

SaltX Technology Holding AB (publ)

INTERIM REPORT QUARTER 1 2022

This is information that SaltX Technology is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on May 4, 2022, at 08 am.



**NEW INNOVATIVE
CHARGING REACTOR**

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INTERIM REPORT QUARTER 1 2022

FINANCIAL EVENTS

First quarter

- ◆ Net sales amounted to MSEK 0.1 (0.0)
- ◆ Operating profit/loss (EBIT) totaled MSEK -12.4 (-8.1)
- ◆ Cash flow from operating activities amounted to MSEK -12.3 (-7.8)
- ◆ Earnings per share before and after dilution amounted to SEK -0.14 (-0.11)

SIGNIFICANT EVENTS

First quarter

- ◆ SaltX presented successful results for the Calix charging reactor in Bollmora
- ◆ SaltX and Alfa Laval in collaboration to make EnerStore more energy efficient
- ◆ SaltX Technology´s innovation – charging reactor with several areas of use

After the end of the period

- ◆ SaltX and ABB in cooperation to explore new innovative electric calcination technology
- ◆ SaltX project in the city of Luleå takes a new direction towards the steel industry's green transition
- ◆ SaltX and Norrenergi in collaboration to reduce CO² emissions from district heating in Stockholm

KEY FIGURES

Group, TSEK

	Q 1 2022	Q 1 2021	FY 2021
Net sales	106	9	164
Operating profit/loss (EBIT)	-12,374	-8,121	-37,587
Earnings per share before and after dilution	-0.14	-0.11	-0.39
Equity	98,080	85,975	112,375
Cash flow from operating activities	-12,295	-7,778	-36,092
Equity ratio (equity/balance sheet total)	72%	68%	74%

THE NEW PATENT-PENDING CHARGING INNOVATION ENABLES ELECTRIFICATION OF INDUSTRIES THAT TODAY DEPEND ON FOSSIL FUELS SUCH AS THE LIME AND CEMENT INDUSTRY.

READ MORE ON PAGES 5 – 6

THE CEO'S ADDRESS THE WORLD IS CHANGING AND SO ARE WE

The first quarter of this year has been marked by many major events, both nationally and internationally, that show the increasing need to create a fossil-free future society.

To get the full impact the change needs to take place in all areas of our society.

THE GREEN TRANSITION IS QUICKER WITH SALT X

At SaltX, we identify different applications and listen to our customers. As the market for energy storage becomes clearer, I believe that it is necessary for us to be responsive to the market in order to be able to establish our pre-commercial future facilities. We have previously reported that we will not build the planned energy storage pilot in Luleå. Instead, we choose to follow the green transition in the steel industry where we are deepening the collaboration with Swerim.

CONTINUOUS OPERATION IN BOLLMORA

Our pilot plant in Bollmora is ready for continuous test runs after some adjustments and so-called

“batch runs” in both the charging and discharging reactor. We plan for third-party verification of these processes and expect to be able to publish the results later in the year.

SHORTER STORAGE TIMES

SaltX is developing a new technology for charging its energy storage for higher capacities and temperatures, and thus be able to charge faster and more efficiently than at present. The feedback we get from our partners and industrial customers is that the interest is rapidly growing in using renewable energy/stream in industrial manufacturing processes. In the case for industrial use, the average storage time is shorter and the need for energy/steam is more frequent, which we now are adapting our solution to.

INNOVATION FOR CALCINATION

In order for us to be able to transform the industry into fossil-free energy systems, the industrial sector must electrify the processes in which they currently use fossil fuels such as gas or oil.



**WE DEEPEN THE
COLLABORATION
WITH SWERIM
WHERE WE
USE OUR TECH-
NOLOGY AND
KNOWLEDGE TO
ACCELERATE
THE GREEN
TRANSITION.**

The new patent-pending charging innovation, which we have informed about in a press release, enables a wide range of different use cases. For example, in the lime and cement industry. More information on this can be found on pages 5 – 6.

