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Smartkem

Smartkem Signs Letter of Intent with Carbonium Core, Inc. to Expand Advanced Materials Portfolio into Nuclear-Grade Graphite

MANCHESTER, United Kingdom, Feb. 02, 2026 (GLOBE NEWSWIRE) -- Smartkem, Inc. ([Nasdaq: SMTK](#)), ("Smartkem"), a developer of advanced materials, today announced that it has entered into a non-binding letter of intent ("LOI") to acquire 100% of the outstanding shares of Carbonium Core, Inc., a U.S.-based advanced materials company focused on the production of nuclear-grade graphite for advanced reactor technologies.

In connection with this transaction, Smartkem has mutually agreed to terminate its previously announced LOI with Jericho Energy Ventures, with no penalties or disputes arising from the termination. The Company views this transaction as a strategic progression aligned with its long-term materials roadmap.

Under the terms of the LOI, Smartkem intends to acquire all outstanding shares of Carbonium Core, Inc. in exchange for shares of Smartkem Series B Convertible Preferred Stock, subject to the execution of definitive agreements, completion of due diligence, and customary closing conditions. The LOI includes a customary exclusivity period and is non-binding with respect to the consummation of the proposed transaction.

Strategic Fit and Materials Capability Alignment

Carbonium Core, Inc. is a U.S.-based developer of nuclear-grade graphite for advanced reactor systems, focused on converting domestically sourced carbon feedstock into reactor-qualified graphite through fully U.S.-based processing and manufacturing. The proposed transaction combines Smartkem's materials chemistry and manufacturing scale-up capabilities with Carbonium Core, Inc.'s vertically integrated domestic production platform to establish a secure, U.S.-controlled supply chain for a critical nuclear material, reduce reliance on foreign-controlled sources, and directly support national energy security, supply-chain resilience, and advanced nuclear deployment objectives.

Leadership Commentary

"This transaction would expand our materials portfolio into a new and exciting market," **said Ian Jenks, Chairman and Chief Executive Officer of Smartkem.** "We believe that nuclear-grade graphite is a strategically critical market with significant technical complexity and long-term demand drivers. Carbonium Core, Inc.'s capabilities align strongly with our ambition to build differentiated, high-value materials platforms that address global supply-chain challenges."

"Being one of the first domestic companies to take coal all the way to nuclear-grade graphite

is a milestone for Carbonium Core, Inc. and for the U.S. It proves that advanced materials, once thought to be imported necessities, can be engineered domestically with precision, responsibility, and vision,” added **Suren Ajjarapu, Chief Executive Officer of Carbonium Core, Inc.** “Smartkem is a world-class advanced materials company that brings deep expertise and process innovation, and we believe this combination can accelerate our mission to deliver a secure, domestic supply of nuclear-grade graphite for the next generation of U.S. reactor technologies.”

Proposed Transaction Highlights

- **Expansion into a Critical New End Market:** The proposed transaction is intended to expand Smartkem’s advanced materials portfolio into nuclear-grade graphite, a strategically critical material required for next-generation nuclear reactor technologies.
- **Alignment with Long-Term Energy and Industrial Trends:** Advanced nuclear is expected to play a growing role in energy security and decarbonisation, driving sustained demand for high-performance, reactor-qualified materials with long qualification cycles and high barriers to entry.
- **Strong Technical and Manufacturing Fit:** Management believes that Carbonium Core, Inc.’s graphite purification and processing capabilities are highly complementary to Smartkem’s expertise in materials engineering, process integration, and manufacturing scale-up.
- **Domestic Supply Chain Opportunity:** The combination is intended to support the development of a secure, U.S.-based supply chain for nuclear-grade graphite, reducing reliance on foreign sources for a strategically sensitive material.
- **Portfolio Diversification with Technical Continuity:** The proposed transaction represents a logical extension of Smartkem’s core competencies into a new market with attractive technical complexity and long-term commercial potential.

Terms of the Proposed Transaction

Smartkem has signed a non-binding letter of intent to acquire 100% of the outstanding shares of Carbonium Core, Inc.

The proposed transaction contemplates aggregate consideration to be paid by Smartkem to Carbonium Core shall consist of newly created Series B Convertible Preferred Stock of SmartKem having an aggregate stated and liquidation value of \$120,000,000 (the “Preferred Stock Consideration”), which Preferred Stock Consideration shall be issued as follows:

- 50% of the Preferred Stock Consideration shall be issued at Closing; and
- The remaining 50% of the Preferred Stock Consideration shall be issued upon the Company achieving certain milestones to be defined in the definitive agreement.

The Series B Convertible Preferred Stock shall be convertible into such number of shares of Common Stock of the Smartkem as is determined by dividing the Preferred Stock Consideration by \$1.00 per share.

The Series B Convertible Preferred Stock shall not have any voting rights.

The Series B Convertible Preferred Stock shall be convertible, at any time commencing after the six (6) month anniversary of the Closing Date, into such number of shares of Common

Stock of Smartkem as is determined by dividing the Preferred Stock Consideration by \$1.00 per share.

