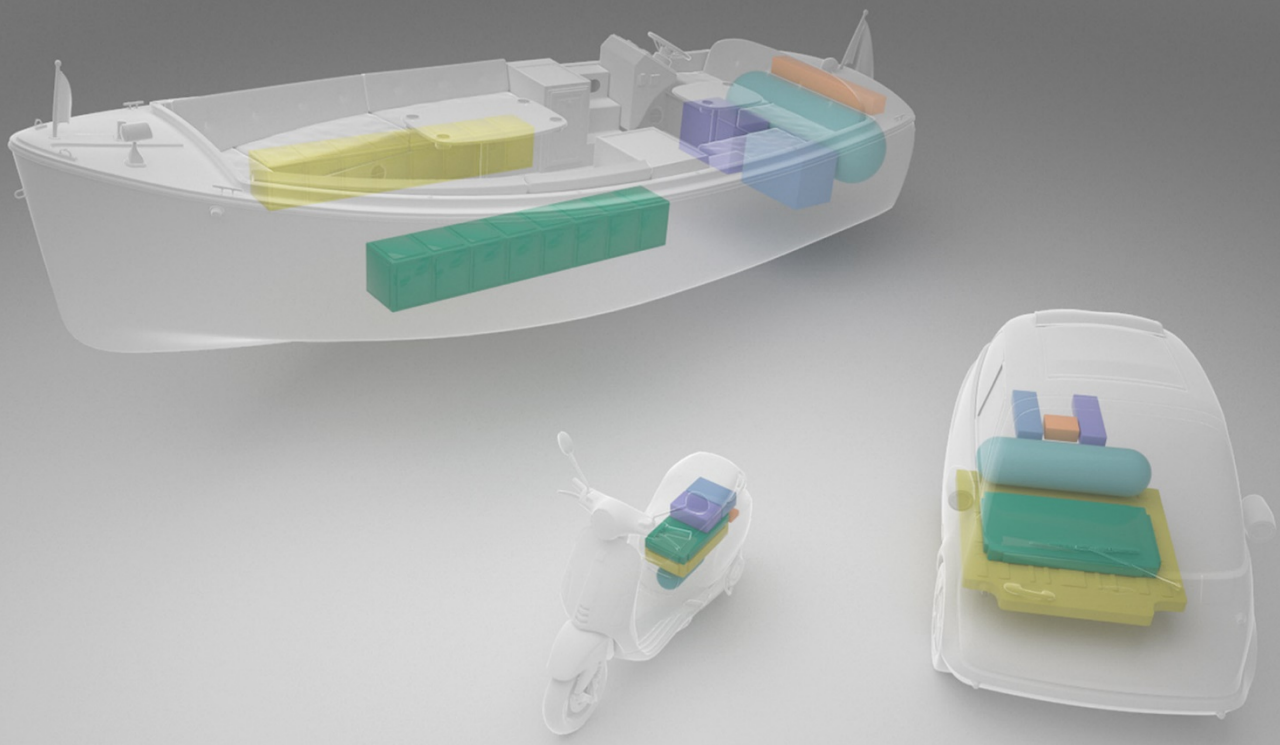
myFC

Financial report

January – September 2020

A revolutionary micro fuel cell technology, challenging the traditional way of thinking



SIGNIFICANT EVENTS JULY – SEPTEMBER

- Extraordinary general meeting resolves targeted new share issues
- Ulf Henning to retire from role as CFO
- myFC participates in feasibility study for development of a hybrid solution with combined battery and fuel cell system

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Directed share issues in myFC bring in SEK 36 million and a Share Subscription Agreement signed with Global Emerging Markets adds an additional SEK 150 million of available funding

	July–Sep 2020	July–Sep 2019	Jan–Sept 2020	Jan–Sept 2019	Full year 2019
Net sales, SEK 000	0	0	0	0	0
Operating margin, %	neg	neg	neg	neg	neg
Equity per share, SEK	0.4	0.5	0.4	0.6	0.6
Equity ratio, %	89.5	79.6	89.5	79.6	87.1
Average number of employees	14	21	14	22	21

A word from our CEO

2-4 wheelers, marine applications, and their auxiliary systems. This is our commercial focus. During the quarter, we have clarified our position and the proof points supporting it further.

