity of AMCI, consisting mainly of cash, accompanied by a simultaneous equity recapitalization of AMCI.

In February 2021, Advent entered into a Membership Interest Purchase Agreement with Bren-Tronics, Inc. ("Bren-Tronics") and UltraCell, LLC ("UltraCell"), a Delaware limited liability company and a direct wholly owned subsidiary of Bren-Tronics. UltraCell LLC was renamed to Advent Technologies LLC following its acquisition by Advent.

In June 2021, Advent entered into a Share Purchase Agreement, with F.E.R. fischer Edelstahlrohre GmbH, a limited liability company incorporated under the Laws of Germany (the "Seller") to acquire all of the issued and outstanding equity interests in SerEnergy A/S, a Danish stock corporation and a wholly-owned subsidiary of the Seller ("SerEnergy") and fischer eco solutions GmbH, a German limited liability company and a wholly-owned subsidiary of the Seller ("FES") together with certain outstanding shareholder loan receivables. SerEnergy and FES were renamed to Advent Technologies A/S and Advent Technologies GmbH, respectively, following their acquisition by the Company on August 31, 2021.

Business Developments

Green HiPo Project approved by EU

On June 16, 2022, Advent announced the receipt of a notification from the Greek State informing Advent that the IPCEI Green HiPo was submitted for ratification by the EU for funding up to €782.1 million, spread over six years. On July 15, 2022, Advent received official ratification from the European Commission of the EU. The Green HiPo project is designed to bring the development, design, and manufacture of HT-PEM fuel cells and electrolyzers for the production of power and green hydrogen to the Western Macedonia region of Greece.

Airbus Term Sheet to Launch a Joint Benchmarking Project

On November 6, 2023, Advent announced the signing of a term sheet with Airbus, a global leader in aeronautics, space, and related services, for a joint benchmarking project regarding an optimized Ion Pair™ Membrane Electrode Assembly ("MEA") for hydrogen fuel cells. Airbus will provide financial support to the project and its extensive knowledge of the aviation industry. Advent will invest in people, materials, hardware, and 3rd party research centers, to contribute to the goals of the project. The multi-million dollar collaboration will take place over two years.

The goal of the project is to accelerate the development of Advent's MEA and benchmark the Ion Pair MEA against aviation requirements and current/expected technological limits. HT-PEM MEAs operating at temperatures higher than 180°C (360°F) aim to solve one of the largest challenges in aviation fuel cell use: thermal management. High temperature fuel cells allow increased performance, increased passenger carrying capability, and increased range compared to low temperature fuel cell stack technology. Advent believes that HT-PEM is a superior option not only for aviation, but also for heavy-duty trucks, the automotive industry and marine use.

Purchase Agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park")

On April 10, 2023, Advent entered into a purchase agreement (the "Purchase Agreement") with Lincoln Park, which provides that, upon the terms and subject to the conditions and limitations set forth therein, Advent has the right, but not the obligation, to sell to Lincoln Park up to \$50 million worth of shares of our common stock, par value \$0.0001 (the "Common Stock"), from time to time over the 36 month term of the Purchase Agreement. Concurrently with entering into the Purchase Agreement, Advent also entered into a registration rights agreement with Lincoln Park, pursuant to which we agreed to register the resale of the shares of our Common Stock that have been and may be issued to Lincoln Park under the Purchase Agreement pursuant to a registration statement. Upon the execution of the Purchase Agreement, we issued 635,593 shares of Common Stock to Lincoln Park as consideration for its commitment to purchase shares of our Common Stock under the Purchase Agreement. Lincoln Park has agreed not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of our Common Stock.

At the Market Offering Agreement

On June 2, 2023, Advent entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC, as sales agent (the "Agent"), to create an at-the-market equity program under which it may sell up to \$50 million of shares of Advent's Common Stock from time to time through the Agent (the "ATM Offering"). Under the ATM Agreement, the Agent will be entitled to a commission at a fixed rate of 3.0% of the gross proceeds from each sale of shares under the ATM Agreement.

Sales of Common Stock, if any, under the ATM Agreement may be made in transactions that are deemed to be "at-the-market equity offerings" as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), including sales made by means of ordinary brokers' transactions, including on the Nasdaq Capital Market, at prevailing market prices at the time of sale or as otherwise agreed with the Agent. Advent has no obligation to sell, and the Agent is not obligated to buy or sell, any of the Common Stock under the Agreement and may at any time suspend offers under the Agreement or terminate the Agreement. The ATM Offering will terminate upon the termination of the ATM Agreement as permitted therein.

Common Stock will be issued pursuant to Advent's previously filed Registration Statement on Form S-3 (File No. 333-271389) that was declared effective on May 2, 2023 and a prospectus supplement and accompanying prospectus relating to the ATM Offering filed with the Securities and Exchange Commission ("SEC") on June 2, 2023.

Green HiPo Project approved by EU

On June 16, 2022, Advent announced the receipt of a notification from the Greek State informing Advent that the IPCEI Green HiPo was submitted for ratification by the EU for funding of €782.1 million, spread over six years. On July 15, 2022, Advent received official ratification from the European Commission of the EU. The Green HiPo project is designed to bring the development, design, and manufacture of HT-PEM fuel cells and electrolyzers for the production of power and green hydrogen to the Western Macedonia region of Greece.

New Hood Park Research and Development (“R&D”) and Production Facility

In March 2023, Advent announced that it had opened its new R&D and manufacturing facility at Hood Park in Boston, Massachusetts. Located at the heart of one of Boston's newest innovation and R&D communities, the state-of-the-art Hood Park facility will enable Advent to scale-up and deliver on the increasing global demand for electrochemical components in the clean energy sector by including state-of-the-art coating machines to support the seamless transition from prototypes to production runs for advanced membranes and electrodes; a complete analytical facility dedicated to quality control, performance analysis, and improving product lifetime; fuel cell and water electrolysis test stations for statistical process control and development of next-generation MEA materials, and, a mechanical engineering lab for developing automated assembly processes for MEAs. One of the products to be manufactured at Hood Park is the ion-pair Advent MEA which is currently being developed within the framework of L'Innovator, Advent's joint development program with the U.S. Department of Energy. Advent intends that its proprietary fuel cell products such as Serene and Honey Badger 50™ will use the ion-pair Advent MEAs beginning in 2024.

Collaboration with the Department of Energy

The efforts with the constellation of Department of Energy National Laboratories (Los Alamos National Laboratory, LANL; Brookhaven National Laboratory, BNL; National Renewable Energy Laboratory, NREL) continue to gain momentum. This group of leading scientists and engineers is working closely with Advent's development and manufacturing teams and are furthering the understanding of breakthrough materials that will advance HT-PEM fuel cells. This next generation HT-PEM appears to be well suited for heavy duty transportation, marine, and aeronautical applications, as well as delivering benefits in cost and lifetime for stationary power systems used in telecom and other remote power markets.

Agreements with Hyundai Motor Company (“Hyundai”)

On April 6, 2022, Advent announced the signing of a technology assessment, sales, and development agreement with Hyundai, a leading multinational automotive manufacturer offering a range of world-class vehicles and mobility services in over 200 countries. Advent and Hyundai aim to deliver green energy solutions to current high carbon applications, using fuel cell technology. Under the agreement, Hyundai will provide catalysts to Advent for evaluation in its proprietary MEAs, while Advent intends to support Hyundai in fulfilling its fuel cell project needs, through:

- Developing inks and structures using Hyundai catalysts, which will then be evaluated by Hyundai. Following evaluation, Hyundai will determine whether their own or standard catalysts will be used for this project.
- Supplying MEAs throughout the development/commercialization cycle ("Advent MEAs") for testing, evaluation, and optimization under conditions set by Hyundai.
- Assisting Hyundai with the use and specifications of MEAs as well as their implementation into Hyundai's designs.

On March 23, 2023, Hyundai announced a successful technology assessment with Advent and following its success, Advent and Hyundai entered into a Joint Development Agreement ("JDA"). Under the agreement, Hyundai and Advent will work together to further develop HMC-Advent Ion Pair™ MEA, establish commercial criteria for MEA supply, and evaluate Advent's advanced fuel cell technology for Hyundai's heavy-duty and/or stationary application. Additionally, the parties will introduce advanced cooling technologies for mobility HT-PEM fuel cell stacks. Advent will work closely as Hyundai evaluates these stack cooling technologies and ensure optimal performance under different operating conditions.

This partnership builds upon a commitment from both companies to develop sustainable energy solutions for carbon-intensive applications. Hyundai aims to accelerate the establishment of a hydrogen-based society based on its vision, Progress for Humanity, and this JDA aligns with that vision. The synergy generated by combining the two companies' advanced technology in this JDA is expected to revolutionize the global MEA market by providing significant improvement in lifetime and an increase in power density versus current HT-PEM MEAs.

