

Year-end report

January – December 2020



SIGNIFICANT EVENTS OCTOBER – DECEMBER

- 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
- Indian Patent Office approves key myFC patent
- myFC granted new patent in Brazil that enables reduced manufacturing cost

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- myFC participates in concept study for small vehicles with the Swedish Energy Agency
- Ulf Henning nominated as new Chairman of the Board of myFC
- Mattias Kirvesniemi appointed CFO of myFC

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales, SEK 000	-	-	-	-
Operating margin, %	neg	neg	neg	neg
Equity per share, SEK	0.3	0.5	0.3	0.6
Cash and cash equivalents SEK 000	1 071	8 834	1 071	8 834
Equity ratio, %	76.7	87.1	76.7	87.1
Average number of employees	11	16	13	21

A word from our CEO



For myFC, 2020 was defined by a strong focus on technology development. The fourth quarter was no exception, and the results from our lab are some of the best I've seen in the company's history. Our fuel cells have the same DNA as always, but we have optimized them for higher power and we now have a more active control technology. As the hydrogen market evolves, the value of our patent portfolio increases. We can offer high efficiency at an extremely cost-effective manufacturing cost, both in our own production as well as in license setups.

Our technological advantages are more than performance figures. What we do is complex, and every breakthrough in the lab needs to be seen in a larger context. Every country that announces its hydrogen strategy means a more clearly defined addressable market for us. As the adoption of hydrogen takes off, authorities and regulators not only look for large systems – there are already clear indications from for example Germany of the commitment to maximize the investment. That requires smaller systems, too. Such as ours.

What could the value of these smaller systems be? This year, we developed systems for electric bicycles, which might seem like a limited market but we have repeatedly observed that the technical specifications of one project prove to be very compatible with other projects, with adaptations. From our perspective, the sectors intersect as many industries have overlapping power and energy needs. One example is Autonomous Mobile Robots, AMR – a large and fast-growing market that is vital to e-commerce. It is a case study where our technology really stands out because the vehicles never have to be taken out of service to be charged. Our unique selling point is the same as always: continuous energy supply to the battery. With our technology, the large e-commerce warehouses can rely on 24/7 uptime without the limitations and investment in batteries or heating garages (as lithium-ion battery performance is compromised when it is cold). Hydrogen supply can be solved in a number of ways – warehouse roofs are for example well suited for solar cells powering hydrogen production with renewable energy.

During 2020, we have mapped these opportunities from both a technical and commercial perspective. A valuable source of information, it turns out, is our projects that are financed by the Swedish Energy Agency. Our partners in these projects represent specialized market and technology expertise in defined domains, and the collaboration has provided an increased mutual understanding of the needs in the various industries.

2020 was a dramatic year in the world, a busy year at myFC, and my first year as CEO. In addition to our technological development, we have initiated new commercial discussions, secured additional financing, and in the beginning of 2021, we made changes to the Board and Group Management. It has been intense but rewarding work. We have made great progress during the year and I look forward to being able to tell you more about it.

Until next time,
Michael Glantz
CEO myFC

Significant events during the fourth quarter

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 bring in SEK 36 million in gross proceeds. myFC also secured a Share Subscription Agreement with Global Emerging Markets for additional funding. Under the agreement, which is valid for three years, myFC will be able to raise a maximum of SEK 150 million by carrying out one or several direct share issues to GEM and having GEM, at one or several occasions, subscribe and pay for new shares.

INDIAN PATENT OFFICE APPROVES KEY myFC PATENT

The Indian Intellectual Property has approved a key patent for myFC. The patent is for an electrochemically actuated valve, which enables the fuel cell to self-regulate hydrogen flow. Mechanical valves are difficult to miniaturize and expensive to produce. myFC has therefore patented an electrochemically operated actuator and valve which simplifies production and makes it cost effective. This patent has previously been approved in Canada, China, Japan and the United States. myFC's patent portfolio consists of more than 100 approved patents and ongoing patent applications.

myFC GRANTED NEW PATENT IN BRAZIL THAT ENABLES REDUCED MANUFACTURING COST

The Brazilian patent office The National Institute of Industrial Property (INPI) has granted Swedish micro fuel cell company myFC a patent for one of the company's inventions. The patented innovation makes the manufacturing of a polymer electrolyte membrane fuel cell easier and more cost effective. This specific patent has previously been granted in China, Mexico, Japan, Canada, South Korea, the EU, and the United States. myFC's global patent portfolio consists of more than 100 approved patents and ongoing patent applications.

Significant events after the end of the period

myFC PARTICIPATES IN CONCEPT STUDY FOR SMALL VEHICLES WITH THE SWEDISH ENERGY AGENCY

Micro fuel cell company myFC has been selected to participate in a concept study for the development of small, environmentally friendly, cost and energy efficient vehicles. The study is funded by the Swedish Energy Agency, led by research institute RISE, with the overall objective to reduce emissions and strengthen the competitiveness of the Swedish automotive industry. The project will be conducted during the spring of 2021 under the framework of the initiative Strategic Vehicle Research and Innovation (FFI) and is particularly focused on smaller vehicles such as pod taxis.