Last-mile delivery vehicles have fundamentally changed our cities. Delivery trucks, service vehicles, pod taxis and electric scooters are idling on every street corner. These vehicles are challenged for range, but also with uptime. They need all their auxiliary systems – the cooling of grocery deliveries, IT delivery systems for real-time communication, light and heating – in continuous operation at all time, and they obviously can't rely on fossil fuel-based generators. These are perfect use cases for myFC, and they have been a major focus for us this quarter. We have evaluated specific client applications, including small trucks for last-mile electric delivery. We have defined our system for each vehicle's specific use. We have run simulations and populated scenarios for varying effect and energy needs. And we can now show the business cases for increased runtime, reduced downtime and reduced total cost of ownership for switching to a clean, hydrogen-based solution. We can reduce the size of the battery with up to 60-70% compared to the original specification.

We have deepened our understanding of bicycles. There is large interest from the major bicycle and bicycle component players, and we are in active engagements with several of the actors in the segment. They find our micro fuel cell, and the fact that it is thin and flexible with high modularity particularly attractive. Most of the companies in this segment are active on Asian markets, which are ahead of the rest of the world when it comes to hydrogen infrastructure and more mature in the discussions on commercial applications of fuel cells and hydrogen. This is an attractive prospective market for us.

We are well underway in the feasibility study we were selected for by the Swedish Energy Authority. The study covers the development of a hybrid solution with special consideration given to electrical vehicle performance in colder climates. We have gained new technical and commercial insights in how our technology fits into these types of applications. The work has also deepened our relationship with the other participants. This study is a good example of authorities partnering with smaller, high-tech companies such as ourselves for new technology solutions. I am proud to see how many of these companies are Swedish.

The funds secured in our recent targeted share issues will help us take advantage of all the opportunities that are now opening up. I want to thank our investors for your faith in our technology and our offering – whether you are a new shareholder or have renewed your commitment. The continued investments by members of our board and senior executives mean a great deal to me in pursuing the commercialisation of myFC technology set by the board of directors and management. When a very rapid expansion, such as running several commercial client projects simultaneously, becomes necessary, we have also secured the possibility of further funding through Global Emerging Markets.

A note on Covid-19: we face the same challenges as everybody else. Discussions are impacted when you can't meet face to face and some decision-making processes are understandably delayed as we all learn to navigate this new normal. I am confident that we have found sustainable ways to maintain a high level of activity and momentum in our business at a time when market interest in our offering is so rapidly increasing.

Until next time,
Michael Glantz
CEO myFC

Significant events during the second quarter

EXTRAORDINARY GENERAL MEETING RESOLVES TARGETED NEW SHARE ISSUES

New and existing investors, including executive management will subscribe to 26 million shares in Swedish fuel cell company myFC in two proposed targeted new share issues. The proposed share issues will generate about SEK 52 million before issue costs and were resolved at an extraordinary general meeting on 6 July.

ULF HENNING TO RESIGN AS CFO OF MYFC

Ulf Henning, the CEO of myFC since 2012, has announced his retirement. The process to recruit his successor has been initiated. He will remain in his position until the new CFO is in place.

MYFC PARTICIPATES IN FEASIBILITY STUDY FOR DEVELOPMENT OF A HYBRID SOLUTION WITH COMBINED BATTERY AND FUEL CELL SYSTEM

myFC has been selected by the Swedish Energy Agency to participate in a feasibility study for the development of a hybrid solution with a combined battery and fuel cell system. The project aims to develop the next-generation electrical systems for electric vehicles specially adapted to the Nordic climate. The goal is to improve both the range of the vehicle and the driver's comfort, which is possible through the integration of fuel cell systems and the electrical system and also the heating system.