BASF Environmental Catalyst and Metal Solutions ("BASF")

On May 9, 2023, Advent and BASF, a global leader in precious metals and catalysis, concluded on the terms of a new agreement to join efforts in building a closed loop component supply chain for fuel cells and enter discussions to extend the partnership into the field of water electrolysis. For 20 years, BASF has been a leader in membrane and MEA technology for HT-PEM fuel cells with a strong foundation in precious metal services and catalysis. HT-PEM fuel cells operate at 120 to 180°C, offer a broad operating window and tolerate impurities in the hydrogen fuel source. The fuel cells also enable simplified cooling and need no humidification. Advent offers competitive fuel cell systems for stationary and portable applications based on methanol and on-site reforming. In the future, HT-PEM fuel cells will also be available for heavy duty mobility and marine power. The scope of the agreement includes BASF's role in scaling up MEA production at Advent's planned state-of-the-art manufacturing facility in Western Macedonia, Greece, while offering Advent its full portfolio of products and services to enable circularity in key materials. Both companies will cooperate on BASF's latest membrane development, Celtec®-Z, and the new Ion Pair™ MEA by Advent, aiming for improved performance, lifetime and cost competitiveness.

Advent and Safran Power Units Sign MoU to Advance HT-PEM Fuel Cell Technology for the Aerospace Sector

On May 31, 2023, Advent signed a memorandum of understanding ("MoU") with Safran Power Units, a leader in auxiliary power systems and turbojet engines. Leveraging Advent's proprietary Ion Pair™ MEA technology, and Safran Power Units' knowledge and capabilities in aerospace, this new collaboration seeks to advance the development of next-generation HT-PEM fuel cell technology, specifically for the aerospace sector.

HT-PEM enables more efficient heat management versus low temperature-PEM ("LT-PEM"). HT-PEM is more adapted for applications requiring high amounts of power combined with strong integration constraints such as aviation. HT-PEM is also more robust and can withstand tougher operating conditions, such as extreme temperatures and pollution, versus LT-PEM.

As part of the MoU, Advent and Safran Power Units are exploring a joint development agreement for the advancement of HT-PEM fuel cells in aviation and for enhancing Advent's supply capability.

Collaboration with Siemens Energy AG ("Siemens")

On February 9, 2023, we announced a new maritime collaboration with Siemens, a globally renowned energy technology company, offering sustainable solutions across the entire energy value chain. Advent and Siemens will work together to develop a 50kW–500kW maritime fuel cell solution for a range of superyachts, which will provide a sustainable and reliable source of auxiliary power and offer improved power density. This maritime fuel cell solution is initially expected to be used as a hybrid power source, enabling clean electricity generation instead of using conventional diesel engines and generators for procedures such as anchoring and maneuvering. As part of the agreement, Siemens has placed an initial order for twenty of Advent's methanol-powered Serene fuel cell systems. Following the completion of this project, the two parties will explore the potential of developing similar solutions for a wider range of business applications beyond maritime, such as industrial power solutions.

Collaboration with Alfa Laval

On January 10, 2023, Advent announced that it will collaborate with Alfa Laval, a global provider of heat transfer, separation, and fluid handling products, on a project to explore applications of Advent's methanol-powered HT-PEM fuel cells in the marine industry.

Funded by the Danish Energy Technology Development and Demonstration Program ("EUDP"), the project is a joint effort between Advent, Alfa Laval and a group of Danish shipowners. The project will focus on testing Advent's methanol-powered HT-PEM fuel cells as a source of marine auxiliary power. During the course of the project, the fuel cell system will undergo a risk assessment by a leading international classification society.

At the same time, the project aims to integrate the next generation of Advent's fuel cells. These fuel cells will be based on Advent's next-generation membrane electrode assembly, which is currently being developed within the framework of L'Innovator, Advent's joint development program with the U.S. Department of Energy. Aiming to meet the ever-growing power requirements of the maritime industry, Advent's next-generation fuel cells are expected to demonstrate a significant increase in lifetime, efficiency, and electrical output.

Selection of Wearable Fuel Cell for the DOD 2021 Validation Program

On March 31, 2021, we announced that Advent's 50 W 50W Reformed Methanol Wearable Fuel Cell Power System ("Honey Badger") had been selected by the U.S. Department of Defense's ("DOD") National Defense Center for Energy and Environment ("NDCEE") to take part in its demonstration/validation program for 2021. The NDCEE is a DOD program that addresses high-priority environmental, safety, occupational health, and energy technological challenges that are demonstrated and validated at active installations for military application. The Company believes Advent's Honey Badger 50™ ("HB50") fuel cell is the only fuel cell that is part of this program that supports the U.S. Army's goal of having a technology-enabled force by 2028.

Launch of the Honey Badger 50™ Fuel Cell System

On August 4, 2022, we announced the launch of our HB50 power system, a compact portable fuel cell system and quiet power supply for use in off-grid field applications such as military and rescue operations. The launch of Advent's portable power system coincided with Advent's fulfilment of its first shipment order from the U.S. Department of Defense. The HB50 power system can be fueled by biodegradable methanol, allowing near silent generation of up to 50W of continuous power with clean emissions. Designed for covert operations, HB50 can easily power radio and satellite communications gear, remote fixed and mobile surveillance systems, and laptop computers along with more general battery charging needs. HB50 is a unique technology that can provide 65% of weight savings versus batteries over a typical 72-hour mission. The weight savings benefit increases further for longer missions.

HB50's unique design allows it to be used in soldier-worn configurations or operated inside a portable backpack or vehicle while charging batteries and powering soldier systems, while its thermal features allow it to operate within an ambient temperature range of -20°C to +55°C. Aside from its optimized compatibility with Integrated Visual Augmentation System ("IVAS"), HB50 can also power devices such as high frequency radios like the model 117G, as well as B-GAN and StarLink terminals. HB50's durability allows it to be easily deployed in challenging conditions and climates while supporting mission mobility for three to seven days without the need to re-supply.

Since Honey Badger's fuel cell technology can run on hydrogen or liquid fuels, the system can operate at a fraction of the weight of traditional military-grade batteries to meet the U.S. Department of Defense's continuously evolving needs for 'on-the-go' electronics needs. As military adoption and use of IVAS equipment continues to evolve, the highly portable lightweight power solutions like Honey Badger and HB50 will become a mission critical necessity.

In September 2023, Advent secured a new \$2.2 million contract with the U.S. DOD. This milestone achievement comes under the General Technical Services prime contract and will play a crucial role in supporting the demanding defense mission requirements of the U.S. Army. This contract is the continuation of a series of past contracts with the U.S. DOD and its primary objective is to further optimize Advent's proprietary Honey Badger 50™ portable fuel cell system by integrating the Company's innovative *Ion Pair* MEA technology. Upon the completion of this new 12-month contract, Advent and the U.S. DOD aim to reinforce their long-term collaboration by focusing on the manufacturing process of the enhanced HB50 fuel cell system, that will enable high-volume production manufacturing capacity. MEAs form the heart of the fuel cell, and their performance determines the lifetime, efficiency, weight, and to a large extent, the cost of the end electrochemistry products. Advent's *Ion Pair* MEA technology is anticipated to significantly enhance HB50's performance, resulting in higher power density and improved compact packaging, making it an ideal solution for off-grid field applications, including military and rescue operations.

Key Factors Affecting Our Results

Advent believes that its performance and future success depend on several factors that present significant opportunities for Advent but also pose risks and challenges, including those discussed below.

Increased Customer Demand

Based on conversations with existing customers and incoming inquiries from new customers, Advent anticipates substantial increased demand for its fuel cell systems and MEAs from a wide range of customers as it scales up its production facilities and testing capabilities, and as the awareness of its MEA capabilities becomes widely known in the industry. Advent expects both its existing customers to increase order volume, and to generate substantial new orders from major organizations, with some of whom it is already in discussions regarding prospective commercial partnerships and joint development agreements. As of **June 30, 2023** **September 30, 2023**, Advent was still generating a low level of revenues compared to its future projections and has not made any commercial sales to these major organizations.

Successful development of the Ion Pair™ MEA product

Advent's future success depends in large part on the increasing integration of the hydrogen fuel cell into the energy transition globally over the next decade. In order to become cost-competitive with existing renewable power generation and energy storage technology and achieve widespread adoption, fuel cells will need to achieve substantial improvement in the cost/kw performance ratio delivered to prospective fuel cell customers, predominantly OEMs, system integrators and major energy companies. Advent expects to play an important enabling role in the adoption of hydrogen fuel cells, as its MEA technology is the critical determining factor in the cost/kw performance ratio of the fuel cells. In partnership with the Los Alamos National Laboratory, Advent is currently developing its next generation MEA technology ("Ion Pair™ MEA") which is anticipated to deliver as much as three times the power output of its current MEA product. While Advent is already projecting being able to pass through cost benefits to its customers through economies of scale as it increases MEA production, the successful development of the Ion Pair™ MEA will be an important factor in delivering the required improvement in cost/kw performance to Advent's customers.

