



## Financial report January – June 2018

### Significant events April – June

- MyFC completes oversubscribed rights issue of SEK 97 million for offensive investments
- Jörgen Lantto elected new chairman of myFC; Per Svantesson elected new member of the board.
- MyFC presents a revised strategy as the result of a strategic review
- MyFC receives order for 500 JAQ Hybrid from Lightec in Japan

### Significant events after the end of the quarter

- MyFC runs an electric car on water at Almedalen political week

	Q2 2018	Q2 2017	Jan-June 2018	Jan-June 2017	Full year 2017
Net sales, SEK 000	0	21	179	303	335
Operating margin, %	neg	neg	neg	neg	neg
Equity per share, SEK	5,9	3,7	5,9	3,9	3,4
Equity ratio, %	89,9	89,6	89,9	89,6	87,1
Average number of employees	21	13	19	13	13

## A word from our CEO

The second quarter of 2018 was characterized by the initiation of implementation of our revised strategy. The purpose of our revised strategy is to address a much larger market by accelerating our efforts to integrate our fuel cell technology into mobile devices. As previously announced, we have based our revised strategy on an analysis we conducted during the first months of 2018, where we considered both the revenue potential in different verticals and how we could quickly penetrate mobile devices with integrated cells, potentially generating recurring fuel sales.

To finance this offensive investment, we initiated a rights issue of a total of SEK 75 million. The issue was more than oversubscribed, which gave us the opportunity to offer investors and shareholders an over-allotment. Including the rights issue, this yielded approximately SEK 97 million in new capital, in accordance with the emission terms communicated earlier this spring.

It is particularly gratifying that our institutional owners chose to participate in the rights issue. We regard this as confirmation of their confidence in our decisions and our strategic direction. We are now well prepared for our investments in the smartphone and automotive industries, with a stronger cash position than ever before. This gives us the opportunity to address our focused development areas: to work deeply into fuel cell smartphone integration, to further develop the R&D project LAMINA REX, the range extender for electric vehicles and continue the sales of JAQ Hybrid.

The integration work within the smartphone sector has been intensified through new and key recruitments, and the establishment of offices in Malmö. This initiative will lead to two things. The first is intensified development work to integrate our technology into smartphones, which among others include smartphone platforms, battery systems, fuel cells and fuel systems. The second is an increased engagement with smartphone manufacturers to get them to evaluate our technology and in a potential second phase integrate it, as in the already communicated collaboration with one of the world's largest smartphone manufacturers in China. The goal of our fuel cell integration is to make the consumer more mobile and independent from charging infrastructure, without having to compromise on the use of apps and data.

MyFC estimates that revenues from our fuel can be up to 5-10 times higher annually compared with the revenue from our fuel cells integrated into smartphones. As previously announced, these revenues may be significant even in the case of very low market penetration,

We continue to actively target operators and distributors with sales of our own JAQ Hybrid worldwide. During the quarter, we received an order from Japanese Lightec, our second commercial orders along with Huangdou in China, which we announced in the first quarter of 2018. The Telling Framework Agreement in China is still valid until the end of 2018. Together with our colleagues and partners in China, we continue the work to bring all our efforts to fruition when it comes to launching Phase 2 in the Telling Framework Agreement.

I'm glad we received an initial order for delivery of JAQ Hybrid in Japan. Japan is a pioneer in fuel cell technology, notably within the automotive industry. As previously communicated, delivery of these units is scheduled to take place at the end of the third quarter of 2018.

As far as our range extender LAMINA REX is concerned, I am very pleased and proud that we succeeded with our goal of a working prototype in a commercial car according to plan. MyFC LAMINA REX is fueled on water, salt and reaction components and charges an electric car at 0 grams of carbon dioxide per kilometer from the tail pipe. What makes our solution unique – and this generates great interest from the automotive industry – is that it enables onboard generation of the hydrogen our fuel cell then uses. Thus, our solution does not require distribution of hydrogen to the filling stations. In Sweden today, there are four places where you can fuel the car with hydrogen. This underpins the challenges of hydrogen distribution and the added user value and potential of our solution. I am, after our tests and analyses, impressed with the results so far.