Finally, I would like to emphasize the importance of the competence that we have built up in the company over the years and which has formed the basis for the technical and market progress we have made and will make in the future. During the first months of the year, we have published several interesting news that you can read more about in this report.

Carl-Johan Linér, CEO
Stockholm, May 4, 2022

INNOVATION CREATES POSSIBILITIES FOR ENERGY STORAGE AND CALCINATION

In 2021, SaltX began developing a new technology for charging its energy storage material. The purpose of the project is to prepare the energy storage solution so that it can handle higher capacities and temperatures, and thus be able to charge faster and more efficiently than at present.

The technology makes it possible to heat storage materials to high temperatures and the system can be scaled up, i.e. it can be built in different sizes. The innovation also means that the company is exploring other areas of application, such as in the calcination industry. Most tests have been carried out with promising results, and SaltX has entered a partnership with ABB to jointly explore the possibility of electrifying this industrial sector.

ENERSTORE: CUSTOMIZED FOR INDUSTRY

Demand for energy storage solutions is constantly increasing as more industries, cities and countries are actively working to find answers to how they will transform their energy systems to meet future requirements for reducing CO2 emissions. Industry is moving towards electrified processes with high demand for reliability.

To meet the increased interest from industries that are dependent on steam in their manufacturing processes, SaltX has worked to develop a customized solution for this segment. SaltX's energy storage solution is based on current concept, but the company's new

charging reactor enables more powerful storage with a higher charging temperature. This enables industries to electrify their steam production and link it to renewable energy sources.

Higher temperatures have enabled the company to test new appli-



**ENABLES
ELECTRIFICATION
OF STEAM PRO-
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RENEWABLE
ENERGY SOURCES.**

cations. Industries need short storage times from a few hours up to a few days with high demand for efficiency. Against this background, industries now have the conditions to work towards an energy system that is flexible, counteracts any capacity shortages, and is more cost-effective.

The development work for this storage solution is continuing based on frequent dialogue with partners and potential customers.

SALT X CAN CONTRIBUTE TO ELECTRIFY THE LIME INDUSTRY

Lime is one of the most widely used materials on earth. It is used in building materials, steel and paper manufacture, for example, or for purifying water. It is a fantastic material with many good properties but is also one of the absolute worst emitters.

To utilize the good properties of the material, the broken limestone needs to be heated to very high temperatures. When the material reaches around 950 degrees, the base material changes to a new material, calcium oxide. When this happens, the stone releases carbon dioxide. This means that current production has two emissions, firstly from the fossil fuels used to generate heat, and secondly, from the stone. Hence, the lime industry accounts for around 8 percent of total global emissions.

SALT X CONTRIBUTES TO A FASTER CHANGE

The industry is looking at different options to address these emission problems, where one solution would be carbon capture and storage (CCS), for example. This is a process where emissions from both fossil fuels and stone are captured, which requires a lot of energy and major investment. SaltX's solution to the challenge is to completely rethink and electrify the process so that the fossil fuels are

replaced with electricity from renewable sources, while at the same time the carbon dioxide from the stone comes out as a by-product of the process and does not need to be captured again.

The idea of electrifying the process is not a new one, many have tried and come a long way. The challenge is to develop a process that succeeds in reaching the right temperature and can be scaled up to the high production volumes that the industry needs.

PLASMA RAISES THE TEMP

In its work with EnerStore (energy storage), SaltX has investigated the possibility of using electrically produced plasma to increase the efficiency and scalability of the charging reactor. The

WHAT IS CALCINATION?

Calcination is a process in which solid materials are altered by heating to a high temperature, but not to their melting point. The purpose of calcination is usually to remove a substance, achieve a phase change or produce a chemical reaction, often oxidation or reduction. Calcination often makes materials harder, more stable, more reactive, or achieves a desirable product in some other way – calcination is therefore sometimes considered to be a process of purification.



