



Financial report January – September 2018

Significant events July – September

- myFC runs an electric car on water at Almedalen political week
- myFC makes key recruitment within mobile integration
- myFC ships JAQ Hybrid to Lightec Japan

Significant events after the end of the quarter

- myFC makes adjustments in the Group Leadership Team
- myFC showcases prototype smartphone charged by integrated fuel cell
- myFC launches JAQ Hybrid in Japan together with Lightec Inc
- myFC develops technology that secures the company's recurring revenues from fuel, and protects users and manufacturers from counterfeit fuel cards
- myFC reinforces Group leadership with Tord Karlin as Research & Development Director

	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
Net sales, SEK 000	202	6	467	303	335
Operating margin, %	neg	neg	neg	neg	neg
Equity per share, SEK	5,5	5,1	5,5	5,7	3,4
Equity ratio, %	95,5	93,3	95,5	93,3	87,1
Average number of employees	21	13	19	13	13

A word from our CEO

All our focus areas have developed well during the third quarter. From a sales perspective, I am pleased to have delivered JAQ Hybrid to Japan. Both because Lightec is our first customer outside China, and because Japan is arguably the world's most advanced mobile market. The everyday life of Japanese consumers is characterized by long commutes with increased risk of depleted smartphones. There is also a high natural disaster preparedness, which creates great interest in our technology.

Our partner Lightec is a well-known distributor with a large distribution network. Their first order is not of large monetary value, but ours is a long-term cooperation. After the end of the period, we attended Japan's most important technology exhibition CEATEC together with Lightec, supporting the launch of JAQ Hybrid on the Japanese market. JAQ Hybrid is already IEC certified, but additional certification regulations will be enforced in Japan in February 2019. The process of certifying JAQ Hybrid according to these regulations has been initiated and is proceeding according to plan. Lightec is undoubtedly an exciting customer.

We reached a milestone during the quarter when we showcased our LAMINA REX system, installed in a commercial electric car, at Almedalen Political Week. The purpose of our participation was to show that myFC possesses the technology to charge an electric car using our patented fuel cells and our cheap and harmless fuel consisting of water, salt and reaction components, creating hydrogen on-board the car. The goal for our LAMINA REX integration is to offer the automotive industry doubled mileage for electric vehicles, with zero tail pipe emissions, as compared to the mileage that the car's batteries can offer. Our work on the R&D project LAMINA REX continues according to plan.

Our smartphone initiative has truly accelerated with concrete milestones reached. We have reached these milestones through a robust development plan and through strengthened competence in critical areas, both in Malmö where our smartphone operations are located in terms of software and operating system competence, and in Stockholm where we placed the development work for the LAMINA cell and for adapting our fuel solutions for the smartphone industry.

A first result of the development work is the presentation of a fully functional prototype of a commercial Android smartphone with an integrated LAMINA cell, which happened after the end of the period. The prototype is based on a commercial smartphone model with built-in support for adding hardware and software. It has been developed without collaboration with the manufacturer, and will be used as reference design in the marketing of our technology to smartphone manufacturers. This integration is the only one of its kind in the world to date, focusing not only on mechanical integration but also on the user experience. Just as all technology companies, we will now work on continuously improving the solution.

As previously announced, we already have an ongoing feasibility study together with one of the world's largest smartphone manufacturers to evaluate how our technology can be integrated into their smartphones. Our new reference design will be an important tool in the ongoing evaluation. We are pleased to note that there is a clear interest also from other leading smartphone manufacturers to evaluate our technology. As we continue to work on improving and optimizing our solution further, we can now deepen the dialogue with the smartphone manufacturers.

During and after the quarter we have also made important technical advances to protect our fuel. myFC's business model is a consequence of the revised strategy announced in the spring. myFC's revenue potential for the sale of our fuel can be 5-10 times greater than from our fuel cell, and thus benefits from growing volumes. We have therefore analyzed, developed and applied for patents for systems that enable a smartphone to determine – in a very cost effective, user friendly and scalable manner – whether the fuel card is an original fuel card from myFC or a copy.

We are a highly qualified competence company, which is why we have increased the staffing of 10 people during the year, which added key skills and competence into our strategic initiatives. During the coming quarter, we will continue our implementation of the strategy, our talks with potential partners and customers, and our continued technical and commercial development with sustained intensity.

