

Alelion Energy Systems AB

Third-quarter report January-September 2018



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Key figures - Group	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net sales, TSEK	33 205	26 309	143 345	105 678	137 457
Operating profit	-14 597	-6 748	-12 682	-21 260	-29 188
Operating margin	-44.0%	-25.6%	-8.8%	-20.1%	-21.2%
Net profit, TSEK	-15 679	-7 025	-14 343	-21 780	-30 694
Earnings per share, SEK	-0.32	-0.16	-0.29	-0.50	-0.66
Cash flow from ordinary business, TSEK	-16 467	-17 590	-7 983	-48 296	-59 873
Orders received, MSEK	44.5	25.5	152.8	112.6	146.5

The third quarter at a glance, Group

- Net turnover increased to 33.2 (26.3) MSEK
- Order bookings increased to 44.5 (25.5) MSEK
- Operating costs increased to -53.6 (-36.0) MSEK
- Operating income amounted to -14.6 (-6.7) MSEK
- Net profit or loss dropped to -15.7 (-7.0) MSEK

The period January-September at a glance, Group

- Net turnover increased to 143.3 (105.7) MSEK
- Order bookings increased to 152.8 (112.6) MSEK
- Operating costs increased to -173.0 (-135.5) MSEK
- Operating income amounted to -12.7 (-21.3) MSEK
- Net profit or loss increased to -14.3 (-21.8) MSEK

Significant events during this quarter

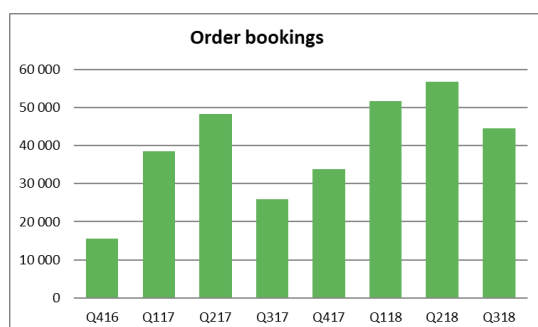
- On the annual review of the quality management and environmental management systems, the company's ISO certification was renewed with no remarks
- Alelion employees acquire 161 500 stock options within the framework for the incentive scheme
- Alelion receives EU grant for system development for Alelion Intelligent Energy System, a concept and patented software for intelligent energy solutions.

Significant events after this quarter

- Alelion starts working together with global vehicle manufacturer and receives order to the value of 13 MSEK
- Alelion files patent application regarding new and faster method for ensuring quality of cells for lithium-ion batteries.

Continued sales growth in an increasingly significant market!

Alelion Energy Systems operates in a market positioned exactly in the intersection of several important trends and decisive questions within energy and environment. This regards the unavoidable phasing out of fossil fuels and the transition to electrification, but also about sustainable methods for society to generate and distribute sufficient energy when the changeover takes place. The answer is lithium-ion and smarter energy management – areas where we hold a leading position and anticipate strong growth ahead. During the third quarter our sales continued to increase and at the same time we were proactive in taking an even more central role in what is unquestionably one of the most exciting and promising markets.



Lithium-ion technology is still in its infancy but is beginning to come to the fore in more and more areas. What began as an attempt to move away from fossil fuels for passenger cars has developed into the cornerstone for a future and far more sustainable energy system. And it is a market that is steadily growing – according to the consultants McKinsey it is expected to grow by 30 per cent annually with a turnover of more than 100 billion US\$ by 2025.

Successes in a steadily growing market

Alelion is a forerunner in lithium-ion technology and can be described as one of the most experienced in the field, even though we have been operating for barely 12 years. We began by developing lithium-ion batteries for industrial trucks where the major environmental and financial benefits compared with the traditional lead acid batteries soon gave us a leading position and some of the world's biggest industrial truck manufacturers became our customers. This market is far from saturated – and is only one of several large and steadily growing segments for our products and our technology. Over the year we have for example established important new co-operations and received orders for high voltage batteries from two different global manufacturers of heavy vehicles, among them German Kamag. This growth is reflected in our figures – during the third quarter our sales increased by 26 per cent to a turnover of in total 33.2 MSEK (26.3 MSEK) where our acquisition Caterva contributed with just over 1.2 MSEK. Cleared from acquired units sales increased by +21 per cent.