Basis of Presentation

Advent's consolidated financial statements have been prepared in accordance with U.S. GAAP. Advent has determined that it operates in one reportable segment. See Note 1 "Basis of Presentation" in the accompanying consolidated financial statements for more information.

Components of Results of Operations

Revenue

Revenues consist of sales of goods (MEAs, membranes, fuel cell stacks, fuel cell systems and electrodes) and servicing of those systems, as well as engineering fees. Advent expects revenues to increase materially and be weighted towards fuel cell systems and MEA sales over time.

Cost of Revenues

Cost of revenues consists of consumables, raw materials, processing costs and direct labor costs associated with the assembly, manufacturing, and servicing of MEAs, membranes, fuel cell stacks and systems, and electrodes. Advent expects cost of revenues to increase substantially in line with increased production. Advent recognizes cost of revenues in the period that revenues are recognized.

Income from Grants

Income from grants consists of cash subsidies received from research agencies and other national and international organizations in support of Advent's research and development activities. Advent expects to continue to be eligible for grant income and remains in discussion with a number of prospective grantors in relation to a number of product development activities.

Research and Development Expenses

Research and development expenses consist of costs associated with Advent's research and development activities, such as laboratory costs and sample material costs. Advent expects its research and development activities to increase as it invests in improved technology and products.

Administrative and Selling Expenses

Administrative and selling expenses consist of travel expenses, indirect labor costs, fees paid to consultants, third parties and service providers, taxes and duties, legal and audit fees, depreciation, business development salaries and limited marketing activities, and incentive and stock-based compensation expense. Advent expects administrative and selling expenses to increase in line with production and revenue as the business scales up, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities and other administrative and professional services. Depreciation is also expected to increase as we invest in fixed assets in support of the scale-up of the business.

Amortization of Intangibles

Intangible assets of \$4.7 million recognized on the acquisition of UltraCell were the Trade Name "UltraCell" (\$0.4 million) and Patented Technology (\$4.3 million). The Trade Name has an indefinite useful life while the Patented Technology has a useful life of 10 years, for which amortization expense of \$0.1 million \$0.0 million and \$0.1 million was recognized for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively. Amortization expense of \$0.2 million and \$0.2 million \$0.3 million was recognized for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

Intangible assets of \$19.8 million recognized on the acquisition of SerEnergy and FES were Patents amounting to \$16.9 million, Process know-how (IPR&D) amounting to \$2.6 million, and Order backlog amounting to \$0.3 million. The Patents have a useful life of 10 years, the Process know-how has a useful life of 6 years and the Order backlog has a useful life of 1 year. Amortization expense of \$0.1 million and \$0.6 million was recognized in relation to these intangibles for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively. Amortization expense of \$0.2 million \$0.3 million and \$1.2 million \$1.8 million was recognized in relation to these intangibles for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. The reduction in amortization expense is due to significant impairment charges that were recognized in the fourth quarter of 2022 and second quarter of 2023.

Impairment Losses

We recognized impairment losses in the second quarter of 2023, primarily related to goodwill and other intangible assets from the UltraCell and SerEnergy and FES acquisitions. Refer to "Critical Accounting Policies and Estimates" disclosure for further details.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability amounting to \$0.1 million \$(0.1) million and \$0.5 million \$0.4 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, represents the change in fair value of the Private Placement Warrants and Working Capital Warrants. The change in fair value of warrant liability amounting to \$(0.2) \$(0.9) million and \$8.2 million \$7.2 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively, represents the change in fair value of the Private Placement Warrants and Working Capital Warrants.

Finance Income / (Expenses), net

Finance income / (expenses) consist mainly of bank and interest charges.

Foreign Exchange Gains / (Losses), net

Foreign exchange gains / (losses) consists of foreign exchange gains or losses on transactions denominated in foreign currencies and on translation of monetary items denominated in foreign currencies. As Advent scales up, our foreign exchange exposure is likely to increase given its revenues are denominated in both euros and dollars, and a portion of our costs are denominated in euros and Danish krone.

Income Taxes

During the three and six nine months ended June 30, 2023 September 30, 2023, we recorded income tax provisions benefit (provision) of \$4 \$80 thousand and \$0.8 million, \$(0.7) million, respectively, mainly related to management's recoverability assessment of research and development tax credits in Denmark. During the three and six nine months ended June 30, 2022 September 30, 2022, we recorded income tax benefits of \$0.4 million \$0.6 million and \$1.1 million \$1.7 million, respectively, mainly related to net operating loss carryforwards in Denmark that resulted in a deferred tax asset. As of June 30, 2023 September 30, 2023 and December 31, 2022, we provided a valuation allowance to offset the deferred tax asset related to the net operating loss carryforwards in Denmark.

Results of Operations

Comparison of the Three Months Ended June 30, 2023 September 30, 2023 to Three Months Ended June 30, 2022 September 30, 2022

The following table sets forth a summary of our consolidated results of operations for the three months ended June 30, 2023 September 30, 2023 and 2022, and the changes between periods.

(Amounts in thousands, except share and per share amounts)	Three months ended June 30, (Unaudited)		\$ change	% change
	2023	2022		
Revenue, net	\$ 1,112	\$ 2,225	\$ (1,113)	(50.0)%
Cost of revenues	(1,905)	(2,270)	365	(16.1)%
Gross loss	(793)	(45)	(748)	1,662.2%
Income from grants	660	209	451	215.8%
Research and development expenses	(2,883)	(2,642)	(241)	9.1%
Administrative and selling expenses	(8,331)	(7,956)	(375)	4.7%
Sublease income	138	-	138	N/A
Amortization of intangibles	(188)	(718)	530	(73.8)%
Credit loss – customer contracts	(127)	-	(127)	N/A
Impairment losses	(9,763)	-	(9,763)	N/A
Operating loss	(21,287)	(11,152)	(10,135)	90.9%
Fair value change of warrant liability	99	(217)	316	(145.6)%
Finance income / (expenses), net	8	1	7	700.0%
Foreign exchange gains / (losses), net	159	(1)	160	(16,000.0)%
Other income / (expenses), net	(806)	(218)	(588)	269.7%
Loss before income tax	(21,827)	(11,587)	(10,240)	88.4%
Income tax	(4)	439	(443)	(100.9)%
Net loss	\$ (21,831)	\$ (11,148)	\$ (10,683)	95.8%
Net loss per share				
Basic loss per share	(0.41)	(0.22)	(0.19)	N/A
Basic weighted average number of shares	53,417,230	51,476,822	N/A	N/A
Diluted loss per share	(0.41)	(0.22)	(0.19)	N/A
Diluted weighted average number of shares	53,417,230	51,476,822	N/A	N/A

(Amounts in thousands, except share and per share amounts)	Three months ended September 30, (Unaudited)		\$ change	% change
	2023	2022		
Revenue, net	\$ 1,264	\$ 2,399	\$ (1,135)	(47.3)%
Cost of revenues	(2,456)	(2,339)	(117)	5.0%
Gross loss	(1,192)	60	(1,252)	(2,086.7)%
Income from grants	496	294	202	68.7%
Research and development expenses	(2,131)	(2,547)	416	(16.3)%
Administrative and selling expenses	(8,916)	(8,203)	(713)	8.7%
Sublease income	139	-	139	N/A
Amortization of intangibles	(117)	(696)	579	(83.2)%
Credit loss – customer contracts	64	-	64	N/A
Impairment losses	-	-	-	N/A
Operating loss	(11,657)	(11,092)	(565)	5.1%
Fair value change of warrant liability	(134)	(911)	777	(85.3)%
Finance income / (expenses), net	-	-	-	N/A
Foreign exchange gains / (losses), net	(12)	(33)	21	(63.6)%
Other income / (expenses), net	(123)	1	(124)	(12,400.0)%
Loss before income tax	(11,926)	(12,035)	109	(0.9)%
Income tax	80	567	(487)	(85.9)%
Net loss	\$ (11,846)	\$ (11,468)	\$ (378)	3.3%
Net loss per share				
Basic loss per share	(0.20)	(0.22)	0.02	N/A
Basic weighted average number of shares	60,371,473	51,660,133	N/A	N/A
Diluted loss per share	(0.20)	(0.22)	0.02	N/A
Diluted weighted average number of shares	60,371,473	51,660,133	N/A	N/A

Revenue, net

Our total revenue from product sales decreased by approximately \$1.1 million from approximately \$2.2 million \$2.4 million in the three months ended June 30, 2022 September 30, 2022 to approximately \$1.1 million \$1.3 million in the three months ended June 30, 2023 September 30, 2023. The decrease was driven by a decline in volume of fuel cell systems and components in the three months ended June 30, 2023 September 30, 2023.

Cost of Revenues

Cost of revenues decreased increased by approximately \$0.4 million \$0.2 million from approximately \$2.3 million in the three months ended June 30, 2022 September 30, 2022 to approximately \$1.9 million \$2.5 million in the three months ended June 30, 2023 September 30, 2023. The decrease increase in cost of revenues was related to an increase in the decrease in revenue during the period. provision for slow-moving inventory.