Significant events after the end of the period

DIRECTED SHARE ISSUES IN MYFC BRING IN SEK 36 MILLION AND A SHARE SUBSCRIPTION AGREEMENT SIGNED WITH GLOBAL EMERGING MARKETS ADDS AN ADDITIONAL SEK 150 MILLION OF AVAILABLE FUNDING

The directed new shares issues resolved in July are expected to close in November and will bring in SEK 36 million in gross proceeds. myFC also secures a SEK 150 million Share Subscription Agreement with Global Emerging Markets for additional funding

Financial overview

NET SALES AND RESULTS 1 JULY – 30 SEPTEMBER 2020

Net sales during the third quarter of 2020 amounted to SEK 0 M (0).

Operating expenses during the third quarter of 2020 amounted to SEK -11.0 M (-18.7). This is a large reduction compared with the third quarter of 2019 and most of this is due to staff reductions made during the third quarter of 2019.

- Other external costs have decreased by SEK 0.8 million compared with the same quarter in 2019 as a result of the revised strategy to focus on integrating the company's technology into customer applications.
- Personnel costs for the third quarter of 2020 have decreased by SEK 6.0 million compared with the third quarter of 2019. The number of employees has decreased by 33 percent compared with the same period in 2019.
- Depreciation and write-downs for the third quarter are SEK 0.9 million lower than for the third quarter of 2019.

The company's operating loss for the third quarter of 2020 amounted to SEK -11.0 million (-18.0). Net financial items for the same period were SEK 0.0 million (0.0).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow during the third quarter of 2020 amounted to SEK -6.1 million (17.3). Cash flow from operating activities during the third quarter of 2020 was SEK -10.5 million (-14.6) and from investing activities SEK -0.0 million (-1.1). The improved cash flow from operating activities can be attributed to the change in strategy that has been implemented with the associated savings program. On September 30, 2020, the Group's cash and cash equivalents amounted to SEK 2.0 M (19.6).

After the end of the period, the company's cash was reinforced with SEK 31.6 million, the result of the remaining part of the targeted share issues resolved by the Extraordinary General Meeting on July 6, 2020. The company has also secured a Share Subscription Agreement of SEK 150 million with GEM, which can be used for future development of myFC.

INTANGIBLE ASSETS

The book value of the Group's intangible assets amounts to SEK 26.4 million, and includes our core technology, including patents and the like.

EQUITY

On September 30, 2020, the Group's equity amounted to SEK 58.5 M (54.7). The equity / assets ratio on 30 September 2020 was 89,5% (79.6).

EMPLOYEES

The number of employees was 13 (19) at the end of the period.

PARENT COMPANY

myFC Holding AB is the parent company of the Group. The company's Group Management is employed by myFC Holding AB and the Parent Company invoices myFC AB for the time the Group management works in myFC AB.

Net income in the Parent Company for the third quarter of 2020 was SEK 1.9 M (3.2). The parent company's operating expenses for the third quarter amounted to SEK -13.6 million (-20.4).

The main part of the operating cost is attributable to shareholder contributions that the parent company sends to subsidiaries.

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Miscellaneous

SIGNIFICANT RISKS AND UNCERTAINTIES

As a provider of innovative technology, myFC's material business risks primarily involve all technical risks, market maturity and demand for fuel cells, 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 and prospectus, published on myFC's website, 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 February 2021	Year-end report January – December 2020
23 April	Interim report January – March 2021
20 May	Annual General Meeting
23 July	Interim report January – June 2021

Stockholm, 13 November 2020

Board of Directors
myFC Holding AB

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

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This information is information that myFC is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08:00 CET on 13 November 2020.