Until next time,

Björn Westerholm
CEO myFC

Significant events during the third 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.

myFC makes key recruitment within mobile integration

As part of myFC's efforts to integrate fuel cells into smartphones, the company has now made a key recruitment. Chao Chen joins myFC to lead the work on mobile integration software and to support myFC customers in launching products containing mobile fuel cell technology. Chao is educated at the Royal Institute of Technology in Stockholm, and has long experience reaching from hardware integration to the application used by the end user. He was most recently lead technical support to major smartphone manufacturers for Fingerprint Cards in China. He has previously been software developer for Fingerprint Cards in Sweden, and has led software development for ST-Ericsson and Ericsson.

myFC ships JAQ Hybrid to Lightec Japan

500 units of fuel cell charger JAQ Hybrid and the associated PowerCards have now been delivered to Lightec in Japan. Lightec will be the first to offer JAQ Hybrid on the Japanese market. The order, announced in June, is part of a non-exclusive distribution agreement between myFC and Lightec. The order value does not exceed half a million kronor. Lightec has a nationwide distribution network in Japan, delivering smartphone accessories to retail chains such as 7-Eleven and Lawson, as well as to mobile operators' stores, including KDDI and Softbank.

Significant events after the end of the quarter

myFC makes adjustments in the Group Leadership Team

myFC makes the following adjustments in Group Management: Ville Lejon-Avrin is appointed acting Sales Director during Max Rydahl's parental leave. Ville Lejon-Avrin most recently worked at Swedish mobile operator 3. He held several roles in the past six years, all connected to the hardware portfolio and its services and offers. Lejon-Avrin has previously worked for Nokia and Phonehouse. myFC also announces that Marko Päivärinne, Production & Logistics director at myFC, is made responsible for the company's development project of a fuel-cell based range extender for electric cars, LAMINA REX. He has many years of experience in project management, supply chain and demand planning, and has been responsible for major implementations at Zound industries, Scibase and ArthroCare

myFC showcases prototype smartphone charged by integrated fuel cell

As part of its revised strategy, announced in April 2018, myFC is intensifying its efforts within fuel cell integration into smartphones. The development has now reached an important milestone, as a fully functional smartphone integrating myFC's LAMINA fuel cell was showcased, enabling myFC's fuel cell to

deliver power on-the-go in a commercial Android smartphone. The prototype has been developed without collaboration with the manufacturer, and will be used as a reference design when promoting myFC's technology to smartphone manufacturers.

myFC launches JAQ Hybrid in Japan together with Lightec Inc

In cooperation with myFC, Lightec launched myFC's fuel cell charger JAQ Hybrid on the Japanese market. The launch happened at the CEATEC Technology Exhibition October 16-19. CEATEC, or Combined Exhibition of Advanced Technologies, gathers exhibitors and visitors from across East Asia.

myFC develops technology that secures the company's recurring revenues from fuel, and protects users and manufacturers from counterfeit fuel cards

myFC has developed the system and technologies to secure that myFC's unique certified fuel chemistry can correctly identify a myFC PowerCard, the company's original, patented fuel card. Only PowerCards will be accepted at start of energy generation for a smartphone or other device.

myFC reinforces Group leadership with Tord Karlin as Research & Development Director

myFC reinforces its organization with Tord Karlin. As R&D director, Karlin will be responsible for myFC's R&D efforts. Tord Karlin has extensive experience from the electronics industry, most recently as head of technology development at electronics company Mycronic. He has a PhD in solid state electronics from the Royal Institute of Technology in Stockholm.

Financial overview

Net sales and results

1 July – 30 September 2018

Net sales in the third quarter of 2018 amounted to SEK 0.2 million (0.0). During the third quarter, the company completed a first delivery to the Japanese company Lightec of 500 units of JAQ Hybrid.

Operating expenses during the second quarter amounted to SEK -17.3 million (-11.1). Compared with the corresponding period 2017, our operating expenses have increased by SEK 6.2 million. The increase is mainly attributable to:

- Other external costs have increased by SEK 3.5 million compared with the same quarter in 2017. The explanation is, as previously communicated, 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. Many of the projects we have worked with during the third quarter 2018 were just started, or had not been started a year ago. Compared to 2017, we have increased the number of consultants and employees, which means increased costs for premises, IT, travel, etc.
- The number of permanent employees has increased by 10 people compared to the same period in 2017, but due to a larger holiday withdrawal in 2018 compared to 2017, the cost of staff has only increased by SEK 0.7 million.
- Depreciation has increased compared with the same period in 2017, but follows the depreciation plan that the company has. Depreciation for the period was SEK 3.6 million (2.0).
- myFC's share of operations in China, operated with Novel Unicorn in China, amounted to -0.3 million (0.0) in Q3 2018.