Research and Development Expenses

Research and development expenses were approximately \$2.9 million \$2.1 million and \$2.6 million \$2.5 million in the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, primarily related to internal research and development costs, as well as our cooperative research and development agreement with the U.S. Department of Energy.

Administrative and Selling Expenses

Administrative and selling expenses were approximately \$8.9 million in the three months ended September 30, 2023, and \$8.2 million in the three months ended September 30, 2022. The increase was primarily due to expenses related to the operation of the new Hood Park facility in the three months ended September 30, 2023.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability amounting to \$(0.1) million and \$(0.9) million was due to the change in fair value of the Private Placement Warrants and Working Capital Warrants for the three months ended September 30, 2023 and 2022, respectively.

Other Income / (Expenses), Net

Other income / (expenses) of \$(0.1) million for the three months ended September 30, 2023 primarily relate to the Lincoln Park Purchase Agreement. During the three months ended September 30, 2023, the Company incurred approximately \$0.1 million of expenses related to the discount on the issuance of common stock to Lincoln Park.

Comparison of the Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022

The following table sets forth a summary of our consolidated results of operations for the nine months ended September 30, 2023 and 2022, and the changes between periods.

(Amounts in thousands, except share and per share amounts)	Nine months ended September 30, (Unaudited)		\$ change	% change
	2023	2022		
Revenue, net	\$ 3,353	\$ 5,880	\$ (2,527)	(43.0)%
Cost of revenues	(5,845)	(6,126)	281	(4.6)%
Gross loss	(2,492)	(246)	(2,246)	913.0%
Income from grants	1,690	1,011	679	67.2%
Research and development expenses	(8,155)	(7,338)	(817)	11.1%
Administrative and selling expenses	(25,736)	(26,657)	921	(3.5)%
Sublease income	404	-	404	N/A
Amortization of intangibles	(526)	(2,113)	1,587	(75.1)%
Credit loss – customer contracts	(63)	-	(63)	N/A
Impairment losses	(9,763)	-	(9,763)	N/A
Operating loss	(44,641)	(35,343)	(9,298)	26.3%
Fair value change of warrant liability	355	7,248	(6,893)	(95.1)%
Finance income / (expenses), net	118	(9)	127	N/A
Foreign exchange gains / (losses), net	106	(51)	157	(307.8)%
Other income / (expenses), net	(883)	(220)	(663)	301.4%
Loss before income tax	(44,945)	(28,375)	(16,570)	58.4%
Income tax	(720)	1,663	(2,383)	(143.3)%
Net loss	\$ (45,665)	\$ (26,712)	\$ (18,953)	71.0%
Net loss per share				
Basic loss per share	(0.83)	(0.52)	(0.31)	N/A
Basic weighted average number of shares	55,294,610	51,465,004	N/A	N/A
Diluted loss per share	(0.83)	(0.52)	(0.31)	N/A
Diluted weighted average number of shares	55,294,610	51,465,004	N/A	N/A

Revenue, net

Our total revenue from product sales decreased by approximately \$2.5 million from approximately \$5.9 million in the nine months ended September 30, 2022 to approximately \$3.4 million in the nine months ended September 30, 2023. The decrease was driven by a decline in volume of fuel cell systems and components in the nine months ended September 30, 2023.

Cost of Revenues

Cost of revenues decreased by approximately \$0.3 million from approximately \$6.1 million in the nine months ended September 30, 2022 to approximately \$5.8 million in the nine months ended September 30, 2023. The decrease in cost of revenues was related to the decrease in revenue during the period, partially offset by an increase in the provision for slow-moving inventory.

Research and Development Expenses

Research and development expenses were approximately \$8.2 million and \$7.3 million in the nine months ended September 30, 2023 and 2022, respectively, primarily related to internal research and development costs, as well as our cooperative research and development agreement with the U.S. Department of Energy.

Administrative and Selling Expenses

Administrative and selling expenses were approximately \$8.3 million \$25.7 million in the three nine months ended June 30, 2023 September 30, 2023, and \$8.0 million \$26.7 million in the three nine months ended June 30, 2022. The increase was primarily due to expenses related to the operation of the new Hood Park facility in the three months ended June 30, 2023.

Impairment Losses

We recognized impairment losses of \$9.8 million in the second quarter of 2023, primarily related to goodwill and other intangible assets from the UltraCell and SerEnergy and FES acquisitions. Refer to "Critical Accounting Policies and Estimates" disclosure for further details.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability amounting to \$0.1 million and \$(0.2) million was due to the change in fair value of the Private Placement Warrants and Working Capital Warrants for the three months ended June 30, 2023 and 2022, respectively.

Other Income / (Expenses), Net

Other income / (expenses) of \$(0.8) million for the three months ended June 30, 2023 primarily relate to the Lincoln Park Purchase Agreement. Approximately \$0.6 million was paid in Common Stock to Lincoln Park as a commitment fee and \$0.03 million to reimburse Lincoln Park for expenses.

Comparison of the Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022

The following table sets forth a summary of our consolidated results of operations for the six months ended June 30, 2023 and 2022, and the changes between periods.

	Six months ended June 30, (Unaudited)		\$ change	% change
	2023	2022		
(Amounts in thousands, except share and per share amounts)				
Revenue, net	\$ 2,089	\$ 3,481	\$ (1,392)	(40.0)%
Cost of revenues	(3,389)	(3,787)	398	(10.5)%
Gross loss	(1,300)	(306)	(994)	324.8%
Income from grants	1,194	717	477	66.5%
Research and development expenses	(6,024)	(4,791)	(1,233)	25.7%
Administrative and selling expenses	(16,820)	(18,454)	1,634	(8.9)%
Sublease income	265	-	265	N/A
Amortization of intangibles	(409)	(1,417)	1,008	(71.1)%
Credit loss – customer contracts	(127)	-	(127)	N/A
Impairment losses	(9,763)	-	(9,763)	N/A
Operating loss	(32,984)	(24,251)	(8,733)	36.0%
Fair value change of warrant liability	489	8,159	(7,670)	(94.0)%
Finance income / (expenses), net	118	(9)	127	(1,411.1)%
Foreign exchange gains / (losses), net	118	(18)	136	(755.6)%
Other income / (expenses), net	(760)	(221)	(539)	243.9%
Loss before income tax	(33,019)	(16,340)	(16,679)	102.1%
Income tax	(800)	1,096	(1,896)	(173.0)%
Net loss	\$ (33,819)	\$ (15,244)	\$ (18,575)	121.8%
Net loss per share				
Basic loss per share	(0.64)	(0.30)	(0.34)	N/A
Basic weighted average number of shares	52,714,105	51,365,823	N/A	N/A
Diluted loss per share	(0.64)	(0.30)	(0.34)	N/A
Diluted weighted average number of shares	52,714,105	51,365,823	N/A	N/A

Revenue, net

Our total revenue from product sales decreased by approximately \$1.4 million from approximately \$3.5 million in the six months ended June 30, 2022 to approximately \$2.1 million in the six months ended June 30, 2023. The decrease was driven by a decline in volume of fuel cell systems and components in the six months ended June 30, 2023.

Cost of Revenues

Cost of revenues decreased by approximately \$0.4 million from approximately \$3.8 million in the six months ended June 30, 2022 to approximately \$3.4 million in the six months ended June 30, 2023. The decrease in cost of revenues was related to the decrease in revenue during the period.

Research and Development Expenses

Research and development expenses were approximately \$6.0 million and \$4.8 million in the six months ended June 30, 2023 and 2022, respectively, primarily related to internal research and development costs, as well as our cooperative research and development agreement with the U.S. Department of Energy.

Administrative and Selling Expenses

Administrative and selling expenses were approximately \$16.8 million in the six months ended June 30, 2023, and \$18.5 million in the six months ended June 30, 2022. The decrease was primarily due to administrative cost reductions implemented throughout 2022 and a reduction in directors and officers insurance expense in the six months ended June 30, 2023. September 30, 2023.

Impairment Losses

We recognized impairment losses of \$9.8 million in the second quarter of 2023, primarily related to goodwill and other intangible assets from the UltraCell and SerEnergy and FES acquisitions. Refer to *Critical Accounting Policies and Estimates* disclosure for further details.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability amounting to \$0.5 million, \$0.4 million and \$8.2 million, \$7.2 million was due to the change in fair value of the Private Placement Warrants and Working Capital Warrants for the six, nine months ended June 30, 2023, September 30, 2023 and 2022, respectively.

Other Income / (Expenses), Net

Other income / (expenses) of \$(0.8), \$(0.9) million for the six, nine months ended June 30, 2023, September 30, 2023 primarily relate to the Lincoln Park Purchase Agreement. Approximately \$0.6 million was paid in Common Stock to Lincoln Park as a commitment fee and \$0.03 million to reimburse Lincoln Park for expenses. During the nine months ended September 30, 2023, the Company incurred approximately \$0.3 million of expenses, respectively, related to the discount on the issuance of common stock to Lincoln Park.