Financial reports

CONSOLIDATED INCOME STATEMENT

SEK 000	July–Sept 2020	July–Sept 2019	Jan–Sept 2020	Jan–Sept 2019	Full year 2019
Operating income					
Net sales	0	0	0	0	0
Own work capitalised	0	0	0	2 662	2 662
Other operating income	0	661	882	1 165	2 064
Total operating income	**0**	**661**	**882**	**3 827**	**4 726**
Operating expenses					
Raw materials, consumables and goods for resale	0	0	0	-8 191	0
Other external expenses	-6 001	-6 798	-17 616	-26 840	-31 425
Personnel costs	-3 515	-9 475	-15 089	-25 516	-28 890
Depreciation and write downs of tangible and intangible assets	-1 427	-2 354	-4 277	-90 680	-100 244
Share of associated companies' income after tax	0	0	0	-1 059	-881
Other operating expenses	-101	-48	-285	-196	-8 750
Total operating expenses	**-11 044**	**-18 674**	**-37 267**	**-152 482**	**-170 190**
Operating loss	**-11 044**	**-18 013**	**-36 385**	**-148 655**	**-165 464**
Profit/loss from financial items					
Net financial items	0	-1	-34	-61	-62
Loss after financial items	**-11 044**	**-18 014**	**-36 419**	**-148 716**	**-165 526**
Tax	-	-	-	-	-
Loss for the period	**-11 044**	**-18 014**	**-36 419**	**-148 716**	**-165 526**
Earnings per share					
before dilution (SEK)	-0,07	-0,16	-0,23	-1,67	-1,76
after dilution (SEK)	na	na	na	na	na
Average number of outstanding shares at the close of the report period before dilution (000)	156 741	109 783	155 138	88 987	94 244

CONSOLIDATED BALANCE SHEET

SEK 000	Sept 30 2020	Sept 30 2019	Dec 31 2019
ASSETS			
Subscribed unpaid capital	31 632	0	21 105
Fixed assets			
Intangible fixed assets	26 389	31 211	30 068
Property, plant and equipment	1 175	10 306	1 428
Interests in associated companies	0	0	0
Total fixed assets	**27 564**	**41 517**	**31 496**
Current assets			
Inventories	2 716	3 099	2 716
Accounts receivable	0	336	51
Current tax assets	285	531	154
Other receivables	1 170	1 975	906
Prepaid expenses and accrued income	14	1 732	1 250
Cash and cash equivalents	1 980	19 600	9 827
Total current assets	**6 165**	**27 274**	**14 904**
Total assets	**65 361**	**68 791**	**67 505**
EQUITY AND LIABILITIES			
Equity			
Share capital	9 166	6 420	6 420
Ongoing new issue	36 033	541 274	21 105
Other capital provided	559 489	0	541 048
Retained earnings	-509 770	-344 244	-344 244
Loss for the period	-36 419	-148 716	-165 526
Total equity	**58 499**	**54 734**	**58 803**
Current liabilities			
Accounts payable	1 105	3 786	2 350
Other liabilities	841	1 804	714
Accrued expenses and deferred income	4 917	8 467	5 638
Total current liabilities	**6 863**	**14 057**	**8 702**
Total equity and liabilities	**65 361**	**68 791**	**67 505**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

SEK 000	Share capital	Other capital provided	Other equity	Profit/loss for the period	Total equity
2019-12-31	**6 420**	**562 153**	**-344 244**	**-165 526**	**58 803**
Disposition acc to AGM			-165 526	165 526	0
New issue	2 746	18 475			21 222
Registration of previous new isssue in progress		-21 105			-21 105
Issue cost		-34			-34
Ongoing new issue		36 033			36 033
Profit/loss for the period				-36 419	-36 419
2020-09-30	**9 166**	**595 522**	**-509 770**	**-36 419**	**58 499**

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK 000	July–Sept 2020	July–Sept 2019	Jan–Sept 2020	Jan–Sept 2019	Full year 2019
Cash flow from current operations	**-10 475**	**-14 555**	**-33 088**	**-60 009**	**-70 355**
Cash flow from investing activities	**0**	**-1 090**	**-345**	**-3 407**	**-2 607**
Cash flow from financing activities	**4 401**	**-1 682**	**25 586**	**31 083**	**30 857**
Cash flow for the period	**-6 074**	**-17 327**	**-7 847**	**-32 333**	**-42 105**
Opening balance, cash and cash equivalents	8 054	36 927	9 827	51 933	51 933
Cash and cash equivalents at the end of the period	**1 980**	**19 600**	**1 980**	**19 600**	**9 828**