ULF HENNING NOMINATED AS NEW CHAIRMAN OF THE BOARD OF myFC

The nomination committee of myFC proposes that Ulf Henning is appointed Chairman of the Board of Directors of myFC. He replaces Markus Hermanek, who has served as chairman of the board since 2019. The decision will be taken at an Extraordinary General Meeting on March 3. Ulf Henning has served as CFO of myFC since 2012.

MATTIAS KIRVESNIEMI APPOINTED CFO OF myFC

Mattias Kirvesniemi is appointed CFO of myFC, effective April 1. Mattias Kirvesniemi has extensive experience working as CFO in Sweden and internationally. He was most recently CFO of Health Solutions, a MedTech Company, and prior to that CFO of EFKAB, a technical consultancy. He has a Master of Science Degree in Industrial Engineering and Management from the Royal Institute of Technology in Stockholm, KTH.

Financial overview

NET SALES AND RESULTS 1 OCTOBER – 31 DECEMBER 2020

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

Operating expenses during the fourth quarter of 2020 amounted to SEK -12.0 M (-17.9). This is a large reduction compared with the fourth quarter of 2019 which is due to much smaller depreciations during the fourth quarter 2020 compared to 2019.

- Other external costs have increased by SEK 3.3 million compared with the same quarter in 2019. The reason for this is larger consultant and development costs. Some of the employees that have left the company have been replaced by consultants, which gives the company better flexibility.
- Personnel costs for the fourth quarter of 2020 have decreased by SEK 0.7 million compared with the fourth quarter of 2019.
- Depreciation and write-downs for the fourth quarter are SEK 8.1 million lower than for the fourth quarter of 2019.

The company's operating loss for the fourth quarter of 2020 amounted to SEK -12.0 million (-16.8). Net financial items for the same period were SEK 0.0 million (0.0).

NET SALES AND RESULTS 1 JANUARY – 31 DECEMBER 2020

Net sales during the full year of 2020 amounted to SEK 0 M (0).

Operating expenses during 2020 amounted to SEK -49.1 M (-170.2). This is a large reduction compared with year 2019 which is due to much smaller depreciations during 2020 compared to 2019.

- Other external costs have decreased by SEK 5.9 million compared with 2019. The reason for this is the strategic changes the company made in 2019 which included closing down a number of projects.
- Personnel costs for 2020 have decreased by SEK 11.1 million compared with 2019. As an effect of the revised strategy, a lot of staff left the company during 2019.
- Depreciation and write-downs in 2020 were SEK 95.5 million lower than in 2019. The decision not to continue with consumer products lead to that large parts of the intangible assets were depreciated in 2019.

The company's operating loss for 2020 amounted to SEK -48.4 million (-165.5). Net financial items for the same period were SEK -0.1 million (-0.1).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow during the fourth quarter of 2020 amounted to SEK -0.8 million (9.8). Cash flow from operating activities during the fourth quarter of 2020 was SEK -6.4 million (-9.5) and from financing activities SEK 5.6 million (-0.2).

On December 31, 2020, the Group's cash and cash equivalents amounted to SEK 1.10 M (9.8).

After the end of the period the company's cash was reinforced with SEK 28.6 million, the result of the remaining part of the targeted share issues resolved by the Extraordinary General Meeting on July 6, 2020. The company 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 25.0 million, and includes our core technology, including patents and the like.

EQUITY

On December 31, 2020, the Group's equity amounted to SEK 46.2 M (58.8). The equity / assets ratio on 31 December 2020 was 76.1% (87.1).

EMPLOYEES

The number of employees was 11 (13) 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 fourth quarter of 2020 was SEK 1.1 M (0.9). The parent company's operating expenses for the fourth quarter amounted to SEK -13.7 million (-18.0).

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

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

3 March	Extraordinary General Meeting
23 April	Interim report January – March 2021
10 June	Annual General Meeting
23 July	Interim report January – June 2021
22 October	Interim report January – September 2021

Stockholm, 26 February 2021

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 26 February 2021.

Financial reports

CONSOLIDATED INCOME STATEMENT

SEK 000	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Operating income				
Net sales	-	-	-	-
Own work capitalised	-	-	-	2 662
Other operating income	1	899	750	2 064
Total operating income	1	899	750	4 726
Operating expenses				
Raw materials, consumables and goods for resale	0	-	0	-
Other external expenses	-7 895	-4 585	-25 512	-31 425
Personnel costs	-2 684	-3 375	-17 772	-28 890
Depreciation and write downs of tangible and intangible assets	-1 424	-9 564	-5 701	-100 244
Share of associated companies' income after tax	-	179	0	-881
Other operating expenses	20	-364	-133	-8 750
Total operating expenses	-11 984	-17 709	-49 118	-170 190
Operating loss	-11 983	-16 810	-48 368	-165 464
Profit/loss from financial items				
Net financial items	-35	-	-70	-62
Loss after financial items	-12 018	-16 810	-48 437	-165 526
Tax	-	-	-	-
Loss for the period	-12 018	-16 810	-48 437	-165 526
Earnings per share				
before dilution (SEK)	-0,08	-0,15	-0,31	-1,76
after dilution (SEK)	na	na	na	na
Average number of outstanding shares at the close of the report period before dilution (000)	159 442	109 783	156 217	94 244