Liquidity and Capital Resources

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date that the unaudited condensed consolidated financial statements are issued. The Company's ability to meet its liquidity needs will largely depend on its ability to generate cash in the future. During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, the Company used **\$18.9 million** **\$26.3 million** of cash in operating activities, and the Company's ability to generate cash in the future is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond the Company's control. The transition to profitability is dependent upon the successful development, approval, and commercialization of its products and the achievement of a revenue level adequate to support its cost structure. Based on the Company's current operating plan, the Company believes that its cash and cash equivalents as of **June 30, 2023** **September 30, 2023** of **\$10.1 million**

\$3.7 million will not be sufficient to fund operations and capital expenditures for the twelve months following the filing of this Quarterly Report on Form 10-Q, and the Company will need to obtain additional funding. In July 2022, the Company received official ratification from the European Commission of the European Union for one of the Important Projects of Common European Interest ("IPCEI"), Green HiPo. This project provides for the availability of funding of up to €782.1 million over the next six years. As of the issuance date of the unaudited condensed consolidated financial statements, the Company has not received an agreement which provides the terms of the funding. In addition, on April 10, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("Lincoln Park"), which provides that the Company has the right, but not the obligation, to sell to Lincoln Park up to \$50 million worth of shares of the Company's Common Stock, from time to time over the 36 month 36-month term of the Purchase Agreement. Concurrently with entering into the Purchase Agreement, the Company also entered into a registration rights agreement with Lincoln Park, pursuant to which the Company agreed to register the resale of the shares of the Company's Common Stock that have been and may be issued to Lincoln Park under the Purchase Agreement pursuant to a registration statement (the "Registration Statement"). The Registration Statement was filed on April 21, 2023 and declared effective on May 2, 2023. Per the terms of the Purchase Agreement, the Company will be unable to sell shares of the Company's Common Stock to Lincoln Park if the sale price falls below \$0.50 per share. On June 2, 2023, the Company entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC, as sales agent (the "Agent"), for an at-the-market equity program under which it may sell up to \$50 million of shares of the Company's Common Stock from time to time through the Agent. The Company has no obligation to sell, and the Agent is not obligated to buy or sell, any of the shares under the ATM Agreement and may at any time suspend offers under the ATM Agreement or terminate the ATM Agreement. The ATM Offering will terminate upon the earlier of (i) the issuance and sale of all shares of our Common Stock subject to the ATM Agreement, or (ii) the termination of the ATM Agreement as permitted therein. There is no assurance that the Company will have full access to either facility over the next twelve months. If the Company is unable to obtain sufficient funding, it could be required to delay its development efforts, limit activities and reduce research and development costs, which could adversely affect its business prospects. Because of the uncertainty in securing additional funding and the insufficient amount of cash and cash equivalents as of the financial statement filing date, management has concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern for one year from the date the unaudited condensed consolidated financial statements are issued.

The following table sets forth a summary of our consolidated cash flows for the **six** months ended **June 30, 2023** **September 30, 2023** and 2022, and the changes between periods.

<i>(Amounts in thousands)</i>	Six Months Ended June 30, (Unaudited)		\$ change	% change
	2023	2022		
Net Cash used in Operating Activities	\$ (18,899)	\$ (29,356)	\$ 10,457	(35.6)%
Cash Flows from Investing Activities:				
Purchases of property and equipment	(2,348)	(2,673)	325	(12.2)%
Purchases of intangible assets	-	(121)	121	(100.0)%
Advances for the acquisition of property and equipment	(1,214)	-	(1,214)	N/A
Acquisition of available for sale financial assets	-	(328)	328	(100.0)%
Acquisition of subsidiaries	(1,864)	-	(1,864)	N/A
Net Cash used in Investing Activities	\$ (5,426)	\$ (3,122)	\$ (2,304)	73.8%
Cash Flows from Financing Activities:				
Proceeds of issuance of common stock and paid-in capital	3,410	-	3,410	N/A
Net Cash provided by Financing Activities	\$ 3,410	\$ -	\$ 3,410	N/A
Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ (20,915)	\$ (32,478)	\$ 11,563	(35.6)%
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	94	(750)	844	(112.5)%
Cash, cash equivalents, restricted cash and restricted cash equivalents at the beginning of year	33,619	79,764	(46,145)	(57.9)%
Cash, cash equivalents, restricted cash and restricted cash equivalents at the end of period	\$ 12,798	\$ 46,536	\$ (33,738)	(72.5)%

(Amounts in thousands)	Nine Months Ended September 30, (Unaudited)		\$ change	% change
	2023	2022		
Net Cash used in Operating Activities	\$ (26,338)	\$ (32,166)	\$ 5,828	(18.1)%
Cash Flows from Investing Activities:				
Purchases of property and equipment	(3,226)	(3,549)	323	(9.1)%
Purchases of intangible assets	-	(117)	117	(100.0)%
Advances for the acquisition of property and equipment	(1,255)	-	(1,255)	N/A
Acquisition of available for sale financial assets	-	(319)	319	(100.0)%
Acquisition of subsidiaries	(1,864)	-	(1,864)	N/A
Net Cash used in Investing Activities	\$ (6,345)	\$ (3,985)	\$ (2,360)	59.2%
Cash Flows from Financing Activities:				
State refundable deposit repayment	-	(41)	41	(100.0)%
Proceeds of issuance of common stock and paid-in capital	5,488	-	5,488	N/A
Net Cash provided by Financing Activities	\$ 5,488	\$ (41)	\$ 5,529	N/A
Net (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ (27,195)	\$ (36,192)	\$ 8,997	(24.9)%
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	5	(1,126)	1,131	(100.4)%
Cash, cash equivalents, restricted cash and restricted cash equivalents at the beginning of year	33,619	79,764	(46,145)	(57.9)%
Cash, cash equivalents, restricted cash and restricted cash equivalents at the end of period	\$ 6,429	\$ 42,446	\$ (36,017)	(84.9)%

Cash flows used in Operating Activities

Advent's cash flows from operating activities reflect the income statement position adjusted for working capital movements in current assets and liabilities. As Advent grows, it expects that operating cash flows will be affected by increased working capital needs and growth in personnel-related expenditures.

Net cash used in operating activities was approximately \$(18.9) \$(26.3) million and \$(29.4) \$(32.2) million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, which related to outflows in connection with administrative and selling expenses, an increase in inventory, research and development expenses, and costs associated with insurances services and other personnel costs. Operating cash flow for the six nine months ended June 30, 2022 September 30, 2022 also included payments of signing bonuses, incentive compensation and executive severance.

Cash Flows used in Investing Activities

Advent's cash flows used in investing activities was approximately \$(5.4) \$(6.3) million and \$(3.1) \$(4.0) million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, which mostly related to the acquisition of property, plant and equipment. Investing cash flow for the six nine months ended June 30, 2023 September 30, 2023 also included a \$1.9 million payment to complete the acquisition of our fuel cell systems business in Denmark, Germany and the Philippines.

Cash Flows provided by Financing Activities

Advent's cash flows from financing activities was approximately \$3.4 million \$5.5 million for the six nine months ended June 30, 2023 September 30, 2023, which related to the net cash proceeds from the sale of shares under the Lincoln Park facility.

Contract Assets and Contract Liabilities

Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing. As of June 30, 2023 September 30, 2023 and December 31, 2022, Advent recognized contract assets of \$0.1 million and \$0.1 million, respectively, on the consolidated balance sheets.

Advent recognizes contract liabilities when we receive customer payments or have the unconditional right to receive consideration in advance of the performance obligations being satisfied on our contracts. We receive payments from customers based on the terms established in our contracts. Contract liabilities are classified as either current or long-term liabilities in the consolidated balance sheets based on the timing of when we expect to recognize the related revenue. As of June 30, 2023 September 30, 2023 and December 31, 2022, Advent recognized contract liabilities of \$1.0 million \$0.7 million and \$1.0 million, respectively, in the consolidated balance sheets. During the six nine months ended June 30, 2023 September 30, 2023, we recognized \$0.1 million in revenues.

Off-Balance Sheet Commitments and Arrangements

Since the date of our incorporation, Advent has not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Estimates

Advent's consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires Advent to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date, as well as the reported expenses incurred during the reporting period. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates, and such differences could be material to Advent's financial statements.

Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act of 1934, as amended (the "Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. Advent elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, Advent, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard, until such time Advent is no longer considered to be an emerging growth company. At times, Advent may elect to early adopt a new or revised standard. See Note 2 in the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information about the recent accounting pronouncements adopted and not yet adopted.