That such an exciting market attracts new operators is only to be expected and that also applies to the increased competition we are seeing. During the third quarter this meant that profitability grew at a slower rate compared with the equivalent period the previous year. We both anticipated and forewarned about this development which we will be far better equipped to deal with at the start of next year when we launch our new generation of products and we also start manufacturing in our own factory. The steadily growing market is also putting pressure on suppliers of battery cells who are finding it more difficult to meet demand. We can see the initial signs of cost inflation among suppliers, something we manage through continually reviewing our supplier base and our cost levels. Alelion has access to technology for impedance measurement that we have developed and patented ourselves, allowing us to quickly determine battery cell quality, which in turn provides us with more and more cost effective supplier alternatives.

Making smarter use of energy

Lithium-ion technology opens for the phasing out of fossil fuels and the transition to more sustainable use of energy. But equally important are the opportunities this technology brings with it for a smarter use of energy through what is called energy management.

Put simply this can be summarised as software systems that contribute to optimizing charging and discharging energy stores in lithium-ion battery, whether these are in industrial trucks, various types of vehicles or in households with their own energy sources such as solar or wind energy.

These systems open for lower costs and lower environmental impact and make investment in lithium-ion batteries still more profitable. Through acquiring Caterva, Alelion has developed Alelion Intelligent Energy System, AIES, a patented and leading energy management software system. Thanks to this system's major environmental benefits and efficiency rates it has drawn the attention of the EU body European Institute of Innovation & Technology, EIT, which has granted Alelion support for continued development. Tests of the system carried out with customers show that in an average case the customer's energy costs can be reduced by 30 per cent and carbon dioxide emissions by as much as 90 per cent. At the same time this provides Alelion with an even closer understanding of the customer's business and the opportunity to contribute to its development.

Focus on growth

Alelion is currently taking proactive steps to take a far greater role in the market for lithium-ion technology. One step is building our new factory in Hisingen, Gothenburg, Sweden's first factory for large-scale production of lithium-ion batteries. Another is the intensive development work with AIES within Caterva. A third is the important launch of our new generation 3 batteries that will be launched when the new factory starts up production at the end of the first quarter next year.

These are all steps demanding considerable resources and capital but they are also steps that will give us completely new and far greater opportunities to grow in what is and will be one of the absolutely hottest markets in the foreseeable future.



Daniel Troedsson
CEO Alelion Energy Systems AB

Alelion Energy Systems AB

Alelion Energy Systems AB is a leading manufacturer of industrial energy storage systems based on lithium-ion technology. The company's focus was initially on the sector material handling and batteries for industrial trucks to replace today's lead-acid batteries and diesel engines. Lithium-ion technology is superior to lead acid technology in every aspect. A lithium-ion battery is more energy efficient, lighter, lasts longer and also contributes to considerably less environmental impact. The company has today a leading position in this market. In step with the growth of climate threat and the urgent need to convert to more sustainable energy systems and more sustainable use of energy, an increasing number of sectors have begun to explore the possibilities offered by lithium-ion technology and this is opening up new markets and segments for Alelion. Through the development of smart software based control systems new business opportunities have evolved linked to lithium-ion technology in the energy management area. Through the acquisition of German Caterva and the development of the Alelion Intelligent Energy System, AIES, Alelion is a leading company in energy management. Alelion's largest owners are Fouriertransform and Pegroco Invest.

Business Concept

Alelion develops, manufactures and sells energy storage systems based on the new generation of lithium-ion technology as well as software systems for smarter energy management.

Business Model

The need for energy storage is identified together with our customers or final users and thereafter Alelion designs an energy storage system.

Alelion purchases battery cells from suppliers in Asia. The company adds value to these through combining the cells to make cell modules with the correct capacity, performance and physical dimensions for applications and products, for example for industrial trucks. Alelion also develops Battery Management Systems (BMS) consisting of electronics and software. The purpose of a BMS system is to monitor, manage safety and maintain the battery cells and to communicate with the overall product.

Both cell modules and BMS are platforms that the Company can relatively easily and quickly use to develop energy storage systems for both new applications and products.

Alelion can in certain cases receive remuneration for development in cooperation with the customer, but most revenue is generated from sales of energy storage systems that are integrated in new industrial

trucks. The development of AIES has widened the company's business within energy management and opened up for new revenue streams and a closer understanding of the customer.