POSSIBLE APPLICATIONS

- ◆ Concrete
- ◆ Quicklime
- ◆ Magnesium oxide, and more

plasma, which generates temperatures in excess of 3,000 degrees, enables the use of the new charging reactor for calcination of limestone and other materials at much higher temperatures. The technology was tested during the winter of 2021/2022 and the results are seen as promising. In view of the promising results, SaltX is also strengthening its partnership with ABB, with a focus on scaling up the electricity supply to the new calcination technology.

SALT X OPERATIONS

The SaltX business concept is to develop and offer sustainable technology that will benefit customers, the climate and society. SaltX is currently developing a large-scale energy storage facility for energy companies and industry. The company cooperates with various partners who promote technology, material, and application development.

The energy transition with an increased proportion of weather-dependent power generation requires large-scale energy storage to meet requirements on continuous energy supply. SaltX's innovation, EnerStore, is a circular storage solution that provides energy when needed to various energy players and industrial customers.

SALT X THERMOCHEMICAL ENERGY STORAGE: ENERSTORE

SaltX's system is based on scalable industrial components and technology used in the energy, process, and chemical industries since long. SaltX has adjusted and optimized this technology and uses it in a new way in conjunction with important innovations – such as nanocoated salt material. By using proven technology, the process of commercialization is

easier and less risky.

SALT X ENERSTORE IN BRIEF

The energy is stored by adding high-temperature heat, approx. 500 degrees C. In simple terms, the salt is dried, and as the salt is dry, it contains a stored potential energy. To release the energy, water vapor is added to the salt, a strong chemical reaction occurs, and all the energy used to dry the salt returns in the form of 450-degree steam. The salt can be loaded with heat, electricity and gas depending on the area of application.

The energy can be stored without losses for hours, days or weeks and then used when needed.

THREE AREAS OF APPLICATION

The SaltX energy storage solution, EnerStore, is suitable for three different areas of application:

HEAT TO HEAT

Recharge with heat and release heat back to the industry at the right time. Industries with large emissions of waste heat, for example, can optimize their processes by charging energy storage with the waste heat. SaltX' energy storage material is also movable geographically, which enables the discharge of surplus energy elsewhere, such as in cities as a complement to biofuel.

POWER TO STEAM

Cities and industries that require high-temperature steam can store electricity and then generate steam for the district heating network or industry. This enables customers who place high value on a reliable supply of energy to implement and make wider use of solar and wind power.

POWER TO POWER

SaltX thermochemical energy storage can be used and act as a large-scale electric battery. It is charged with a heat pump and generates electricity from stored heat via a heat engine. Among other

things, this type of large electrical energy storage facility solves output and capacity challenges for grid owners, electricity companies, cities, and countries.

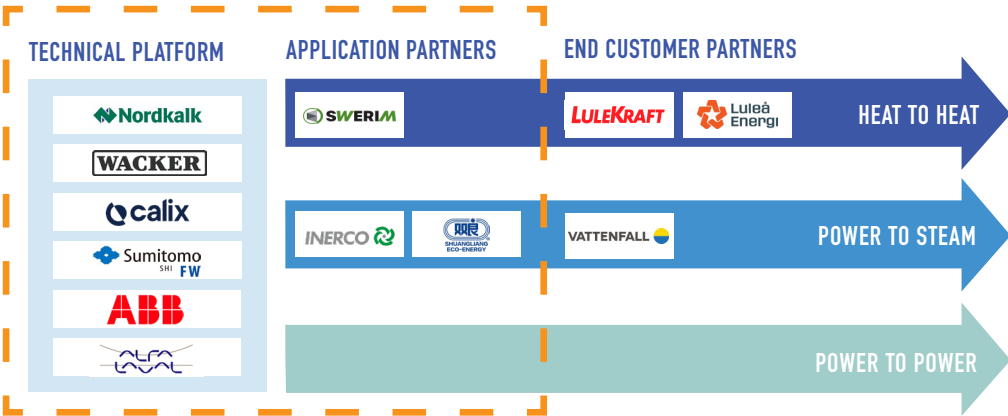
SALT X PARTNERS & ECOSYSTEM

SaltX collaborates with partners in the development of technology, materials, and applications. Depending on the market and end use, these partners may differ, but mainly have four different functions. They are material partners that prepare and process the material in the form of nanocoated salt, OEMs (Original Equipment Manufacturer) that manufacture key components, EPCs (Engineer, Procure, Construct) that install energy storage systems, and finally, end customers.