In addition, Advent intends to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an emerging growth company, Advent intends to rely on such exemptions, Advent is not required to, among other things: (a) provide an auditor's attestation report on Advent's system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (b) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis); and (d) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

Advent will remain an emerging growth company under the JOBS Act until the earliest of (a) the last day of Advent's first fiscal year following the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended, (b) the last date of Advent's fiscal year in which Advent has total annual gross revenue of at least \$1.235 billion, (c) the date on which Advent is deemed to be a "large accelerated filer" under the rules of the SEC with at least \$700.0 million of outstanding securities held by non-affiliates or (d) the date on which Advent has issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

While Advent's significant accounting policies are described in the notes to Advent's financial statements (see Note 2 in the unaudited condensed consolidated financial statements), Advent believes that the following accounting policies require a greater degree of judgment and complexity. Accordingly, these are the policies Advent believes are the most critical to aid in fully understanding and evaluating Advent's financial condition and results of operations.

Revenue Recognition from January 1, 2019

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), as amended, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. We adopted ASU No. 2014-09 on January 1, 2019, using the modified retrospective approach to all contracts not completed at the date of initial application.

In accordance with ASC 606, revenue is recognized when control of the promised goods or services are transferred to a customer in an amount that reflects the consideration that Advent expects to receive in exchange for those services. We apply the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its arrangements:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,

- allocate the transaction price to performance obligations in the contract, and
- recognize revenue as the performance obligation is satisfied.

With significant and recurring customers, we negotiate written master agreements as framework agreements (general terms and conditions of trading), following individual purchase orders. For customers with no master agreements, the approved purchase orders form the contract. Effectively, contracts under the revenue standard have been assessed to be the purchase orders agreed with customers.

We have assessed that each product sold is a single performance obligation because the promised goods are distinct on their own and within the context of the contract. In cases where the agreement includes customization services for the contracted products, we are providing integrated services; therefore, the goods are not separately identifiable, but are inputs to produce and deliver a combined output and form a single performance obligation within the context of the contract. Furthermore, we assessed whether it acts as a principal or agent in each of its revenue arrangements and has concluded that in all sales transactions it acts as a principal. Additionally, we, taking into consideration the guidance and indicative factors provided by ASC 606, concluded that it provides assurance type warranties (warranty period is up to two years) as it does not provide a service to the customer beyond fixing defects that existed at the time of sale. We, based on historical performance, current circumstances, and projections of trends, estimated that no allowance for returns as per warranty policy should be recognized, at the time of sale, accounted for under ASC 460, Guarantees.

Under ASC 606, we estimate the transaction price, including variable consideration, at the commencement of the contract and recognize revenue over the contract term, rather than when fees become fixed or determinable. In other words, where contracts with customers include variable consideration (i.e. volume rebates), we estimate at contract inception the variable consideration and adjust the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Furthermore, no material rights or significant financing components have been identified in our contracts. Payment terms generally include advance payment requirements. The time between a customer's payment and completion of the performance obligation is less than one year. Payment terms are in the majority fixed and do not include variable consideration, except from volume rebates.

Revenue from satisfaction of performance obligations is recognized based on identified transaction price. The transaction price reflects the amount to which we have rights under the present contract. It is allocated to the distinct performance obligations based on standalone selling prices of the services promised in the contract. In cases of more than one performance obligation, we allocate transaction price to the distinct performance obligations in proportion to their observable stand-alone selling prices and recognize revenue as those performance obligations are satisfied.

In the majority of cases of product sales, revenue is recognized at a point in time when the customer obtains control of the respective goods that is, when the products are shipped from our facilities as control passes to the customer in accordance with agreed contracts and the stated shipping terms. In cases where the contract includes customization services, in which one performance obligation is identified, revenue is recognized over time as our performance does not create an asset with alternative use and we have an enforceable right to payment for performance completed to date. We use the input method (i.e., cost-to-cost method) to measure progress towards complete satisfaction of the performance obligation.

Income from grants and related deferred income

Grants include cash subsidies received from various institutions and organizations. Grants are recognized as other income. Such amounts are recognized in the consolidated statements of operations when all conditions attached to the grants are fulfilled.

Condition to the grants would not be fulfilled unless related costs have been characterized as eligible by the grantors, are actually incurred and there is certainty that costs are allowable. These grants are recognized as deferred income when received and recorded in income when the eligible and allowable related costs and expenses are incurred. Under all grant programs, a coordinator is specified. The coordinator, among other, receives the funding from the grantor and proceeds to its distribution to the parties agreed in the process specified in the program. We assessed whether it acts as a principal or agent in its role as a coordinator for specific grants and has concluded that in all related transactions it acts as an agent.

Goodwill

Advent allocates the fair value of purchase consideration transferred in a business acquisition to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration transferred over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired licenses, trade names, in process research and development ("R&D"), patents, customer clientele, customer contracts and know-how, as well as useful lives and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, Advent may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statements of operations.

For significant acquisitions, Advent obtains independent appraisals and valuations of the intangible (and certain tangible) assets acquired and certain assumed obligations as well as equity. Advent analyzes each acquisition individually and all acquisitions within each reporting period in aggregate to determine if those are material acquisitions in the context of ASC 805-10-50.

The estimated fair values and useful lives of identified intangible assets are based on many factors, including estimates and assumptions of future operating performance and cash flows of the acquired business, estimates of cost avoidance, the nature of the business acquired, the specific characteristics of the identified intangible assets and our historical experience and that of the acquired business. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including product demand, market conditions, regulations affecting the business model of our operations, technological developments, economic conditions and competition.

We conduct a goodwill impairment analysis annually in the fourth fiscal quarter, or more frequently, if changes in facts and circumstances indicate that the fair value of our reporting units may be less than their carrying amounts. In testing goodwill for impairment, we first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, we determine it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. When Advent determines a fair value test is necessary, we estimate the fair value of a reporting unit and compare the result with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment is recorded equal to the amount by which the carrying value exceeds the fair value, up to the amount of goodwill associated with the reporting unit. Currently, we have identified three reporting units.

The Company performed a qualitative analysis for the quarter ended June 30, 2023 and determined that triggering events for two of the Company's reporting units, UltraCell and SerEnergy / FES, had occurred which would require testing goodwill and long-lived assets, including definite-lived intangibles, for impairment.

The Company considered the triggering events related to current and expected future economic and market conditions and their impact on the Company, as well as the current revenue forecasts. Given certain market factors, the Company determined that these triggering events had occurred and would require a quantitative analysis to be performed.

As a part of the impairment assessment, the Company updated significant fair value input assumptions including revenues, margin, and capital expenditures to reflect current market conditions. Other changes in valuation assumptions included increases in interest rates and market volatility, resulting in higher discount rates.

UltraCell Reporting Unit

In the second quarter of 2023, the Company updated the forecasted future cash flows of UltraCell used in the fair value measurement of the intangible assets and goodwill using a combination of market, cost and income approach methods. The Company is phasing out use of the UltraCell trade name and therefore recognized an impairment charge of \$0.4 million during the period. The Patented Technology was valued with the multi-period excess earnings method, which is an income approach. The discount rate used for the valuation of the Patented Technology increased to 17.7% from 11.6% at the time of the acquisition of UltraCell. The Company determined that the undiscounted cash flows related to the Patented Technology was less than the current carrying value and therefore recognized an impairment charge of \$3.3 million during the period. The Company determined that the fair value of the reporting unit utilizing the updated forecast was less than its current carrying value. As a result, the Company recorded a goodwill impairment charge of \$0.6 million, during the period.

SerEnergy and FES Reporting Unit

In the second quarter of 2023, the Company updated the forecasted future cash flows of SerEnergy and FES used in the fair value measurement of the intangible assets and goodwill using a combination of market, cost and income approach methods. The Company acquired finite-lived intangible assets, including patents, process know-how, and order backlog in conjunction with the SerEnergy and FES acquisition. The Company determined the undiscounted cash flows attributable to the IPR&D was greater than the current carrying value. As a result, the Company believes that the updated long-term forecast did not indicate impairment related to IPR&D. All other finite-lived intangible assets related to the SerEnergy and FES acquisition were previously fully amortized or impaired. The Company determined that the fair value of the reporting unit was \$13.6 million utilizing the updated forecast, which was less than its current carrying value. As a result, the Company recorded a goodwill impairment charge of \$5.1 million, during the period.

In the event there are further adverse changes in the Company's projected cash flows and/or further changes in key assumptions, including but not limited to an increase in the discount rate, lower market multiples, lower revenue growth, lower margin, and/or a lower terminal growth rate, the Company may be required to record non-cash impairment charges to its intangible assets and/or long-lived assets. Such non-cash charges could have a material adverse effect on the Company's consolidated statements of operations and balance sheets in the reporting period of the charge. The assessment is sensitive to broader market conditions, including the discount rate and market multiples, and to the Company's estimated future cash flows.

