



Financial report January – March 2018

Significant events January – March

- MyFC attends CES in Las Vegas and Mobile World Congress in Barcelona
- MyFC predicts that fuel cells will surpass batteries in energy density and cost efficiency in a few years
- MyFC receives and delivers its first commercial order for JAQ Hybrid to Huangdou e-commerce
- Three key patents granted in India and Sweden
- MyFC reinforces Group leadership with Sebastian Weber as Chef Technology Integration Officer

Significant events after the end of the quarter

- MyFC proposes a rights issue of SEK 75 million for offensive investments in fuel cell integration
- Jörgen Lantto proposed to become new chairman of myFC; Per Svantesson proposed to become to member of the board.
- MyFC presents a revised strategy as the result of a strategic review

	Q1 2018	Q1 2017	Full year 2017
Net sales, SEK 000	180	310	337
Operating margin, %	neg	neg	neg
Equity per share, SEK	4.4	3.7	4.1
Equity ratio, %	88.5	91.1	85.3
Average number of employees	17	11	14

A word from our CEO

The first quarter of the year was characterized by intensive work on strategy and operations.

Strategic work: Early in the quarter, we communicated the results of our work to compare the characteristics of our fuel cell technology to the characteristics of batteries. This work has reinforced our views that our technology has features that make it a realistic complement to batteries, in terms of its impact on a smartphone's industrial design, energy performance, weight, and manufacturing cost.

As announced in the year-end report for 2017, we have conducted a strategic review of the company's future business models and how we can best take our technologies to the market, in parallel with JAQ Hybrid. As part of this work, we have mapped our technology and how it performs in comparison with, among others, alternative energy solutions, competitors, business models, and offerings to our customers. We have also made an estimate of the potential value of our offering in the different verticals we work with.

This has led us to formulate a changed strategy regarding our future priorities. This was communicated after the end of the quarter, April 17, 2018¹.

In summary, the revised strategy means that we, in addition to the sales of our own JAQ Hybrid, will accelerate the integration of myFC's fuel cell technology into mobile devices, such as smartphones and power banks, as well as continuing the efforts towards the automotive industry that was initiated in 2017. The reason for the revised strategy is that we believe it is possible to address a significantly larger market for the company's fuel cells in consumer products by also integrating our technology into other manufacturers' smartphones and power banks. The revised strategy also takes advantage of possible synergies regarding customer investments in R&D, marketing, and sales. This business model is estimated to have the potential to accelerate the penetration of myFC fuel cell in commercially launched units.

This revised strategy is the reason for the rights issue we proposed on April 9, 2018. The decision will be made at the Extraordinary General Meeting on May 9, 2018.

On the operations side: Our R&D work continues without slowdown, with technical adjustments and further optimization of JAQ Hybrid. We have also continued the technical development work on the integration of fuel cells into smartphones, as well the development of our core technology with the aim of increasing the capacity and quality of our fuel solutions. Our R&D project LAMINA REX, the range extender for electric cars, is proceeding according to plan and we plan to showcase a prototype of LAMINA REX integrated in a commercial electric car during this year. We have also been working on reinforcing our organization in line with our new strategy, and we have recruited new key employees.

¹ <https://myfcpower.com/sv/cision/news/55FBD389722335CF>.

One example is Sebastian Weber, who will be responsible for our efforts to integrate fuel cells into smartphones, and for establishing myFC in the Malmö region.

External Deliveries: During the quarter, we received our first commercial order for JAQ Hybrid from Huangdou e-commerce, and completed the delivery of the same. The dialogue with Huangdou e-commerce is active, and our work to transform our frame agreement with Telling into orders continues as well. Our sales activities towards mobile operators and mobile distributors globally continue with active discussions. We have participated in the two major industry exhibitions, CES and Mobile World Congress. The interest from power bank manufacturers in particular has been good. We have observed that the automotive industry is increasingly present at these exhibitions, evaluating alternative energy solutions for the vehicles of the future. We have therefore had the opportunity to talk about LAMINA REX with both car manufacturers and technology companies that deliver technology and systems to car manufacturers.

Our finances: The revenues for the quarter consist of the first delivery to Huangdou e-commerce. Our costs during the quarter were higher than during the corresponding quarter last year. This is mainly due to our investments in R&D projects. We expense the LAMINA REX project on a continuous basis, and we have increased the number of employees by 50%, %, aiming to secure critical core competence closer to the company and in parallel gradually decrease the share of external consultants. Our depreciation is higher than in the previous year, but in line with our depreciation plan.