SALT X TODAY

The next step in the development into a commercial product is to build additional test facilities, pilots, and precommercial facilities to ensure the technology reaches the market. SaltX strives to become a major player in terms of green and sustainable technological development.

SALT X STORES THERMAL ENERGY



SIGNIFICANT EVENTS

...IN THE FIRST QUARTER

SALT X PRESENTED SUCCESSFUL RESULTS FOR THE CALIX CHARGING REACTOR IN BOLLMORA

SaltX Technology announced the successful installation and commissioning of a charging reactor from the Australian company Calix Limited at SaltX's pilot plant in Bollmora, Stockholm. Tests from the pilot plant charging reactor show good results.

SALT X AND ALFA LAVAL IN COLLABORATION TO MAKE ENERSTORE MORE ENERGY EFFICIENT

Alfa Laval's technology will make SaltX Technology's energy storage even more energy efficient. The company has focused on proving function and scalability of the large parts of the system. SaltX is now taking the next step in developing EnerStore by streamlining the entire system, including subsystems. The collaboration can lead to future business between the parties if the experiments with Alfa Laval's equipment in SaltX's process give good results.

SALT X INNOVATION – CHARGING REACTOR WITH SEVERAL AREAS OF USE

SaltX Technology has developed a new technology for charging its energy storage material. The purpose of the development project is to prepare the energy storage to be able to handle higher powers and temperatures. The trials are showing promising results, and the development of the technology will continue in 2022.

...AFTER THE END OF THE PERIOD

SALT X AND ABB IN COOPERATION TO EXPLORE NEW INNOVATIVE ELECTRIC CALCINATION TECHNOLOGY

SaltX Technology aims to play a vital role in the transition to renewable energy. The company is now partnering with ABB to accelerate the decarbonization of cement- and quicklime industries through electrification.

SALT X PROJECT IN THE CITY OF LULEÅ TAKES A NEW DIRECTION TOWARDS THE STEEL INDUSTRY'S GREEN TRANSITION

At the beginning of 2021, SaltX Technology began a collaboration with LuleKraft, Luleå Energi, and the metal research institute Swerim, to reduce CO2 emissions for the industrial sector in the region. A pre-study has been carried out, that clearly shows that SaltX energy storage can increase energy efficiency and lower climate impact for the steel industry.

SALT X AND NORRENERGI IN COLLABORATION TO REDUCE CO² EMISSIONS FROM DISTRICT HEATING IN STOCKHOLM

SaltX Technology partners with Norrenergi to analyze how its district heating system in northern Stockholm can become fossil-free. Norrenergi reached out to SaltX after the company's winning contribution to the Helsinki Energy Challenge 2021. The same analysis model is now used to map the conditions for making parts of Stockholm's district heating network even more climate-smart.

FINANCIAL OVERVIEW

JANUARY – MARCH – QUARTER 1 2022

REVENUE, EXPENSES AND EARNINGS

Net sales

Net sales for the quarter amounted to TSEK 106 (9).

Capitalized expenditure for development work

Balanced development expenses amounted to TSEK 351 (4,989) in the quarter and relate to the last remaining limited development and construction of a pilot with new reactor technology based on fluidization.

Other income

Other income in the quarter totaled TSEK 27 (143).

Expenses

Expenses during the quarter amounted to TSEK -12,858 (-13,262), broken down as other external expenses TSEK -6,224 (-6,866), personnel costs TSEK -5,092 (-4,862), and depreciation of fixed assets TSEK -1,542 (-1,534).

Operating profit/loss (EBIT)

Operating profit/loss was TSEK -12,374 (-8,121).