The company's operating profit for the third quarter of 2018 amounted to SEK -15.4 million (-10.7), and net financial items for the same period were SEK -0.0 million (0.0). Compared to the second quarter of 2018, operating income improved by SEK 6.3 million, mainly due to reduced project and salary costs.

Cash flow, investments and financial position

Cash flow during the third quarter amounted to SEK 62.7 million (4.7). The improvement in cash flow relates to the rights issue the company made in the late spring of 2018, but most of the payment for the issue came in July 2018, that is, at the beginning of the third quarter.

Cash flow from operating activities during the third quarter of 2018 amounted to SEK -28.0 million (-9.5). During the period, the company purchased relatively large amounts of critical components for the production of JAQ Hybrid and stocked them, in addition, the company has reduced its trade payables and other current liabilities by approximately SEK 16 million.

Intangible fixed assets have increased by SEK 5.2 million (8.0) during the quarter and concern general fuel cell development, fuel development and continued development of the JAQ system.

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 September 2018, the Group's liquid assets amounted to SEK 78.2 M (25.1).

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 more than 90 patents and patent applications, trademarks and know-how. This may apply, for example, to the development of fuel cells, chargers, fuel, and associated components such as algorithms, electronics and interfaces.

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 September 30, the advance amounted to SEK 10 million.

Equity

The Group's equity amounted to SEK 207.6 million (168.3) as of 30 September 2018. The equity ratio amounted to 95.5% (93.3) on September 30, 2018.

Employees

At the close of the period, the company had 23 (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 and prospectus, published on myFC's website, 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

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|--------------------|---|
| • 22 February 2019 | Full-year report 2018 |
| • 26 April 2019 | Interim report January – March 2019 |
| • 24 May 2019 | Annual General Meeting 2019 |
| • 26 July 2019 | Interim report January – June 2019 |
| • 25 October 2019 | Interim report January – September 2019 |

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

Stockholm, October 26 2018

Board of Directors

myFC Holding AB

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Financial reports

Income statement for the Group

SEK 000	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
Operating income					
Net sales	202	6	467	337	337
Work performed by the company for its own use	1 514	404	3 923	2 787	2 978
Other operating income	248	16	198	33	0
Total operating income	1 964	426	4 589	3 157	3 315
Operating expenses					
Raw materials, consumables and goods for resale	0	0	0	-881	-1 781
Other external expenses	-7 531	-3 999	-28 392	-11 914	-30 368
Personnel costs	-5 829	-5 169	-19 382	-13 453	-18 825
Depreciation	-3 630	-1 952	-10 840	-6 022	-17 656
Share of associated companies' income after tax	-326		-1 543		-3000
Other operational expenses	0	-	-359	-	-56
Total operating expenses	-17 316	-11 119	-60 517	-32 271	-71 686
Operating loss	-15 353	-10 693	-55 928	-29 114	-68 371
Profit/loss from financial items					
Net financial items	-5	-46	-434	-561	-598
Loss after financial items	-15 358	-10 739	-56 363	-29 674	-68 969
Tax	-	-	-	-	-
Loss for the period	-15 225	-10 739	-56 230	-29 674	-68 969
Earnings per share					
before dilution (SEK)	-0,22	-0,33	-1,16	-1,01	-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)	69 287	32 849	48 290	29 327	30 633