The Series B Convertible Preferred Stock shall contain beneficial ownership limitations such that each holder and its affiliates shall not be able to convert the Series B Convertible Preferred Stock into more than 4.99% of Smartkem's Common Stock and it will not be exercisable into Smartkem's Common Stock until the date on which any stockholder approval is obtained in accordance with the rules of the NASDAQ Stock Market ("Stockholder Approval").

The parties currently anticipate completing the proposed transaction on or before February 5, 2026, subject to extension by mutual agreement. Carbonium Core, Inc. has agreed to a 90-day exclusivity period, during which it will not solicit or engage in discussions regarding alternative transactions. Completion of the proposed transaction is subject to satisfactory due diligence, execution of definitive agreements, receipt of required approvals, and other customary closing conditions. There can be no assurance that any definitive agreements will be negotiated or executed, that the proposed transaction will be consummated on the terms described herein, or at all, or as to the timing or final terms of any transaction.

Following the completion of the proposed transaction, Smartkem's board of directors is expected to consist of five members, with two appointed by Carbonium Core, Inc. and three by Smartkem, subject to definitive documentation and stockholder approval in accordance with the rules and regulations of the NASDAQ Stock Market.

Either party may terminate the LOI under customary circumstances, including failure to complete due diligence or by mutual written consent, without the imposition of any break-up fees.

E.F. Hutton & Co. is serving as exclusive M&A advisor to Smartkem.

No Offer or Solicitation

This press release does not constitute a solicitation of a proxy, consent, or authorization with respect to any securities or in respect of the Proposed Transaction. This press release also does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom.

Additional Information and Where to Find It

This communication may be deemed to be a solicitation material in respect of the proposed transaction. In connection with the proposed transaction, a proxy statement of Smartkem and other materials will be filed with the SEC. WE URGE INVESTORS TO READ THE PROXY STATEMENT AND THESE OTHER MATERIALS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN MATERIAL INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors will be able to obtain free copies of the proxy statement (when available) as well as other filed documents containing information

about the proposed transaction at <http://www.sec.gov>. Free copies of Smartkem's SEC filings are also available from SmartKem, Inc., Manchester Technology Center, Hexagon Tower, Delaunays Road, Blackley, Manchester, M9 8GQ U.K.

Participants in the Solicitation

Smartkem and its executive officers, directors, other members of management, employees and Smartkem may be deemed, under SEC rules, to be participants in the solicitation of proxies from Smartkem's stockholders with respect to the proposed transactions. Information regarding the executive officers and directors of Smartkem will be set forth in its definitive proxy statement for its special meeting. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by securities holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with the proposed transactions.

About Smartkem

Smartkem is seeking to change the world of electronics with a new class of transistors developed using its proprietary advanced semiconductor materials. Our TRUFLEX[®] semiconductor polymers enable low temperature printing processes that are compatible with existing manufacturing infrastructure to deliver low-cost, high-performance electronics. Our semiconductor platform can be used in a range of technologies including MicroLED, LCD and AMOLED, as well as in applications in advanced computer and AI chip packaging, sensors, and logic.

Smartkem designs and develops its materials at its research and development facility in Manchester, UK and operates a field application office in Hsinchu, Taiwan, close to collaboration partner, The Industrial Technology Research Institute (ITRI), where it provides prototyping services. Smartkem is developing a commercial-scale production process and Electronic Design Automation (EDA) tools to demonstrate the commercial viability of manufacturing a new generation of displays using its materials.

The company has an extensive IP portfolio including 141 granted patents across 17 patent families, 15 pending patents and 40 codified trade secrets.

For more information, visit the Smartkem [website](#) or follow on [LinkedIn](#).

About Carbonium Core, Inc.

Carbonium Core, Inc. is a U.S.-based advanced materials company focused on producing nuclear-grade graphite for 4th-generation reactors. Its mission is simple – to secure a resilient, sustainable, and competitive domestic supply of this critical material through science, innovation, and responsible sourcing.

Carbonium Core, Inc. combines: cutting-edge materials engineering, exclusive purification technology (with Oak Ridge National Laboratory), vertically integrated supply chain – from mine to reactor, and sustainable and scalable production – reducing waste, cost, and carbon footprint.

For more information, visit the Carbonium Core, Inc. [website](#).

Forward-Looking Statements

All statements in this press release that are not historical are forward-looking statements, including, among other things, statements regarding the anticipated timing, proposed terms and the Company's ability to close the proposed transaction with Carbonium Core; the anticipated benefits of the proposed transaction with Carbonium Core; its market position and market opportunity, expectations and plans as to its product development, manufacturing and sales, and relations with its partners and investors. These statements are not historical facts but rather are based on Smartkem, Inc.'s current expectations, estimates, and projections regarding its business, operations and other similar or related factors. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expect," "intend," "plan," "project," "believe," "estimate," and other similar or related expressions are used to identify these forward-looking statements, although not all forward-looking statements contain these words. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, and assumptions that are difficult or impossible to predict and, in some cases, beyond the Company's control. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including uncertainties inherent in the negotiation of business transactions, the ability to satisfy closing conditions as well as other risks described in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to revise or update information in this release to reflect events or circumstances in the future, even if new information becomes available, except as required by law.

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