For myFC, it was an important milestone to showcase our first prototype of LAMINA REX during the Almedalen political week, which occurred early after the end of the quarter. I would like to emphasize that the REX system is not yet commercialized or fully developed. We also book all costs related to LAMINA REX as operational expenditure directly, and therefore have higher operating expenses than in the previous year.

The automotive industry now has little more than 11 years to reduce car emissions to 60 g CO<sub>2</sub> / kilometer according to the Paris agreement's climate targets. Several of the major vehicle manufacturers have been found cheating on emissions from their diesel cars, which in turns contributes to the introduction of environmental zones where diesel cars are prohibited. We are working on developing a solution that can provide both extended range without an extremely large battery in each car, and which can use existing infrastructure for both the distribution and recycling of fuel. This makes us unique and offers an increased user value.

The market for electric cars is growing rapidly, driven by the authorities' requirements on the automotive industry. As with the integration of smartphones, we see the potential for generating multiple times higher revenues from myFC fuel, compared to the revenue from our fuel cells, when integrating our technology into electric vehicles. We do not regard lead times for the development of new models and platforms in the automotive industry as a major barrier to the integration of myFC, as most of our components are flexible and flat and can be integrated in a variety of locations in the car. This also makes the aftermarket for electric cars a possibility for our technology.

Until next time,

**Björn Westerholm**  
CEO myFC

## Significant events during the first quarter

### MyFC completes oversubscribed rights issue of SEK 97 million for offensive investments

The preferential share issue proposed by the Board in April was fully subscribed to 129 percent, bringing myFC about 96.9 million before issue costs. Our institutional owners as well as board and management participated in the rights issue. Subscription from the guarantee consortium was therefore not required. The issue was carried out to fund offensive investments in the integration of myFC fuel cells into battery-powered mobile devices and electric vehicles.

### Jörgen Lantto elected new chairman of myFC; Per Svantesson elected new member of the board.

At the Extraordinary General Meeting on May 9, 2018, Jörgen Lantto was elected new chairman of myFC previously the CEO of Fingerprint Cards AB, which under his management established a world-leading position in fingerprint sensors.

Per Svantesson was elected new member of the board of directors at the Annual General Meeting on June 15, 2018. Per Svantesson is the COO of the Italian electric sports car company Automobili Pininfarina, and has a background from Volvo and electric vehicle company Nevs.

### MyFC presents a revised strategy as the result of a strategic review

At the release of the full-year report for 2017, myFC informed the market of an ongoing strategic review of the company's business model. As a result of this review, the board formulated a revised strategy.

### MyFC receives order for 500 JAQ Hybrid from Lightec in Japan

MyFC has received an order for 500 units of its fuel cell charger JAQ Hybrid and associated power cards from Japanese Lightec. The order is part of a non-exclusive distribution agreement between myFC and Lightec. The order value does not exceed 0.5 million SEK. Lightec has a nationwide distribution network in Japan, delivering smartphone accessories to retail chains such as 7-Eleven and mobile operator stores, including KDDI and Softbank. Delivery of JAQ Hybrid to Lightec is scheduled to take place at the end of the third quarter 2018.

## Significant events after the end of the quarter

### MyFC runs an electric car on water at Almedalen political week

The commercial electric car used to develop a prototype of LAMINA REX was showcased during the Almedalen political week. The technology is still under development, but the car has been successfully driven on electricity generated from hydrogen generated in the car and myFC's integrated fuel cell. The long-term ambition of the LAMINA REX project is to solve the challenge of battery performance by integrating the company's fuel cell technology and enabling onboard hydrogen generation (OHG). The showcased car integrates a complete fuel cell solution, but is not yet ready for commercial use and hence not yet fully developed.

# Financial overview

## Net sales and results

### *1 April – 30 June 2018*

Net sales in the second quarter of 2018 amounted to SEK 0.0 million (0.0). During the second quarter, the company received an order from the Japanese company Lightec of 500 units of JAQ Hybrid. The order value does not exceed SEK 0.5 million.