Strategies

Alelion has chosen to focus initially on industrial truck manufacturers, as this sector demands complex systems requiring high levels of development and integration competence. This sector is furthermore of interest from a volume perspective. At the time of writing Alelion focuses mainly on the market for new production of industrial trucks, but as a result of increasing electrification in more and more sectors, Alelion has successively widened the customer base to also include heavy tractive vehicles and trucks.

Alelion brings customers a product that lowers electricity consumption and substantially lowers running costs. Although Alelion's immediate customers are industrial truck manufacturers (so called OEMs) Alelion also looks at potential final customers, the industrial truck users. These final customers put demands on their suppliers and a push/pull strategy increases the probability that an OEM will request lithium-ion batteries for their industrial trucks.

Alelion designs a battery that does not require maintenance or service as long as the battery is used according to instructions. The Alelion service concept means giving those in the customer's proximity full information about the solutions, most often in the OEM's own organisation. This provides the final user with the best possible and fast support as well as a cost effective and environmentally friendly solution. Focus in the future is on a "remote" service with digital access to support.

Lower environmental impact and sustainability are the most important factors besides user advantages for the final customers. Today it is just as important to show how much CO₂ equivalents are saved by converting to lithium-ion as to show the financial savings over time. For Alelion it is important to consider the environmental impacts in the entire chain, from cells to complete battery.

The financial advantages are best quantified in a comparison with lead acid batteries, the battery technology that is still standard today in the industrial truck market and the biggest competitor to energy storage systems. A comparison between these two alternatives is therefore very significant and throws light on how lithium-ion technology surpasses lead acid batteries in many respects.

Significant events during the third quarter

On the annual auditing of Alelion's quality management and environmental management system, the company's ISO certification was renewed without a single comment. Alelion received excellent reviews throughout and in the audit report not one weakness was reported but on the contrary a long list of strongpoints.

After the decision made at Alelion Energy Systems AB annual general meeting on 30 May 2018 to implement an incentive scheme for employees in the company, employees have acquired 161,500 stock options (10.8%). The program was directed specifically towards employees in Germany who joined the company on the acquisition of German Caterva.

Alelion has been awarded a support from EU to develop systems for Alelion Intelligent Energy System, a concept and software for intelligent energy solutions and has been granted 60,000 Euros from the EU body European Institute of Innovation & Technology, EIT, for continued development of Alelion Intelligent Energy System, AIES. EIT believes that AIES can be of great importance in creating a more sustainable European energy system with lower carbon dioxide emissions.

Significant events after this quarter

As part of an agreement with a global vehicle manufacturer Alelion has received an order for high voltage lithium-ion batteries. The agreement includes both development and products and in the first phase during 2018 and 2019 is worth 13 MSEK. This order is a significant confirmation of the standing of the company as a leading developer and manufacturer of lithium-ion batteries for different types of industrial vehicles. Previously the company has worked mainly with low-tension batteries but this order takes Alelion an important step forwards towards business with heavier vehicles, a large but also partly new segment for the company.

Together with Linköping University Alelion Energy Systems has filed a patent application for a method developed to determine the quality of single cells in a lithium-ion battery. This method can give fast and high quality measurements of impedance. The patent pending method was developed by Alelion and means a breakthrough in determining the quality of different cells in a lithium-ion battery.

Significant events during the year

Alelion acquired the whole portfolio of Caterva GmbH, a German liquidation company specializing in advanced technology for optimizing local energy storage. Caterva has developed a platform for plugging into and controlling local energy storage. The technology provides lower energy costs and carbon dioxide emissions and Alelion will introduce the platform for customers in large-scale industrial applications. The acquisition price amounted to 1.37 MEUR, which corresponds to approximately 10% of previously invested capital. The acquisition includes a patent portfolio related to the optimization of energy storage. Access to the acquisition was on 10 May 2018.

Alelion signed a framework contract with Japanese Toyota Industries Corporation, TICO, parent company in the Toyota Industrial Group. Alelion previously supplied lithium-ion batteries to the European branch of Toyota industrial trucks, Toyota Material Handling Europe and this contract is the first step towards supplying batteries to Toyota Material Handling industrial trucks in other markets.