INCOME STATEMENT FOR PARENT COMPANY

SEK 000	July–Sept 2020	July–Sept 2019	Jan–Sept 2020	Jan–Sept 2019	Full year 2019
Operating income					
Net sales	1 852	3 204	7 192	8 318	9 232
Other income	0	1	0	3	53
Total operating income	**1 852**	**3 205**	**7 192**	**8 321**	**9 285**
Operating expenses					
External costs	-638	-1 583	-2 370	-3 801	-4 547
Personnel costs	-2 195	-5 973	-9 803	-15 057	-16 569
Shareholder contribution to subsidiary	-10 798	-12 802	-31 713	-137 129	-152 828
Operating profit/loss	**-11 779**	**-17 152**	**-36 694**	**-147 666**	**-164 660**
Profit/loss from financial items					
Net financial items	0	-15	-7	-15	-6
Impairment of participations in subsidiaries	0	0	0	-82 200	-82 200
Impairment of participations in associated companies	0	0	0	-1 059	-881
Profit/loss after financial items	**-11 779**	**-17 167**	**-36 701**	**-230 940**	**-247 747**
Tax	-	-	-	-	-
Profit/loss for the period	**-11 779**	**-17 167**	**-36 701**	**-230 940**	**-247 747**

BALANCE SHEET FOR THE PARENT COMPANY

SEK 000	Sept 30 2020	Sept 30 2019	Dec 31 2019
ASSETS			
Subscribed unpaid capital	31 632		21 105
Fixed assets			
Interests in subsidiaries	112 415	112 415	112 415
Total fixed assets	**112 415**	**112 415**	**112 415**
Current assets			
Receivables in Group companies	21 720	43 046	28 670
Tax receivables	-	189	-
Other receivables	85	522	165
Prepaid expenses and accrued income	12	263	239
Cash and cash equivalents	4 813	14 691	8 834
Total current assets	**26 630**	**58 711**	**37 908**
Total assets	**170 677**	**171 126**	**171 428**
EQUITY AND LIABILITIES			
Equity			
Share capital	9 166	6 420	6 420
Ongoing new issue	36 033		21 105
Premium reserve	521 041	502 827	502 600
Retained earnings	-363 973	-116 226	-116 226
Loss for the period	-36 701	-230 940	-247 747
Total equity	**165 566**	**162 081**	**166 152**
Current liabilities			
Accounts payable	540	1 298	202
Other liabilities	568	1 266	487
Accrued expenses and deferred income	4 003	6 481	4 587
Total current liabilities	**5 111**	**9 045**	**5 275**
Total equity and liabilities	**170 677**	**171 126**	**171 428**

STATEMENT OF CHANGES IN PARENT COMPANY'S EQUITY

SEK 000	Share capital	Other capital provided	Other equity	Profit/loss for the period	Total equity
2019-12-31	**6 420**	**523 706**	**-116 227**	**-247 747**	**166 152**
Transfer of last year's profit/loss			-247 747	247 747	0
New issue	2 746	18 475			21 221
Registration of previous new issue in progress		-21 105			-21 105
Issue cost		-34			-34
Ongoing new issue		36 033			36 033
Profit/loss for the period				-36 701	-36 701
2020-09-30	**9 166**	**557 074**	**-363 974**	**-36 701**	**165 566**

KEY FIGURES

	July–Sept 2020	July–Sept 2019	Jan–Sept 2020	Jan–Sept 2019	Full year 2019
Net sales, SEK 000	0	0	0	0	0
Operating margin, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Equity per share, SEK	0,4	0,5	0,4	0,6	0,6
Equity ratio, %	89,5	79,6	89,5	79,6	87,1
Number of employees at end of period	13	18	13	18	13

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FOR MORE INFORMATION, PLEASE CONTACT:

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ABOUT myFC

Swedish innovation company myFC offers thin, scalable fuel cells that are easy to dimension and adapt to any electric application. myFC develops hybrid technology solutions combining batteries and hydrogen-based micro fuel cells for extended usage and reduced carbon footprint. The company was founded in 2005 and was listed on NASDAQ First North Growth Market in 2014. Its headquarters are in Stockholm. For more information, visit myfc.se