Income Taxes

Advent follows the asset and liability method of accounting for income taxes under ASC 740, Income Taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. This method also requires the recognition of future tax benefits, such as net operating loss carry forwards, to the extent that it is more likely than not that such benefits will be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Valuation allowances are reassessed periodically to determine whether it is more likely than not that the tax benefits will be realized in the future and if any existing valuation allowance should be released.

Part of the Advent's business activities are conducted through its subsidiaries outside of U.S. Earnings from these subsidiaries are generally indefinitely reinvested in the local businesses. Further, local laws and regulations may also restrict certain subsidiaries from paying dividends to their parents. Consequently, Advent generally does not accrue income taxes for the repatriation of such earnings in accordance with ASC 740, "Income Taxes." To the extent that there are excess accumulated earnings that we intend to repatriate from any such subsidiaries, we recognize deferred tax liabilities on such foreign earnings.

Advent assesses its income tax positions and records tax benefits for all years subject to examination based on the evaluation of the facts, circumstances, and information available at each reporting date. For those tax positions with a greater than 50 percent likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information, Advent records a tax benefit. For those income tax positions that are not likely to be sustained, no tax benefit is recognized in the consolidated financial statements. Advent recognizes interest and penalties related to uncertain tax positions as part of the provision for income taxes.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. For those income tax positions that are not likely to be sustained, no tax benefit is recognized in the consolidated financial statements. Advent recognizes interest and penalties related to uncertain tax positions as part of the provision for income taxes.

For the three months ended **June 30, 2023** **September 30, 2023** and 2022, net income tax (expenses) benefits of **\$(4)** **\$80 thousand** and **\$0.4 million** **\$0.6 million**, respectively, were recorded in the condensed consolidated statements of operations. For the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, net income tax (expenses) benefits of **\$(0.8)** **\$(0.7)** million and **\$1.1 million** **\$1.7 million**, respectively, were recorded in the condensed consolidated statements of operations. Advent is currently not aware of any issues under review that could result in significant accruals or material deviation from its position. Advent is subject to income tax examinations by major taxing authorities.

Advent and its U.S. subsidiaries may be subject to potential examination by U.S. federal, state and city taxing authorities, while Advent's subsidiaries outside the U.S. may be subject to potential examination by their taxing authorities. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with the U.S. federal, state and city tax laws, and tax laws in the countries where business activities of Advent's subsidiaries are conducted. On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was signed into legislation. As part of the legislation, the U.S. corporate income tax rate was reduced from 35% to 21%, among other changes.

Warrant Liability

Advent accounts for the 26,369,557 warrants (comprising of 24,399,418 Public Warrants and 1,970,139 Private Placement Warrants) issued in connection with the initial public offering and the 400,000 Working Capital Warrants issued at the consummation of the Business Combination in accordance with ASC 815-40-15-7D. If the warrants do not meet the criteria for equity treatment, they must be recorded as liabilities. We have determined that only the Private Placement Warrants and Working Capital Warrants must be recorded as liabilities and accordingly, we classify these warrant instruments as liabilities at their fair value and adjust the instruments to fair value at each reporting period. These liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statements of operations. The fair value of the Private Placement Warrants and the Working Capital Warrants has been determined using either the quoted price, if available, or was based on a modified Black-Scholes-Merton model. The fair value of the Private Placement Warrants and the Working Capital Warrants was determined based on a modified Black-Scholes-Merton model for the three and **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by Advent as of the specified effective date. Unless otherwise discussed, Advent believes that the impact of recently issued standards that are not yet effective will not have a material impact on Advent's financial position or results of operations upon adoption.

See Note 2 in the condensed consolidated financial statements included elsewhere in this report for more information about recent accounting pronouncements, the timing of their adoption and Advent's assessment, to the extent Advent has made one, of their potential impact on Advent's financial condition and results of operations.

Supplemental Non-GAAP Measures and Reconciliations

In addition to providing measures prepared in accordance with GAAP, we present certain supplemental non-GAAP measures. These measures are EBITDA, Adjusted EBITDA and Adjusted Net Income / (Loss), which we use to evaluate our operating performance, for business planning purposes and to measure our performance relative to that of our peers. These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may differ from similar measures presented by other companies and may not be comparable to other similarly titled measures. We believe these measures are useful in evaluating the operating performance of Advent's ongoing business. These measures should be considered in addition to, and not as a substitute for net income, operating expense and income, cash flows and other measures of financial performance and liquidity reported in accordance with GAAP. The calculation of these non-GAAP measures has been made on a consistent basis for all periods presented.

EBITDA and Adjusted EBITDA

These supplemental non-GAAP measures are provided to assist readers in determining our operating performance. We believe this measure is useful in assessing performance and highlighting trends on an overall basis. We also believe EBITDA and Adjusted EBITDA are frequently used by securities analysts and investors when comparing our results with those of other companies. EBITDA differs from the most comparable GAAP measure, net income / (loss), primarily because it does not include interest, income taxes, depreciation of property, plant and equipment, and amortization of intangible assets. Adjusted EBITDA adjusts EBITDA for items such as one-time transaction costs, asset impairment charges, and fair value changes in the warrant liability.

The following tables show a reconciliation of net loss to EBITDA and Adjusted EBITDA for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

EBITDA and Adjusted EBITDA (in Millions of US dollars)	Three months ended June 30, (Unaudited)			Six months ended June 30, (Unaudited)			Three months ended September 30, (Unaudited)			Nine months ended September 30, (Unaudited)		
	2023	2022	\$ change	2023	2022	\$ change	2023	2022	\$ change	2023	2022	\$ change
	Net loss	\$ (21.83)	\$ (11.15)	(10.68)	\$ (33.82)	\$ (15.24)	(18.58)	\$ (11.85)	\$ (11.47)	(0.38)	\$ (45.67)	\$ (26.71)
Depreciation of property and equipment	\$ 0.81	\$ 0.36	0.45	\$ 1.21	\$ 0.78	0.43	\$ 0.89	\$ 0.35	0.54	\$ 2.10	\$ 1.13	0.97
Amortization of intangibles	\$ 0.19	\$ 0.72	(0.53)	\$ 0.41	\$ 1.42	(1.01)	\$ 0.12	\$ 0.69	(0.57)	\$ 0.53	\$ 2.11	(1.58)
Finance income / (expenses), net	\$ (0.01)	\$ -	(0.01)	\$ (0.12)	\$ 0.01	(0.13)	\$ -	\$ -	-	\$ (0.12)	\$ 0.01	(0.13)
Other income / (expenses), net	\$ 0.81	\$ 0.22	0.59	\$ 0.76	\$ 0.22	0.54	\$ 0.12	\$ -	0.12	\$ 0.88	\$ 0.22	0.66
Foreign exchange differences, net	\$ (0.16)	\$ -	(0.16)	\$ (0.12)	\$ 0.02	(0.14)	\$ 0.01	\$ 0.03	(0.02)	\$ (0.11)	\$ 0.05	(0.16)
Income taxes	\$ -	\$ (0.44)	0.44	\$ 0.80	\$ (1.10)	1.90	\$ (0.08)	\$ (0.56)	0.48	\$ 0.72	\$ (1.66)	2.38
EBITDA	\$ (20.19)	\$ (10.29)	(9.90)	\$ (30.88)	\$ (13.89)	(16.99)	\$ (10.79)	\$ (10.96)	0.17	\$ (41.67)	\$ (24.85)	(16.82)
Net change in warrant liability	\$ (0.10)	\$ 0.22	(0.32)	\$ (0.49)	\$ (8.16)	7.67	\$ 0.13	\$ 0.91	(0.78)	\$ (0.36)	\$ (7.25)	6.89
Impairment losses	\$ 9.76	\$ -	9.76	\$ 9.76	\$ -	9.76	\$ -	\$ -	-	\$ 9.76	\$ -	9.76
Adjusted EBITDA	\$ (10.53)	\$ (10.07)	(0.46)	\$ (21.61)	\$ (22.05)	0.44	\$ (10.66)	\$ (10.05)	(0.61)	\$ (32.27)	\$ (32.10)	(0.17)

Adjusted Net Loss

This supplemental non-GAAP measure is provided to assist readers in determining our financial performance. Adjusted Net Loss differs from the most comparable GAAP measure, net loss, primarily because it does not include one-time transaction costs, asset impairment charges and warrant liability changes. The following table shows a reconciliation of net loss for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

Adjusted Net Loss (in Millions of US dollars)	Three months ended June 30, (Unaudited)			Six months ended June 30, (Unaudited)		
	2023	2022	\$ change	2023	2022	\$ change
Net loss	\$ (21.83)	\$ (11.15)	(10.68)	\$ (33.82)	\$ (15.24)	(18.58)
Net change in warrant liability	\$ (0.10)	\$ 0.22	(0.32)	\$ (0.49)	\$ (8.16)	7.67
Impairment losses	\$ 9.76	\$ -	9.76	\$ 9.76	\$ -	9.76
Adjusted Net Loss	\$ (12.17)	\$ (10.93)	(1.24)	\$ (24.55)	\$ (23.40)	(1.15)

Adjusted Net Loss (in Millions of US dollars)	Three months ended September 30, (Unaudited)			Nine months ended September 30, (Unaudited)		
	2023	2022	\$ change	2023	2022	\$ change
Adjusted Net Loss	\$ (10.66)	\$ (10.05)	(0.61)	\$ (32.27)	\$ (32.10)	(0.17)

Net loss	\$ (11.85)	\$ (11.47)	(0.38)	\$ (45.67)	\$ (26.71)	(18.96)
Net change in warrant liability	\$ 0.13	\$ 0.91	(0.78)	\$ (0.36)	\$ (7.25)	6.89
Impairment losses	\$ -	\$ -	-	\$ 9.76	\$ -	9.76
Adjusted Net Loss	\$ (11.72)	\$ (10.56)	(1.16)	\$ (36.27)	\$ (33.96)	(2.31)

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Advent is exposed to a variety of market and other risks, including the effects of changes in interest rates and inflation, as well as risks to the availability of funding sources, hazard events and specific asset risks.