Alelion received an order for batteries from Kamag, the German special vehicle manufacturer. Kamag will use the batteries to electrify the powertrain for one of its heavy tractive vehicles. Within the year, Alelion will deliver a smaller batch as part of a joint development project. The remaining batteries will be delivered during 2019. The total order amount is approximately 15 MSEK.



The Alelion Energy Systems AB (publ) annual general meeting on 30 May 2018 resolved, in accordance with proposal from the board, to implement a stock options incentive scheme for employees in the company and its subsidiaries through both a share issue without consideration of at most 1,500,000 stock options with the right to subscribe for new shares in the company, and approval of transfer of the stock options. Each stock option gives the right to subscribe for a new share in the company for cash payment in accordance with a subscription price up to 15 SEK. The warrants are valid during the period starting 1 June 2021 and ending 30 June 2021.

The incentive scheme is intended to enable the company to recruit, retain and motivate employees. The board considers it essential that employees have a clear/increased owner involvement with interests in agreement with those of the shareholders. An owner involvement is expected to stimulate greater interest in operations and profit growth and to increase motivation and sense of identification with the company and its subsidiaries

With full subscription of warrants, stock capital will increase by 30,000 SEK which will mean a dilution of 2.96 per cent of the company's current stock capital and votes.

Alelion made the decision to build a factory in Gothenburg for the large-scale production of lithium-ion batteries for use in, among other things, industrial vehicles. The factory is expected to be completed in 2018 and will be the first of its kind in Sweden. This is financed by among others Fouriertransform AB, a venture capital company owned by the Swedish Government and the Gothenburg-based investment company Pegroco Invest AB, along with banks. This news attracted a great deal of attention both in Sweden and abroad

After the Alelion Energy Systems AB extraordinary shareholders' meeting on 12 December 2017 had resolved to implement the 2017/2018 company employee incentive scheme, the employees acquired 1,277,000 stock options (a sign up rate of 85.1%).

The Alelion-project for more sustainable energy utilization qualified for EU financing. The total project budget is around 1.6 million Euros, of which 0.87 million Euros are financed by Eurostar. Alelion is the sole owner of the income.

Turnover and profit - Group

The net turnover in the third quarter amounted to 33.2 (26.3) MSEK and order bookings were 44.5 (25.5) MSEK. Net turnover increased over the period January to September to 143.3 (105.7) MSEK and order bookings increased to 152.8 (112.6) MSEK. Alelion Energy Systems GmbH accounted for 5.2 MSEK (3.6%) of the net turnover for the Group.

Compared with the second quarter net turnover dropped by 38.1 per cent and order bookings dropped by 21.3 per cent.

Other operating income comprises positive currency effects of 0.9 MSEK over the period January to September.

Operating expenses for the third quarter amounted to 53.6 (36.0) MSEK, a drop of 8.5 per cent from the second quarter. For the period January-September expenses increased to -173.0 (-135.5) MSEK, partly as a result of becoming larger organisation with more resources for instance in sales, R & D and support, and in part due to expenses that can be attributed to increased rate of production

During the period January to September development expenses were activated by a total of 14.1 (8.0) MSEK and deductions were made amounting to 5.8 (4.3) MSEK.

Operating income for the third quarter was -14.6 (-6.7) MSEK and net profit -15.7 (-7.0) For the period January-September operating income was -12.7 (-21.3) MSEK and net profit -14.3 (-21.8) MSEK.

Income for this quarter was somewhat lower than for the equivalent quarter, which is explained by an increased price pressure as a result of greater competition. In step with the growing need to convert to more sustainable energy sources, the demand for lithium-ion batteries is showing strong growth and is attracting new actors.

Income is affected by one-off costs of altogether 3.3 MSEK recognised as an expense during this quarter but which are linked to the acquisition of Caterva in March this year. Caterva was acquired in bankruptcy and this involved extra costs. Caterva is now undergoing an intensive development phase where new ground is being broken in software systems for energy management. This burdens the Group income for the quarter, but we are also working actively to roll out the new technology for our customers so as to increase sales. Another aspect of the steadily increasing demand for lithium-ion batteries is the accompanying pressure on battery cell manufacturers. The major car manufacturers are now buying up an increasingly large part of production leading to a rising cost inflation in suppliers. To deal with this Alelion is continuing to widen the supplier base. In parallel work is continually being done to review and lower costs.