In summary, I look back on Q1 2018 as a quarter when we took many important steps. Our first delivery of JAQ Hybrid has been completed and we have handled the continuous development of our core technology in a satisfying way. Interest in our products and technology among potential customers has accelerated. I look forward to continuing to sell JAQ Hybrid, and at the same time promote the underlying technical components and all the benefits of our patented technology to the smartphone world, power bank manufacturers and manufacturers (OEM) in the automotive industry, backed by a unique and world-leading technology, strong finances enabling investments ahead, and a strong team that can execute according to plan.

Until next time,

Björn Westerholm

CEO myFC

Significant events during the first quarter

MyFC attends CES in Las Vegas and Mobile World Congress in Barcelona

During the first quarter of 2018, myFC participated at both the world's largest consumer electronics trade show, CES in Las Vegas, and the world's largest telecommunications fair, Mobile World Congress. The company showcased JAQ Hybrid, the world's smallest fuel cell charger, and LAMINA REX, its R&D project toward the electric vehicle industry.

MyFC predicts that fuel cells will surpass batteries in energy density and cost efficiency in a few years

MyFC says its technology has now reached a point in development where performance increases and cost decreases so fast that it is expected to be directly comparable to battery technology in only a few years. The comparison is made on battery-powered mobile devices such as smartphones. MyFC has studied three main characteristics: energy per volume (energy density), energy by weight (specific energy), and manufacturing cost. It is myFC's own fuel cell LAMINA and its associated fuel that underpins the analysis, along with current external industry estimates for battery development. The estimate is that LAMINA and its fuel will exceed lithium-ion batteries by latest 2020 in terms of energy per volume and weight, and that the manufacturing cost for LAMINA and its fuel may be lower than the equivalent of battery manufacturing cost within 3–5 years.

MyFC receives and delivers its first commercial order for JAQ Hybrid

On February 6, MyFC announced the first order for its fuel cell charger JAQ Hybrid. On March 28, the order was delivered to the customer, Huangdou e-commerce. This is the first commercial delivery of JAQ Hybrid for myFC. The initial order is for 500 units. Both parties are planning for further orders in the year to come, and Huangdou's intention is to sell 30,000 JAQ Hybrid units during the year. The initial order value did not exceed SEK 0.5 million.

Three key patents granted in India and Sweden

The Indian Patent Office intends to grant myFC another key patent application. The patent includes the unique construction which is key to myFC's thin and highly efficient PEM fuel cell LAMINA, the backbone of the company's hybrid platform.

The Swedish Patent and Registration Office has approved two patents for myFC's unique and proprietary liquid hydrogen fuel. The two solutions control and steer the chemical reaction, which in turn makes it possible to handle, certify and transport the fuel in a simple and efficient manner.

MyFC reinforces Group leadership with Sebastian Weber as Chef Technology Integration Officer

MyFC reinforces its organization with Sebastian Weber. As Chief Technology Integration Officer, he will be responsible for one of the company's four core areas: full integration of myFC's technology in smartphones. Sebastian Weber has extensive experience from the mobile industry, including Ericsson and most recently Fingerprint Cards. He was instrumental in building both technology and organization for Fingerprint Card's integration into smartphones, from the very first customer to reaching volume business.

Significant events after the end of the quarter

MyFC proposes a rights issue of SEK 75 million for offensive investments in fuel cell integration

The Board of Directors of myFC Holding AB proposes a rights issue of no more than SEK 75 million and an overallotment option for the Board to increase the new issue amount by up to SEK 25 million. The issue price is SEK 3 per share. Provided that the new issue is fully subscribed and the overallotment option fully exercised, the rights issue could thus generate SEK 100 million for myFC before issue costs. The rights issue is underwritten for an amount of SEK 50 million.

The proposal for the new issue, which includes proposals for amendment of the Articles of Association, will be presented for approval at an Extraordinary General Meeting on May 9, 2018.

Jörgen Lantto proposed to become new chairman of myFC; Per Svantesson proposed to become to member of the board.

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

Per Svantesson is proposed to be elected new member of the board of directors at the Annual General Meeting on June 15. 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, the board has now formulated a revised strategy.

Financial overview

Net sales and results

1 January – 31 March 2018

Net sales during the first quarter 2018 amounted to SEK 0.2 million (0.3). The revenue is attributed to the first commercial delivery of JAQ Hybrid to Huangdou e-commerce in China in March 2018.