Operating expenses during the second quarter amounted to SEK -23.1 million (-10.4). Much of the costs can be attributed to the LAMINA REX project, where an objective was to showcase a functioning car at the Almedalen political week in early July 2018, which the company also did.

Compared with the corresponding period 2017, our operating expenses have increased. The increase is mainly attributable to:

- Other external costs have increased by SEK 7.2 million compared with the same quarter in 2017. The explanation is that the company's costs related to development projects such as the LAMINA REX R&D-project and integration of fuel cells into mobile devices are booked as operational expenditure, until we have a commercial plan for the projects. These projects had not yet started in the second quarter of 2017. We have almost doubled the number of consultants and employees, which means increased costs for premises, IT, travel, etc.
- The number of employees has increased by 8 people compared to the same period 2017. The purpose of recruiting is to tie key connect to the company in line with our revised strategy.
- The major currency fluctuations for both dollars and euros during the period have resulted in exchange differences of SEK -0.5 million in the second quarter. This is especially true of supplier invoices that are booked at one value when they arrive at the company, and when they are paid a month later, the exchange rate has changed.
- Depreciation has increased compared with the same period 2017, but follows the plan that the company has. Depreciation for the period was SEK 3.6 M (2.1).
- MyFC's share of operations in China, run in conjunction with the Novel Unicorn in China, amounted to just over SEK -0.4 M (0.0) in Q2 2018.

The company's operating profit for the second quarter of 2018 amounted to SEK -21.6 million (-10.0), and net financial items for the same period were SEK -0.3 million (-0.4).

## Cash flow, investments and financial position

Cash flow during the second quarter amounted to SEK -35.0 million (-5.3). Payment relating to the issue carried out during the quarter will affect cash flow for the financing activities after the end of the quarter.

Cash flow from operating activities during the second quarter of 2018 amounted to SEK -15.3 million (-6.7) and for investment activities to SEK -10.2 million (-8.8). This means that cash flow from operating activities and investment activities improved by SEK 4.9 million compared with the first quarter of 2018. Cash flow from investing activities is charged by SEK 9.3 million relating to costs for the current issue.

Intangible fixed assets have increased by SEK 4.9 million during the quarter and still relate to the development of the JAQ system, general fuel cell development, and the development of fuel.

### **Rights issue**

At the extraordinary general meeting of myFC Holding AB ("myFC") on May 9, 2018, a new issue of shares with preferential rights for the shareholders was decided and, in the event of oversubscription, an overdelivery by a separate directed issue without preference. The rights issue was limited to a maximum of 25,011,709 shares and the overdraft space was limited to 8,330,000 shares. The issue price was SEK 3 per share. Three shares entitled to the subscription of two new shares. The subscription period, with and without preferential rights, lasted from May 23 to June 11 2018.

A total of 32,307,523 shares were subscribed to, of which 22,621,928 with preferential rights (under subscription rights) and 9,685,595 without preferential rights. That means the new issue was subscribed at approximately 129.2 percent.

Due to the oversubscription, the Board decided to carry out a separate target issue of 7,295,814 shares in accordance with the terms of the rights issue. All subscribed shares in the rights issue have thus been fully allocated and myFC has received a capital contribution of SEK 96.9 million before issue costs. The money will be paid to the company during July 2018.

As the entire issue was not registered with the Swedish Companies Registration Office on June 30, 2018, some of the issue (SEK 29.07 million) has been reported as "Current issue" in the balance sheet of the company. When the registration is completed with the Swedish Companies Registration Office, this item will be allocated between "Share capital" and "Other capital contributed".

The Board continuously reviews the company's financial needs and financial position. Should there be a need for additional capital contributions, the Board is of the opinion that the company has good conditions for securing future financing.

At the end of June 2018, the Group's liquid assets amounted to SEK 15.5 million (20.3). The capital of the rights issue as decided on May 9, 2018 is not included in this amount.

### **Intangible assets**

The Group's intangible assets are divided into the various R&D projects the company is working on or has worked with; as well as the Group's patent portfolio of close to 90 patents and patent applications, trademarks and know-how. This may apply, for example, to the development of fuel cells, chargers, fuel, and applications where the various parts are included.