Financial items

Profit/loss from financial items amounted to TSEK -1,921 (-1,338) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was negative in Q1 at TSEK -1,486 (-867).

Profit/loss before tax

Profit/loss before tax was TSEK -14,295 (-9,459).

Earnings per share before and after dilution amounted to SEK -0.14 (-0.11).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity

Cash flow from operating activities during the quarter was TSEK -12,295 (-7,778).

Group cash equivalents at the end of the quarter amounted to TSEK 38,939 (32,034).

Long-term liabilities

Long-term liabilities amounted to TSEK 26,456 (29,307) and consisted of loans from the Swedish Energy Agency of TSEK 24,386 and from Almi

Företagspartner of TSEK 1,500, as well as long-term leasing liabilities of TSEK 570.

The loan from Almi is amortized monthly over a period of 5 years.

Investments

During the quarter, investments were made that impacted cash flow in the amount of TSEK -387 (-5,418). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor, and ongoing investments in new patents, including patent applications in additional markets.

Equity

At the end of the quarter, equity amounted to TSEK 98,080 (85,975) or SEK 0.95 (0.98) per share and decreased during the 12-month period due to the negative result. The equity ratio on the same date was 72 (68) percent.

PARENT COMPANY

The operations of the parent company, SaltX Technology Holding AB (publ), include Group-wide services, management of the subsidiary SaltX Technology AB, and maintenance of the company's listing on Nasdaq First North Premier Growth Market.

DEVELOPMENT PER QUARTER

TSEK

	Q 1 2021	Q 2 2021	Q 3 2021	Q 4 2021	Q 1 2022
Net sales	9	52	103	—	106
Operating profit/loss (EBIT)	-8,121	-7,923	-7,999	-13,544	-12,374
Cash flow from operating activities	-7,778	-10,317	-3,658	-14,339	-12,295
Basic earnings per share, SEK	-0.11	-0.08	-0.05	-0.15	-0.14

Profit/loss before tax for the period was TSEK -4,324 (-3,366). At March 31, the parent company held available liquid assets amounting to TSEK 37,055 (28,473).

SHARE CAPITAL

Share capital at the end of the quarter amounted to SEK 8,234,958.72 consisting of 102,936,984 shares at a nominal value of SEK 0.08.

SHARES

Shares in SaltX are listed on Nasdaq First North Premier Growth Market.

Earnings per share

Earnings per share for the period amounted to SEK -0.14 (-0.10) based on an average of 102,936,984 (87,936,984) shares, before dilution. There are, however, no warrant programs currently outstanding.

Significant risks and uncertainties

All business operations and share ownership are associated with risk. Risks that are man-

aged well can entail opportunities and the creation of value, if not, they can lead to damage and losses. The risks can be divided into market-related, operations-related and financial risks.

See also the company's Annual Report on its website.

The company is still in a development phase and a need for additional financing is expected so that the company can continue its operations in accordance with the long-term plan. The Board actively works with various options and forms of financing.

Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) such as they have been adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups, and the Swedish Annual Accounts Act. The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The parent company's financial statements have been prepared in accordance with the

Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that, in the interim report for the legal entity, the parent company applies all of the IFRS and statements adopted by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and in consideration of the relationship between accounting and taxation. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those described in the SaltX Group 2021 Annual Report.

CHANGE OF SHARE CAPITAL DURING YEAR 2022

	Change in share capital	Accumulated share capital	Change in no. of shares	Accumulated no. of shares
Opening balance 2022	—	8,234,958.72	—	102,936,984

CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT – SUMMARY

TSEK	Q 1 2022	Q 1 2021	FY 2021
Net sales	106	9	164
Work performed by the Company for its own use and capitalized	351	4,989	18,155
Other operating income	27	143	1,200
TOTAL	484	5,141	19,519
Other external expenses	-6,224	-6,866	-33,015
Personnel expenses	-5,092	-4,862	-17,888
Depreciation of fixed assets	-1,542	-1,534	-6,203
TOTAL OPERATING EXPENSES	-12,858	-13,262	-57,106
OPERATING PROFIT/LOSS	-12,374	-8,121	-37,587
Financial income	5	8	—
Financial expenses	-1,926	-1,346	-690
FINANCIAL ITEMS - NET	-1,921	-1,338	-690
PROFIT/LOSS BEFORE INCOME TAX	-14,295	-9,459	-38,277
Income tax expense	—	—	—
PROFIT/LOSS FOR THE PERIOD	-14,295	-9,459	-38,277
Earnings per share calculated on earnings attributable to parent company shareholders, SEK			
Basic earnings per share	-0.14	-0.11	-0.39
Earnings per share after dilution	-0.14	-0.11	-0.39

No items are reported in other comprehensive income in the Group, which is why the total comprehensive income corresponds to the result for the period. Profit for the period and total comprehensive income are attributable in full to the parent company's shareholders.

CONSOLIDATED BALANCE SHEET — SUMMARY

TSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure on development work	83,980	78,478	84,795
Patents and trademarks	1,590	1,612	1,587
	85,570	80,090	86,382
Tangible assets			
Equipment, tools, and installations	697	894	660
Access-rights assets	2,025	3,544	2,405
	2,722	4,438	3,065
Financial fixed assets			
Other long-term securities	5,069	4,488	6,555
	5,069	4,488	6,555
Total fixed assets	93,361	89,016	96,002
Current assets			
Advance payments to suppliers	309	1,613	91
Other current assets	2,241	2,632	2,696
Prepaid expenses and accrued income	1,432	1,461	1,300
Cash and cash equivalents	38,939	32,034	51,160
Total current assets	42,921	37,740	55,247
TOTAL ASSETS	136,282	126,756	151,249
EQUITY AND LIABILITIES			
Equity			
Share capital	8,235	7,035	8,235
Other contributed capital	719,731	665,713	719,731
Accumulated profit or loss including profit/loss for the year	-629,886	-586,773	-615,591
Total equity	98,080	85,975	112,375
Long-term liabilities			
Other liabilities	25,886	27,088	26,186
Leasing liabilities	570	2,219	991
Total long-term liabilities	26,456	29,307	27,177
Current liabilities			
Accounts payable	2,434	2,618	3,565
Leasing liabilities	1,648	1,555	1,601
Other liabilities	1,552	1,572	1,533
Accrued expensed and deferred income	6,112	5,729	4,998
Total current liabilities	11,746	11,474	11,697
TOTAL EQUITY AND LIABILITIES	136,282	126,756	151,249

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK	Attributable to Parent Company shareholders				Total equity
	Share capital	Rights issues under registration	Other contributed capital	Accumulated profit/loss incl. profit/loss for the year	
Opening balance Jan 1, 2021	7,035	—	665,713	-577,314	95,434
Net income/loss Jan-Mar 2021 equal to total comprehensive income	—	—	—	-9,459	-9,459
Total comprehensive income	—	—	—	-9,459	-9,459
Transactions with shareholders in their capacity as shareholders:					
Closing balance Mar 31, 2021	7,035	—	665,713	-586,773	85,975
Opening balance Apr 1, 2021	7,035	—	665,713	-586,773	85,975
Net income/loss Apr-Dec 2021 equal to total comprehensive income	—	—	—	-28,818	-28,818
Total comprehensive income	—	—	—	-28,818	-28,818
Transactions with shareholders in their capacity as shareholders:					
Share issues	1,200	—	58,800	—	60,000
Issue expenses	—	—	-4,782	—	-4,782
Closing balance Dec 31, 2021	8,235	—	719,731	-615,591	112,375
Opening balance Jan 1, 2022	8,235	—	719,731	-615,591	112,375
Net income/loss Jan-Mar 2022 equal to total comprehensive income	—	—	—	-14,295	-14,295
Total comprehensive income	—	—	—	-14,295	-14,295
Transactions with shareholders in their capacity as shareholders:					
Closing balance Mar 31, 2022	8,235	—	719,731	-629,886	98,080