Interest Rate Risk

Advent holds cash and cash equivalents for working capital, investment and general corporate purposes. As of **June 30, 2023** **September 30, 2023**, Advent had an unrestricted cash balance of approximately **\$10.1 million** **\$3.7 million**, consisting of operating and savings accounts which are not affected by changes in the general level of U.S. interest rates. Advent is not expected to be materially exposed to interest rate risk in the future as it intends to take on limited debt finance.

Inflation Risk

Advent does not believe that inflation currently has a material effect on its business. To mitigate cost increases caused by inflation, Advent has taken steps such as searching for alternative supplies at a lower cost and pre-buying materials and supplies at a more advantageous price in advance of its intended use.

Foreign Exchange Risk

Advent has costs and revenues denominated in Euros, Danish krone and Philippine pesos, and therefore is exposed to fluctuations in exchange rates. To date, Advent has not entered into any hedging transactions to mitigate the effect of foreign exchange due to the relatively low exposure. As we increase in scale, we expect to continue to realize a portion of our revenues and costs in foreign currencies, and therefore expect to put in place appropriate foreign exchange risk mitigation features in due course.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of **June 30, 2023** **September 30, 2023**. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective as of the end of the period covered by this report.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are from time to time subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. Some of these claims, lawsuits and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions or relief. However, we do not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, to be material to our business with one exception:

On June 7, 2023, the Company was served a Request for Arbitration from F.E.R. fischer Edelstahlrohre GmbH ("F.E.R."), pursuant to the arbitration provisions of the Share Purchase Agreement dated June 25, 2021 whereby the Company acquired Serenergy and FES, which acquisition closed on August 31, 2021. The arbitration will be held in Frankfurt am Main, Germany in accordance with the Arbitration Rules of the German Arbitration Institute. F.E.R. is asserting that it is due approximately 4.5 million euro based on the cap and corresponding value of the share consideration at the date of closing. The Company believes that the claim is without merit and intends to defend itself vigorously in these proceedings; although we cannot accurately predict the ultimate outcome of this matter.

Item 1A. Risk Factors.

Although, as a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item, we note the following risk:

Our stock has been trading below \$1.00 and our failure to maintain compliance with Nasdaq's continued listing requirements could result in the delisting of our Common Stock.

Our Common Stock is currently listed for trading on the Nasdaq Capital Market. On May 24, 2023, we received a letter from the Listing Qualifications Staff (the "Staff") of the Nasdaq Stock Market LLC ("Nasdaq") indicating that the bid price of the Company's Common Stock had closed below \$1.00 per share for 30 consecutive business days and, as a result, the Company is not in compliance with Nasdaq Listing Rule 5550(a)(2), which sets forth the minimum bid price requirement for continued listing on the Nasdaq Capital Market. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company has 180 calendar days, until November 20, 2023, to regain compliance with the minimum bid requirement. To regain compliance, the closing bid price of the Company's Common Stock must be at least \$1.00 per share for a minimum of 10 consecutive business days during this 180-day period, at which time the Staff will provide written notification to the Company that it complies with the minimum bid requirement, unless the Staff exercises its discretion to extend this ten-day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H). Nasdaq's notice has no immediate effect on the listing of the Company's Common Stock on Nasdaq.

The Company intends to closely monitor the closing bid price of the Common Stock and consider all available options to remedy the bid price deficiency to regain compliance with Nasdaq's minimum bid requirement. If the Company does not regain compliance with the bid price requirement by November 20, 2023, the Company may be eligible for an additional 180-calendar day compliance period so long as it satisfies the criteria for initial listing on the Nasdaq Capital Market, except the minimum bid requirement, and the continued listing requirement for market value of publicly held shares and the Company provides written notice to Nasdaq of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary. Furthermore, other factors unrelated to the number of shares of our common stock outstanding, such as negative financial or operational results, could adversely affect the market price of our common stock and thus jeopardize our ability to meet or maintain the Nasdaq's minimum bid price requirement.

If our Common Stock were delisted from Nasdaq, trading of our Common Stock would most likely take place on an over-the-counter market established for unlisted securities, such as the OTCQB or the Pink Market maintained by OTC Markets Group Inc. An investor would likely find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our Common Stock on an over-the-counter market, and many investors would likely not buy or sell our common stock due to difficulty in accessing over-the-counter markets, policies preventing them from trading in securities not listed on a national exchange or other reasons. In addition, as a delisted security, our Common Stock would be subject to SEC rules as a "penny stock", which impose additional disclosure requirements on broker-dealers. The regulations relating to penny stocks, coupled with the typically higher cost per trade to the investor of penny stocks due to factors such as broker commissions generally representing a higher percentage of the price of a penny stock than of a higher-priced stock, would further limit the ability of investors to trade in our Common Stock. In addition, delisting would materially and adversely affect our ability to raise capital on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities. For these reasons and others, delisting would adversely affect the liquidity, trading volume and price of our Common Stock, causing the value of an investment in us to decrease and having an adverse effect on our business, financial condition and results of operations, including our ability to attract and retain qualified employees and to raise capital.

In addition to the other information set forth in this Quarterly Report, for a discussion of risk factors that could significantly and negatively affect our business, financial condition, results of operations, cash flows and prospects, see the disclosure under the heading "Risk Factors" in our 2022 Annual Report. Such risks described are not the only risks facing us. Additional risks and uncertainties not currently known to us, or that our management currently deems to be immaterial, also may adversely affect our business, financial condition, results of operations, cash flows or prospects. There are no material changes to the risk factors described in the 2022 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Default Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

The following exhibits are being filed or furnished as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description
1.1	At The Market Offering Agreement, dated June 2, 2023, between the Company and H.C. Wainwright & Co., LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 2, 2023)
3.1	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation filed on June 20, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 20, 2023)
10.1	Purchase Agreement, dated as of April 10, 2023, by and between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 11, 2023)
10.2	Registration Rights Agreement, dated as of April 10, 2023, by and between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on April 11, 2023)
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a)
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a)
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350
101.INS*	Inline XBRL Instance
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation
101.LAB*	Inline XBRL Taxonomy Extension Labels
101.PRE*	Inline XBRL Taxonomy Extension Presentation
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 14, 2023 November 14, 2023

ADVENT TECHNOLOGIES HOLDINGS, INC.

By: /s/ Kevin Brackman
Kevin Brackman
Chief Financial Officer
(Authorized Officer; Principal Financial and Accounting Officer)

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Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vassilios Gregoriou, certify that:

1. I have reviewed this report on Form 10-Q of Advent Technologies Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2023 November 14, 2023

/s/ Vassilios Gregoriou

Vassilios Gregoriou

Chief Executive Officer and Chairman of the Board

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Kevin Brackman, certify that:

1. I have reviewed this report on Form 10-Q of Advent Technologies Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2023 November 14, 2023

/s/ Kevin Brackman
 Kevin Brackman
 Chief Financial Officer

Exhibit 32.1

CERTIFICATION
 PURSUANT TO 18 U.S.C. SECTION 1350,
 AS ADOPTED PURSUANT TO
 SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Vassilios Gregoriou, President and Chief Executive Officer and Chairman of the Board of Advent Technologies Holdings, Inc. (the "Company"), hereby certifies that, to such officer's knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2023 September 30, 2023 (the "Report"), to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2023 November 14, 2023

/s/ Vassilios Gregoriou
 Vassilios Gregoriou
 Chief Executive Officer and Chairman of the Board

Exhibit 32.2

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Kevin Brackman, Chief Financial Officer of Advent Technologies Holdings, Inc. (the "Company"), hereby certifies that, to such officer's knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended **June 30, 2023** **September 30, 2023** (the "Report"), to which this Certification is attached as Exhibit 32.2, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 14, 2023** **November 14, 2023**

/s/ Kevin Brackman

Kevin Brackman

Chief Financial Officer

DISCLAIMER

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