Balance sheet for the Group

SEK 000	Sep 30, 2018	Sep 30, 2017	Dec 31, 2017
Assets			
Subscribed unpaid capital	0	42 108	0
Fixed assets			
Intangible fixed assets	110 488	93 505	93 749
Property, plant and equipment	6 037	3 336	3 483
Interests in associated companies	5 290	8331	5331
Total fixed assets	121 815	105 172	102 563
Current assets			
Inventories	2 595	134	0
Accounts receivable	202	26	218
Current tax assets	783	1 288	1 265
Prepaid expenses and accrued income	1 208	1 000	8 984
Other receivables	12 626	5 576	4 143
Cash and cash equivalents	78 238	25 080	31 276
Total current assets	95 651	33 102	45 886
Total assets	217 466	180 382	148 449
Equity and liabilities			
Equity			
Share capital	4 083	1 943	2 028
Other capital provided	512 529	379 756	377 208
Retained earnings	-252 655	-183 686	-183 686
Loss for the period	-56 363	-29 674	-68 969
Total equity	207 594	168 339	126 580
Non-current liabilities			
Other non-current liabilities	0	93	0
Total non-current liabilities	0	93	0
Current liabilities			
Liabilities to credit institutions	93	1 111	926
Accounts payable	5 251	6 426	15 826
Current tax liability	0	0	25
Other liabilities	899	675	594
Accrued expenses and deferred income	3 630	3 739	4 498
Total current liabilities	9 872	11 951	21 869
Total equity and liabilities	217 466	180 382	148 449

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
2016-12-31	2 028	377 208	-183 686	-68 969	126 581
Disposition acc to AGM			-68 969	68 969	0
New issue	2 055	144 867			146 922
Issue cost	0	-9 546			-9 546
Profit/loss for the period				-56 230	-56 230
2017-09-30	4 083	512 529	-252 655	-56 230	207 727

Consolidated statement of cash flows

SEK 000	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
Cash flow from current operations	-28 139	-9 504	-59 489	-20 845	-45 187
Cash flow from investing activities	-5 879	-18 032	-30 092	-31 365	-40 194
Cash flow from financing activities	96 710	32 280	136 544	68 465	107 832
Cash flow for the period	62 692	4 744	46 963	16 255	22 451
Opening balance, cash and cash equivalents	15 546	20 336	31 276	8 825	8 825
Cash and cash equivalents at the end of the period	78 238	25 080	78 238	25 080	31 276

Income statement for the parent company

SEK 000	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
Operating income					
Net sales	3 268	2 260	8 964	5 521	7 922
Other income	0	0	16	0	0
Total operating income	3 268	2 260	8 981	5 521	7 922
Operating expenses					
External costs	-920	-1 604	-3 780	-3 264	-8 121
Personnel costs	-3 629	-3 652	-11 236	-7 614	-10 825
Operating profit/loss	-1 281	-2 996	-6 035	-5 356	-11 024
Profit/loss from financial items					
Net financial items	0	-6	-342	-307	-318
Profit/loss after financial items	-1 281	-3 002	-6 377	-5 663	-11 342
Tax	-	-	-	-	-
Profit/loss for the period	-1 281	-3 002	-6 377	-5 663	-11 342

Balance sheet for the parent company

SEK 000	Sep 30, 2018	Sep 30, 2017	Dec 31, 2017
Assets			
Fixed assets			
Interests in subsidiaries	241 374	164 436	193 263
Interests in associated companies	9 833		
Total fixed assets	251 207	172 767	201 594
Current assets			
Receivables in Group companies	130 066	96 337	99 533
Other receivables	968	32	2
Prepaid expenses and accrued income	117	42	136
Cash and cash equivalents	70 276	19 215	21 764
Total current assets	201 687	115 626	121 435
Total assets	452 894	288 393	323 029
Equity and liabilities			
Equity			
Share capital	4 083	1 943	2 028
Premium reserve	472 728	339 955	337 407
Retained earnings	-21 650	-10 308	-10 308
Loss for the period	-6 377	-5 663	-11 342
Total equity	448 784	325 927	317 785
Current liabilities			
Accounts payable	576	0	1 120
Liabilities in Group companies	0	926	0
Other liabilities	816	589	888
Accrued expenses and deferred income	2 717	3 059	3 236
Total current liabilities	4 110	4 574	5 244
Total equity and liabilities	452 894	330 501	323 029

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
2016-12-31	2 028	337 407	-10 308	-11 342	317 785
Transfer of last year's profit/loss			-11 342	11 342	0
New issue	2 055	144 867			146 922
Issue costs		-9 546			-9 546
Loss for the period				-6 377	-6 377
2017-09-30	4 083	472 728	-21 650	-6 377	448 785

Key figures

SEK 000	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
Net sales, SEK 000	202	6	467	303	335
Operating margin, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Equity per share, SEK	5,5	5,1	5,5	5,7	3,4
Equity ratio, %	95,5	93,3	95,5	93,3	87,1
Number of employees at end of period	23	13	23	13	19

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 October 26, 2018 at 08:00 am CET.

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 PowerTrek. 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