### **Other receivables**

During the fall of 2017, the company paid an advance to the company NOTE in China of just over SEK 10 million. This advance applied to sourcing of material for the production of JAQ Hybrid. The advance will be reduced gradually as we continue to deliver JAQ Hybrid. On June 30, the advance amounted to SEK 9 million.

### **Equity**

The Group's equity amounted to SEK 222.9 million (104.4) as of 30 June 2018. The equity ratio amounted to 89.9% (89.6) on June 30, 2018.

### **Accrued expenses and prepaid income**

In the balance sheet item, in addition to various tax liabilities and accrued holiday payables, there is also

a post of SEK 5.5 million relating to costs of the issue which are paid only when the company receives the emission proceeds.

### Employees

At the close of the period, the company had 21 (13) employees.

### Parent company

MyFC Holding AB is the Group's Parent company. The Company's Group management team is employed by myFC Holding AB and the Parent company invoices myFC AB for the hours the Group management team works in myFC AB.

## Miscellaneous

### Material risks and uncertainty factors

myFC's material business risks primarily involve all technical risks that affect future product launches, the risk of being unable to increase production capacity quickly enough to satisfy market demand, changing business climate generally or on certain markets, difficulty in attracting and retaining skilled employees, capital risks and currency risks to a lesser extent. A more detailed description of material risks and uncertainty factors can be found in myFC's annual report, published on myFC's website, [www.myfc.se](http://www.myfc.se)

### Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general regulations BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

### Calendar

- 26 October 2018 Interim report January – September 2018
- 22 February 2019 Full-year report 2018

The interim report has not been reviewed by the company's auditors

Stockholm, July 26 2018

Board of Directors

myFC Holding AB

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*This information is information that myFC is obliged to make public pursuant to the EU Market Abuse Regulation, the Swedish Securities Market Act and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out above, on July 27, 2018 at 08:00 am CET.*

## Financial reports

### Income statement for the Group

SEK 000

	Apr-June 2018	Apr-June 2017	Jan-June 2018	Jan-June 2017	Full year 2017
<b>Operating income</b>					
Net sales	0	21	179	331	337
Work performed by the company for its own use	1 393	374	2 409	2 383	2 978
Other operating income	86	3	87	17	0
<b>Total operating income</b>	<b>1 479</b>	<b>399</b>	<b>2 675</b>	<b>2 731</b>	<b>3 315</b>
<b>Operating expenses</b>					
Raw materials, consumables and goods for resale	0	0	0	-881	-1 781
Other external expenses	-11 418	-4 164	-20 861	-7 952	-30 368
Personnel costs	-7 271	-4 252	-13 553	-8 284	-18 825
Depreciation	-3 572	-2 017	-7 211	-4 034	-17 656
Share of associated companies' income after tax	-423		-1 217		
Other operational expenses	-410	-	-409	-	-56
<b>Total operating expenses</b>	<b>-23 093</b>	<b>-10 433</b>	<b>-43 250</b>	<b>-21 151</b>	<b>-71 686</b>
<b>Operating loss</b>	<b>-21 614</b>	<b>-10 035</b>	<b>-40 575</b>	<b>-18 421</b>	<b>-68 371</b>
<b>Profit/loss from financial items</b>					
Net financial items	-349	-363	-429	-514	-598
<b>Loss after financial items</b>	<b>-21 964</b>	<b>-10 398</b>	<b>-41 004</b>	<b>-18 935</b>	<b>-68 969</b>
Tax	-	-	-	-	-
<b>Loss for the period</b>	<b>-21 964</b>	<b>-10 398</b>	<b>-41 004</b>	<b>-18 935</b>	<b>-68 969</b>
<b>Earnings per share</b>					
before dilution (SEK)	-0,59	-0,37	-1,09	-0,71	-2,25
after dilution (SEK)	na	na	na	na	na
Average number of outstanding shares at the close of the report period before dilution (000)	37 518	27 954	37 485	26 519	30 633