Operating expenses during the quarter were SEK -20.2 million (-10.7). Focus during the first quarter was to ensure delivery to Huangdou, and to produce JAQ Hybrid and the related fuel cards. In parallel, our work continues in the various ongoing R&D projects in the company.

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

- Other external costs have increased by SEK 5.7 million compared to Q1 2017, which is largely due to the fact that we will expense the entire LAMINA REX project until the company has defined a commercial plan for the project. In addition, we have increased the number of consultants and permanent staff by nearly double, leading to increased costs for premises, IT, travel, etc.
- The number of salaried employees has increased by 6 people (50%) compared to Q1 2017, aiming to secure critical core competence closer to the company and in parallel gradually decrease the share of external consultants explains the increase in costs by 56%.
- Project costs vary depending on project phase; hence the high costs in the fourth quarter of 2017 and parts of the first quarter of 2018. The company is constantly working to reduce costs without adversely affecting the development projects.
- Depreciations have increased compared to Q1 2017, but are in line with the company's depreciation plan. Depreciation for the period was SEK 3.6 million (2.0).
- MyFC's share of operations in China, operated in cooperation with Novel Unicorn, amounted to just over SEK 0.4 million (0.5) in Q1 2018. During the quarter, the company has also taken a one-time expense of approximately SEK 0.4 million for the Chinese operations.

Cash flow, investments and financial position

Cash flow during the fourth quarter amounted to SEK 19.3 million (16.8). During the quarter, the money for the targeted new issue that was completed in early January against Skandia Fonder and Handelsbanken Fonder was paid to the company, which resulted in an additional contribution of SEK 50 million.

Cash flow from operating activities amounted to SEK -14.9 million (-5.2) and for investment activities to SEK -15.5 million (-4.5). Intangible fixed assets increased by SEK 12.7 million during the quarter and continue to relate to the development of the JAQ system, general fuel cell development, fuel development and the integration of fuel cells into mobile devices.

The Board of Directors continuously reviews the company's financial needs and financial position. Should the need for additional capital contributions arise, the Board is of the opinion that the company is in a good position to secure future financing. An extraordinary general meeting will be held on May 9, 2018, where one of the proposals from the Board is that the company will carry out a rights issue of SEK 75

million with an overallotment option of SEK 25 million. Fully subscribed, this could generate SEK 100 million to the company before issue costs.

At the end of March 2018, the Group's liquid assets amounted to SEK 50.6 million (25.7).

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.

Prepaid expenses, accrued income and other receivables

During the fall of 2017, the company paid an advance to one of our larger suppliers 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 March 31, the advance amounted to SEK 9 million.

Equity

The Group's equity amounted to SEK 158.3 million (103.1) as of 31 March 2018. The equity ratio amounted to 88.5% (91.1) on March 31, 2018.

Employees

At the close of the period, the company had 17 (11) 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

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

- | | |
|----------------|------------------------------------|
| • 9 May 2018 | Extraordinary General Meeting |
| • 15 June 2018 | Annual General Meeting 2018 |
| • 27 July 2018 | Interim report January – June 2018 |

- 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, April 27 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 April 27, 2018 at 07:55 am CET.

Financial reports

Income statement for the Group

SEK 000	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Operating income			
Net sales	180	310	337
Work performed by the company for its own use	1 017	2 009	2 978
Other operating income	1	14	0
Total operating income	1 197	2 332	3 315
Operating expenses			
Raw materials, consumables and goods for resale	0	-881	-1 781
Other external expenses	-9 443	-3 752	-30 368
Personnel costs	-6 282	-4 031	-18 825
Other operational cost			
Depreciation	-3 639	-2 017	-17 656
Share of associated companies' income after tax	-794		
Total operating expenses	-20 158	-10 682	-71 686
Operating loss	-18 961	-8 349	-68 371
Profit/loss from financial items			
Net financial items	-80	-188	-598
Loss after financial items	-19 040	-8 537	-68 969
Tax	-	-	-
Loss for the period	-19 040	-8 537	-68 969
Earnings per share			
before dilution (SEK)	-0,65	-0,38	-2,25
after dilution (SEK)	na	na	na
Number of outstanding shares at the close of the report period			
before dilution (000)	35 850	27 525	30 633