CONSOLIDATED BALANCE SHEET

SEK 000	Dec 31 2020	Dec 31 2019
ASSETS		
Subscribed unpaid capital	28 632	21 105
Fixed assets		
Intangible assets	25 049	30 068
Property, plant and equipment	1 091	1 428
Interests in associated companies	-	-
Total fixed assets	26 139	31 496
Current assets		
Inventories	2 431	2 716
Accounts receivable	-	51
Current tax assets	323	154
Other receivables	1 326	906
Prepaid expenses and accrued income	682	1 250
Cash and cash equivalents	1 145	9 827
Total current assets	5 908	14 904
Total assets	60 679	67 505
EQUITY AND LIABILITIES		
Equity		
Share capital	9 368	6 420
Ongoing new issue	29 196	21 105
Other capital provided	566 188	541 048
Retained earnings	-509 770	-344 244
Loss for the period	-48 437	-165 526
Total equity	46 545	58 803
Current liabilities		
Bank overdraft facility	2 515	-
Accounts payable	4 235	2 350
Current tax liability	-	-
Other liabilities	2 096	714
Accrued expenses and deferred income	5 289	5 638
Total current liabilities	14 135	8 702
Total equity and liabilities	60 679	67 505

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

SEK 000	Share capital	Other capital provided	Other equity for the year	Profit/loss for the year	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	2 948	4 070	-	-	7 018
Issue cost	-	-34	-	-	-34
Ongoing new issue	-	29 196	-	-	29 196
Profit/loss for the period	-	-	-	-48 437	-48 437
2020-12-31	9 368	595 384	-509 770	-48 437	46 545

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK 000	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Cash flow from current operations	-6 417	-9 546	-39 508	-70 355
Cash flow from investing activities	0	0	-345	-2 607
Cash flow from financing activities	5 578	-226	31 167	30 857
Cash flow for the period	-839	-9 772	-8 686	-42 105
Opening balance, cash and cash equivalents	1 980	19 600	9 827	51 933
Cash and cash equivalents at the end of the period	1 141	9 828	1 141	9 828

INCOME STATEMENT FOR PARENT COMPANY

SEK 000	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Operating income				
Net sales	1 122	913	8 314	9 232
Other income	2	50	2	53
Total operating income	1 124	963	8 316	9 285
Operating expenses				
External costs	-1 699	-747	-4 070	-4 547
Personnel costs	-765	-1 513	-10 568	-16 569
Shareholder contribution to subsidiary	-11 282	-15 698	-42 995	-152 828
Operating profit/loss	-12 622	-16 994	-49 316	-164 660
Profit/loss from financial items				
Net financial items	4	9	-3	-6
Impairment of participations in subsidiaries	-	-	-	-82 200
Impairment of participations in associated companies	-	179	-	-881
Profit/loss after financial items	-12 618	-16 806	-49 319	-247 747
Tax	-	-	-	-
Profit/loss for the period	-12 618	-16 806	-49 319	-247 747

BALANCE SHEET FOR THE PARENT COMPANY

SEK 000	Dec 31 2020	Dec 31 2019
ASSETS		
Subscribed unpaid capital	28 632	21 105
Fixed assets		
Interests in subsidiaries	112 415	112 415
Total fixed assets	112 415	112 415
Current assets		
Receivables in Group companies	16 940	28 670
Other receivables	66	165
Prepaid expenses and accrued income	24	239
Cash and cash equivalents	1 071	8 834
Total current assets	18 101	37 908
Total assets	159 148	171 428
EQUITY AND LIABILITIES		
Equity		
Share capital	9 368	6 420
Ongoing new issue	29 196	21 105
Premium reserve	527 740	502 600
Retained earnings	-363 973	-116 226
Loss for the period	-49 319	-247 747
Total equity	153 012	166 152
Current liabilities		
Accounts payable	707	202
Current tax liability	-	-
Other liabilities	1 803	487
Accrued expenses and deferred income	3 625	4 587
Total current liabilities	6 136	5 275
Total equity and liabilities	159 148	171 428

STATEMENT OF CHANGES IN PARENT COMPANY'S EQUITY

SEK 000	Share capital	Other capital provided	Other equity	Profit/loss for the year	Total equity
2019-12-31	6 420	523 706	-116 226	-247 747	166 153
Transfer of last year's profit/loss	-	-	-247 747	247 747	0
New issue	2 948	4 070	-	-	7 017
Issue costs	-	-34	-	-	-34
Ongoing new issue	-	29 196	-	-	29 196
Loss for the period	-	-	-	-49 319	-49 319
2020-12-31	9 368	556 936	-363 973	-49 319	153 012

KEY FIGURES

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales, SEK 000	-	-	-	-
Operating margin, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Equity per share, SEK	0,3	0,5	0,3	0,6
Equity ratio, %	76,7	87,1	76,7	87,1
Number of employees at end of period	11	13	11	13

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 26 February 2021.

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