Cash flow and financial position - Group

Cash flow from ordinary operations improved during the third quarter to -16.5 (-17.6) MSEK. Prior to changes in working capital, cash flow for the quarter decreased to -11.9 (-4.3) MSEK. During the third quarter inventories increased by 2.2 MSEK to 51.1 MSEK and accounts receivables dropped by 3.9 MSEK to 22.5 MSEK

Cash and cash equivalents were at the end of the period 18.7 MSEK, compared with 31.4 MSEK at the turn of the year. At the end of the quarter the company had an unused overdraft of 20 MSEK. Equity/assets ratio deteriorated to 54.3 (72.2) per cent at the same period the previous year.

Seasonal effects

Operations show no clearly visible seasonal effects during the current expansion, but as Alelion's sales are influenced by final customers' willingness to invest in for instance larger projects such as new stock it is probable that order bookings will vary from quarter to quarter.

The Group

The group comprises the parent company Alelion Energy Systems AB along with the subsidiaries Alelion Energy Systems GmbH and Alelion Crew AB. Alelion Energy Systems GmbH was founded as a result of the acquisition of Caterva GmbH and was incorporated into the group in May 2018. Alelion Crew AB conducts no operational business, but holds the stock options in reserve. The company has chosen at present to display the group's balance sheet and income statement as well as cash flow analysis, key ratios, quarterly data and changes in equity as tables at the end of the report. Income statement and balance sheet for the parent company are displayed in an appendix.

Shares and stock options

The company's share (ALELIO, ISIN code: SE0008348072) is traded on Nasdaq First North Stockholm. Share capital amounted to 982,565 SEK on 30 September 2018 distributed over 49,128,250 shares with a quota value of 0.02 SEK.



The company has two incentive schemes

1. After the extraordinary shareholders' meeting on 12 December 2017 resolved to implement an incentive scheme in 2017/2018 for company employees, employees have acquired 1,277,000 stock options (a sign up rate of 85.1%).

As was resolved at the meeting 1,500,000 stock options for the newly formed subsidiary Alelion Crew AB were issued and employees acquired 1,277,000 stock options under the following main conditions:

Each option gives the right to subscribe for one new share in the company during the period 1 January 2021 up to and including 29 January 2021 for cash payment of 15 SEK. Acquisition of an option (participation in the incentive scheme) presupposes the employee at both the point in time when the option is offered and when it is acquired is a permanent member of staff and has neither resigned nor been dismissed. Options have been acquired for cash payment equivalent to the market value of the options at the time of the transaction according to the Black & Sholes formula, set on 20 December 2017 at 0.11 SEK per option by an independent valuer.

Total dilution from this programme can be no more than 3%.

2. After the general shareholders' meeting on 30 May 2018 resolved to implement an incentive scheme 2018 for company employees, employees have acquired 161,500 stock options (a sign up rate of 10.8%).

As was resolved at the meeting 1,500,000 stock options for the subsidiary Alelion Crew AB were issued where employees acquired 161,500 stock options under the following main conditions:

Each option gives the right to subscribe for one new share in the company during the period 1 June 2021 up to and including 30 June 2021 for cash payment of 15 SEK. Acquisition of an option (participation in the incentive scheme) presupposes the employee at both the point in time when the option is offered and when it is acquired is a permanent member of staff and has neither resigned nor been dismissed. Options have been acquired for cash payment equivalent to the market value of the options at the time of the transaction according to the Black & Sholes formula, set on 30 July 2018 at 1.72 SEK per option by an independent valuer.

Total dilution from this programme can be no more than 0.32%.

G&W Fondkommission, Kungsgatan 3, 111 43 Stockholm, Sweden, telephone +468-503 000 50 is Alelion's Certified Adviser.

Transactions with related parties

Fouriertransform AB has issued a parent company warranty in favour of a supplier, in order to gain benefit from more competitive supply and payment conditions. Furthermore Fouriertransform AB has issued a parent company warranty in favour of banks. The two next biggest owners, Pegroco Invest AB and Sammaj AB share the risk for the parent company warranty with Fouriertransform AB in accordance with the agreement concerning this. The parent company warranties are however under condition that Alelion reimburses Fouriertransform AB, Pegroco Invest AB and Sammaj AB for the risk exposure to which they are subjected in consequence of the warranty to the supplier. Reimbursement amounts to 4%.