Balance sheet for the Group

SEK 000	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Assets			
Fixed assets			
Intangible fixed assets	103 419	79 889	93 749
Property, plant and equipment	5 395	2 482	3 483
Shares in associated companies	4 536	0	5 331
Total fixed assets	113 351	82 371	102 563
Current assets			
Inventories	0	370	0
Accounts receivable	179	365	218
Current tax assets	92	205	1 265
Prepaid expenses and accrued income	1 042	744	8 984
Other receivables	12 456	3 464	4 143
Cash and cash equivalents	50 582	25 672	31 276
Total current assets	64 352	30 819	45 886
Total assets	177 703	113 190	148 449
Equity and liabilities			
Equity			
Share capital	2 194	1 634	2 028
Other capital provided	426 716	293 666	377 208
Retained earnings	-252 655	-183 686	-183 686
Loss for the period	-19 040	-8 538	-68 969
Total equity	157 214	103 076	126 580
Non-current liabilities			
Other non-current liabilities	0	648	0
Total non-current liabilities	0	648	0
Current liabilities			
Liabilities to credit institutions	648	1 111	926
Bank overdraft facility	0	1 830	-
Accounts payable	14 943	3 342	15 826
Current tax liability			25
Other liabilities	742	362	594
Accrued expenses and deferred income	4 156	2 820	4 498
Total current liabilities	20 489	9 465	21 869
Total equity and liabilities	177 703	113 190	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
2017-12-31	2 028	377 208	-183 686	-68 969	126 581
Disposition acc to AGM			-68 969	68 969	0
New issue	166	49 834			50 000
Registration of previous new issue in progress	0	-325			-325
Profit/loss for the period				-19 040	-19 040
2018-03-31	2 194	426 716	-252 655	-19 040	157 214

Consolidated statement of cash flows

SEK 000	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Cash flow from current operations	-14 870	-5 181	-45 187
Cash flow from investing activities	-15 500	-4 530	-40 194
Cash flow from financing activities	49 675	26 558	107 832
Cash flow for the period	19 305	16 847	22 451
Opening balance, cash and cash equivalents	31 276	8 825	8 825
Cash and cash equivalents at the end of the period	50 581	25 672	31 276

Income statement for the parent company

SEK 000	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Operating income			
Net sales	2 837	1 466	7 922
Other income	16		
Total operating income	2 853	1 466	7 922
Operating expenses			
External costs	-1 242	-715	-8 121
Personnel costs	-3 553	-1 662	-10 825
Operating profit/loss	-1 941	-911	-11 024
Profit/loss from financial items			
Net financial items	-3	-	-318
Profit/loss after financial items	-1 945	-911	-11 342
Tax	-	-	-
Profit/loss for the period	-1 945	-911	-11 342

Balance sheet for the parent company

SEK 000	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Assets			
Fixed assets			
Interests in subsidiaries	209 564	140 137	201 594
Shares in associated companies	8 331	140 137	201 594
Total fixed assets	217 895	140 137	201 594
Current assets			
Receivables in Group companies	110 217	89 454	99 533
Other receivables	138	0	2
Prepaid expenses and accrued income	178	0	136
Cash and cash equivalents	41 666	20 914	21 764
Total current assets	152 200	110 368	121 435
Total assets	370 095	250 505	323 028
Equity and liabilities			
Equity			
Share capital	2 194	1 634	2 028
Premium reserve	386 915	253 865	337 407
Retained earnings	-21 650	-10 308	-10 308
Loss for the period	-1 945	-911	-11 342
Total equity	365 514	244 280	317 785
Current liabilities			
Accounts payable	555	91	1 120
Liabilities to Group companies	0	3 677	0
Other liabilities	735	272	888
Accrued expenses and deferred income	3 290	2 184	3 236
Total current liabilities	4 581	6 224	5 243
Total equity and liabilities	370 095	250 505	323 028

Statement of changes in parent company's equity

SEK 000	Share capital	Other capital provided	Other equity, including profit/loss for the year	Other equity, including profit/loss for the year	Total equity
2016-12-31	2 028	337 407	-10 308	-11 342	317 785
Disposition acc to AGM			-11 342	11 342	0
New issue	166	49 834			50 000
New issue through warrants	0	-325			-325
Loss for the period				-1 945	-1 945
2017-03-31	2 194	386 915	-21 650		365 514

Key figures

SEK 000	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, SEK 000	180	310	337
Operating margin, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Equity per share, SEK	4.4	3.7	4.1
Equity ratio, %	88.5	91.1	85.3
Number of employees at end of period	17	11	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