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Q 1 2022	Q 1 2021	FY 2021
Cash flow from operating activities			
Profit/loss after financial items	-14,295	-9,459	-38,277
Adjustments for non-cash items etc.	3,028	2,401	5,003
	-11,267	-7,058	-33,274
Increase/decrease in operating receivables	105	-1,734	-115
Increase/decrease in operating liabilities	-1,133	1,014	-2,703
Cash flow from change of working capital	-1,028	-720	-2,818
Cash flow from operating activities	-12,295	-7,778	-36,092
Cash flow from investing activities			
Acquisition of intangible assets	-230	-5,392	-14,836
Acquisition of tangible assets	-157	-26	-170
Cash flow from investing activities	-387	-5 418	-15,006
Cash flow from financing activities			
New capital issue, net of issue expenses	—	—	55,218
Change in long term leasing liabilities	-426	-419	-1,688
Financing development from public funds	887	—	3,079
Cash flow from financing activities	461	-419	56,609
Cash flow for the period	-12,221	-13,615	5,511
Cash equivalents at beginning of period	51,160	45,649	45,649
Cash equivalents at end of period	38,939	32,034	51,160

NOTES

NOTE 1 SIGNIFICANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The estimates and assumptions that represent a significant risk of material adjustments in the carrying amounts of assets and liabilities are:

- ◆ **Earlier received from the Swedish Energy Agency**
 - ◆ Long-term liabilities consist largely of loans from the Swedish Energy Agency in the amount of TSEK 24,386. The loan is interest-bearing at approximately 6 per cent per year. A request for remission of the majority of the loan was sent to the Swedish Energy Agency on two occasions but was rejected. The company forwarded in April a renewed request for a review to the authority.
- ◆ **Intangible assets**

The largest asset recogni-

zed in SaltX's balance sheet is capitalized development expenditure. This is attributable to the basic technology and the large-scale energy storage application, EnerStore. An impairment test of this asset is carried out based on an estimate and assessment of what the group's technology may lead to in the form of future revenue and cash flow. Important components when calculating these future values are volume growth, profit margin and discount rate. A significant change of important components in the calculation may mean that the balance sheet item needs to be adjusted. The cash flows that are discounted for impairment testing are taken from the company's budget and long-term forecast, assuming that sufficient financing can be secured in order to continue operations in the long term.

- ◆ **Development**

The Group assesses when the product or process is technically and commercially viable and whether the Group has sufficient resources to complete development and subsequently use or sell the intangible asset. If these conditions are met, an intangible asset is recognized in the balance sheet. The costs in conjunction with the construction of a new pilot plant with new reactor technology have been capitalized.
- ◆ **Research and promotional measures**

During the period, the Group focused on the application for large-scale energy storage, EnerStore. In addition to the pilot plant mentioned above, the activities have consisted of searching for a more efficient process for charging and discharging energy from

nanocoated salt. In addition, resources have been put into initial sales promotion measures in the form of work on and preparation of pre-commercial plants in conjunction with partners. These activities and efforts are research and sales promotion-oriented activities in nature and are expensed as they arise.

Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

NOTE 2 REVENUE

The Group has reported the following amounts in the income

statement relating to revenue (see the table on the preceding page).

NOTE 3 FINANCIAL INSTRUMENTS

For the Group's borrowing from Almi Företagspartner, the carrying amount of the borrowing corresponds to its fair value, since the interest rate on this borrowing is at parity with current market interest rates. Regarding the loan from the Swedish Energy Agency, the request for a remission of the loan has been submitted to the Agency on two occasions and has been rejected. The company forwarded in April a renewed request for a review to the authority.

Regarding the fair value of short-term financial assets and liabilities, the fair value is estimated to correspond to the car-

rying amount since the discount effect is not material.