## Balance sheet for the Group

SEK 000	June 30, 2018	June 30, 2017	Dec 31, 2017
<b>Assets</b>			
Subscribed unpaid capital	96 923	0	0
<b>Fixed assets</b>			
Intangible fixed assets	108 301	87 065	93 749
Property, plant and equipment	6 274	2 037	3 483
Interests in associated companies	4 991		
<b>Total fixed assets</b>	<b>119 566</b>	<b>89 157</b>	<b>102 563</b>
<b>Current assets</b>			
Inventories	0	134	0
Accounts receivable	398	55	218
Current tax assets	161	246	1 265
Prepaid expenses and accrued income	1 267	916	8 984
Other receivables	13 996	5 722	4 143
Cash and cash equivalents	15 546	20 336	31 276
<b>Total current assets</b>	<b>31 367</b>	<b>27 408</b>	<b>45 886</b>
<b>Total assets</b>	<b>247 856</b>	<b>116 565</b>	<b>148 449</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	3 517	1 688	2 028
Ongoing new issue	29 057	0	0
Other capital provided	483 974	305 345	377 208
Retained earnings	-252 655	-183 686	-183 686
Loss for the period	-41 004	-18 935	-68 969
<b>Total equity</b>	<b>222 888</b>	<b>104 412</b>	<b>126 580</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	0	370	0
<b>Total non-current liabilities</b>	<b>0</b>	<b>370</b>	<b>0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	370	1 111	926
Accounts payable	13 502	6 698	15 826
Current tax liability	0	0	25
Other liabilities	745	714	594
Accrued expenses and deferred income	10 351	3 260	4 498
<b>Total current liabilities</b>	<b>24 968</b>	<b>11 782</b>	<b>21 869</b>
<b>Total equity and liabilities</b>	<b>247 856</b>	<b>116 565</b>	<b>148 449</b>

## Statement of changes in consolidated equity

SEK 000	Share capital	Other capital provided	Other equity incl profit/loss for the year	Profit/loss for the year	Total equity
<b>2017-12-31</b>	<b>2 028</b>	<b>377 208</b>	<b>-183 686</b>	<b>-68 969</b>	<b>126 581</b>
Disposition acc to AGM			<b>-68 969</b>	<b>68 969</b>	<b>0</b>
New issue	1 489	116 377			117 866
Issue cost	0	-9 611			-9 611
Ongoing new issue	0	29 057			29 057
Profit/loss for the period				-41 004	-41 004
<b>2018-06-30</b>	<b>3 517</b>	<b>513 031</b>	<b>-252 655</b>	<b>-41 004</b>	<b>222 888</b>

## Consolidated statement of cash flows

SEK 000	Apr-June 2018	Apr-June 2017	Jan-June 2018	Jan-June 2017	Full year 2017
<b>Cash flow from current operations</b>	<b>-15 263</b>	<b>-6 668</b>	<b>-30 132</b>	<b>-11 340</b>	<b>-45 187</b>
Cash flow from investing activities	-10 210	-8 802	-25 431	-13 332	-40 194
Cash flow from financing activities	-9 564	10 135	39 833	36 183	107 832
<b>Cash flow for the period</b>	<b>-35 036</b>	<b>-5 335</b>	<b>-15 729</b>	<b>11 511</b>	<b>22 451</b>
Opening balance, cash and cash equivalents	50 582	25 672	31 276	8 825	8 825
<b>Cash and cash equivalents at the end of the period</b>	<b>15 546</b>	<b>20 336</b>	<b>15 546</b>	<b>20 336</b>	<b>31 276</b>

## Income statement for the parent company

SEK 000	Apr-June 2018	Apr-June 2017	Jan-June 2018	Jan-June 2017	Full year 2017
<b>Operating income</b>					
Net sales	2 860	1 795	5 696	3 261	7 922
Other income	0	0	16	0	0
<b>Total operating income</b>	<b>2 860</b>	<b>1 795</b>	<b>5 712</b>	<b>3 261</b>	<b>7 922</b>
<b>Operating expenses</b>					
External costs	-1 618	-944	-2 860	-1 660	-8 121
Personnel costs	-4 054	-2 300	-7 606	-3 962	-10 825
<b>Operating profit/loss</b>	<b>-2 812</b>	<b>-1 450</b>	<b>-4 754</b>	<b>-2 361</b>	<b>-11 024</b>
<b>Profit/loss from financial items</b>					
Net financial items	-338	-301	-341	-301	-318
<b>Profit/loss after financial items</b>	<b>-3 150</b>	<b>-1 751</b>	<b>-5 095</b>	<b>-2 662</b>	<b>-11 342</b>
Tax	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-3 150</b>	<b>-1 751</b>	<b>-5 095</b>	<b>-2 662</b>	<b>-11 342</b>