NOTE 4 TRANSACTIONS WITH AFFILIATED PARTIES

No transactions have been conducted with affiliated parties in the first quarter of 2022, other than the agreed remuneration to the Board of Directors and management.

STOCK MARKET LISTED SHARES

Central Development Holdings Ltd
(previously Zhong Fa Zhan Holdings Ltd)
The assets have been valued in level 1 in the true value chain.

Mar 31, 2022	Mar 31, 2021	FY 2021
5,069	4,488	6,555

CHANGE IN FAIR VALUE OF SHARES

TSEK
Change in fair value of shares

Q 1 2022	Q 1 2021	FY 2021
-1,486	-867	1,200

FAIR VALUE

Swedish Energy Agency

Mar 31, 2022		Mar 31, 2021		Dec 31, 2021	
Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
24,386	23,830	24,388	23,830	24,386	23,830

REVENUES

Revenue from agreements with customers
Other revenue
Total revenue

Q 1 2022	Q 1 2021	FY 2021
106	9	164
27	143	1,200
133	152	1,364

Total revenue

Product sale
Consultancy services (technology)
Total revenue from customers

Q 1 2022	Q 1 2021	FY 2021
—	9	61
106	—	103
106	9	164

PARENT COMPANY INCOME STATEMENT

TSEK	Q 1 2022	Q 1 2021	FY 2021
Net revenue	600	600	2,400
Other operating revenue	—	34	34
NET REVENUE	600	634	2,434
Other external expenses	-787	-752	-3,242
Personnel expenses	-1,987	-1,852	-6,680
TOTAL OPERATING EXPENSES	-2,774	-2,604	-9,922
OPERATING RESULT	-2,174	-1,970	-7,488
Financial income	—	—	2
Financial expenses	-2,150	-1,396	39
FINANCIAL ITEMS – NET	-2,150	-1,396	41
PROFIT BEFORE TAX	-4,324	-3,366	-7,447
Group contribution	—	—	-50,000
Income tax	—	—	—
PROFIT/LOSS FOR THE PERIOD	-4,324	-3,366	-57,447

PARENT COMPANY BALANCE SHEET

TSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
Financial assets			
Participations in subsidiaries	197,270	197,270	197,270
Other long-term securities	5,069	4,488	6,555
Total fixed assets	202,339	201,758	203,825
Current assets			
Advance payments suppliers	—	—	69
Current receivables			
Other receivables	355	412	321
Prepaid expenses and accrued income	351	410	248
Cash and bank deposits	37,055	28,473	49,141
Total current assets	37,761	29,295	49,779
TOTAL ASSETS	240,100	231,053	253,604
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	8,235	7,035	8 235
	8,235	7,035	8 235
Non-restricted equity			
Share premium reserve	501,076	447,058	501,076
Retained earnings	-307,025	-249,578	-249,578
Profit/loss for the year	-4,324	-3,366	-57,447
	189,727	194,114	194,051
Total equity	197,962	201,149	202,286
Current liabilities			
Accounts payable	154	160	499
Accounts payables to Group companies	39,328	8,591	48,663
Other liabilities	123	119	140
Accrued expenses and deferred income	2,533	2,589	2,016
Total current liabilities	42,138	29,904	51,318
TOTAL EQUITY AND LIABILITIES	240,100	231,053	253,604

OTHER INFORMATION

DECLARATION BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and CEO confirm that this Interim Report provides a true and fair view of the parent company and the Group's operations, financial position and results for the period concerned.

Stockholm, May 4, 2022
Board of Directors

Åke Sund
Chairman

Staffan Andersson
Board member

Tony Grimaldi
Board member

Hans Holmström
Board member

Erica Larson
Board member

Elin Lydahl
Board member

Carl-Johan Linér
CEO

This interim report has not been reviewed by the Company's auditors.

CALENDAR

Interim Report Q2 2022
Interim Report Q3 2022
Year-End Report 2022

August 24, 2022
November 4, 2022
February 18, 2023

The 2022 Annual Report is expected to be published at the end of March 2023.

ADDRESS

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