## Balance sheet for the parent company

SEK 000	June 30, 2018	June 30, 2017	Dec 31, 2017
<b>Assets</b>			
Subscribed unpaid capital	96 923	0	0
<b>Fixed assets</b>			
Interests in subsidiaries	227 949	154 936	193 263
Interests in associated companies	9 208		
<b>Total fixed assets</b>	<b>237 157</b>	<b>154 991</b>	<b>201 594</b>
<b>Current assets</b>			
Receivables in Group companies	121 406	85 073	99 533
Other receivables	987	0	2
Prepaid expenses and accrued income	156	84	136
Cash and cash equivalents	8 705	18 240	21 764
<b>Total current assets</b>	<b>131 255</b>	<b>103 398</b>	<b>121 435</b>
<b>Total assets</b>	<b>465 335</b>	<b>258 388</b>	<b>323 029</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	3 517	1 688	2 028
Ongoing new issue	29 057	0	0
Premium reserve	444 173	265 546	337 407
Retained earnings	-21 650	-10 308	-10 308
Loss for the period	-5 095	-2 662	-11 342
<b>Total equity</b>	<b>450 001</b>	<b>254 263</b>	<b>317 785</b>
<b>Current liabilities</b>			
Accounts payable	5 260	1 047	1 120
Current tax liability	363	0	0
Other liabilities	611	425	888
Accrued expenses and deferred income	9 101	2 654	3 236
<b>Total current liabilities</b>	<b>15 334</b>	<b>4 125</b>	<b>5 244</b>
<b>Total equity and liabilities</b>	<b>465 335</b>	<b>258 388</b>	<b>323 029</b>

## Statement of changes in parent company's equity

SEK 000	Share capital	Other capital provided	Other equity, including profit/loss for the year	Profit/loss for the year	Total equity
<b>2017-12-31</b>	<b>2 028</b>	<b>337 407</b>	<b>-10 308</b>	<b>-11 342</b>	<b>317 785</b>
Transfer of last year's profit/loss			-11 342	11 342	0
New issue	1 489	116 377			117 866
Issue costs		-9 611			-9 611
Ongoing new issue		29 057			29 057
Loss for the period				-5 095	-5 095
<b>2018-06-30</b>	<b>3 517</b>	<b>473 230</b>	<b>-21 650</b>	<b>-5 095</b>	<b>450 001</b>

## Key figures

SEK 000	Apr-June 2018	Apr-June 2017	Jan-June 2018	Jan-June 2017	Full year 2017
Net sales, SEK 000	0	21	179	303	335
Operating margin, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Equity per share, SEK	5,9	3,7	5,9	3,9	3,4
Equity ratio, %	89,9	89,6	89,9	89,6	87,1
Number of employees at end of period	21	13	21	13	19

## About myFC

MyFC is a Swedish innovation company and market leader in micro fuel cells which develops green energy solutions and markets the underlying components and advantages of its patented technologies to the smartphone world, power bank manufacturers and manufacturers (OEM) in the automotive industry. In 2017, myFC launched its JAQ Hybrid platform, which co-locates fuel cell and battery. JAQ Hybrid is the company's third hydrogen-powered product following JAQ and PowerTrekk. It runs on the company's patented fuel consisting of salt, water and reactants. MyFC was founded in 2005 and is part of the group myFC Holding AB. MyFC Holding was listed on NASDAQ | First North in May 2014. Its head office is located in Stockholm and the company's Certified Advisor is Avanza Bank. For more information, visit [www.myfcpower.com](http://www.myfcpower.com)