Anticipated future development

Alelion's overall goal is to retain its strong position and expand with the help of the fast growing demand for lithium-ion technology for different types of energy storage. From the start Alelion has distinguished itself as an innovative and visionary manufacturer using advanced technology and with a genuine understanding of customers' businesses and needs. From this starting point Alelion has been at the forefront of increased electrification using lithium-ion technology and has been a driving force behind the transformation of the industrial truck industry that the changeover from lead acid batteries to lithium-ion batteries involves. In pace with increased electrification and the need for more sustainable energy systems, more and more sectors and industries have become aware of the possibilities lithium-ion technology can open up. Alelion is in an excellent position to take full advantage of these developments. Besides long experience and high technological expertise, the Company is to set up Sweden's first factory for large-scale production of lithium-ion batteries for vehicles. Through acquiring German Caterva the Company now has a broader offer for customers and has moved into software for optimizing energy handling. This will lead to greater customer value and new business opportunities as interest in lithium-ion based energy storage is now growing in more and more areas. The Company gives no official forecasts.

Capital requirement

To grow in step with the market and to take advantage of the excellent commercial opportunities offered, Alelion will continue to be in need of capital. Increased production in our own factory, recruitment requirements in sales, development and production will over time put pressure on working capital and the Company management and board will need to review and assess the need for capital regularly.

Calendar 2019

22-02-2019	Financial Statements Release 2018
26-04-2019	Annual Report 2018
23-05-2019	First-quarter Report January-March 2019
31-05-2019	Annual General Meeting 2019
28-08-2019	Six-month Report January-June 2019
06-11-2019	Third-quarter Report January-September 2019

Risks

The board and management make regular assessments of the risks that can affect both the valuation of the Company's assets and liabilities as well as the Company's profitability. It should be noted that the chief business of the Company is producing and commercialising new technology. Development is thereby subject to technical, financial and regulatory risks.

Accounting and valuation principles

Alelion Energy Systems AB third-quarter report has been prepared in compliance with BFNAR 2012:1 (K3) and the Annual Accounts Act.

The more important accounting principles applied to the group are stated below. Otherwise the same accounting principles and calculating methods have been applied as in the annual report for 2017 for the parent company and the group.

Consolidated financial statement

Alelion Energy Systems AB establishes a consolidated financial statement. Any company where Alelion Energy Systems holds the majority of the votes at the general meeting and any company where Alelion Energy Systems by agreement has control are classified as subsidiaries and are consolidated in the consolidated financial statement. The subsidiaries are included in the consolidated financial statement as from the day on which the control is transferred to the group. They are excluded from the consolidated financial statement as from the day on which the control is terminated.

The consolidated financial statement has been prepared according to the acquisition method. The date of acquisition is the date on which control is acquired. Identifiable assets and liabilities are valued initially at real value at the time of acquisition. The minority's part of the acquired net assets is valued at real value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value including the value of the minority interest, and is valued initially at the acquisition value.

Dealings between group companies are eliminated altogether.

Subsidiaries in other countries prepare their annual reports in the currency of the respective countries. On consolidation the items in these companies' balance sheets and income statements are converted at the closing rate respective the spot rate for the date of the respective transaction. The exchange differences that arise are presented in accumulated exchange differences in the Group's equity.

Foreign currency

When currency hedging is not applied, items concerning monetary assets and liabilities in foreign currency are valued at closing day spot rate. Transactions in foreign currency are converted according to the spot rate for the day of the transaction.

Intangible fixed assets

Intangible fixed assets are reported at acquisition value less accumulated depreciation and amortization. In the consolidated report the activation model for internally generated intangible assets is used.

Depreciation is made linearly over the estimated useful life. The depreciation period for internally generated intangible assets amounts to five years. One group company holds patents with depreciation over ten years.

Auditors' review

This interim report has not been subject to a review by the Company's auditors.



Declaration from the CEO

The CEO declares that this interim report is a fair review of the Company's operations, position and income and the report describes critical risks and uncertainties the Company faces.

Mölnadal, Sweden 6 November 2018

Daniel Troedsson
President

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The information in this press release contains insider information such as Alelion Energy Systems AB (publ) is obligated to disclose pursuant to the EU market securities act. The information was provided by the above persons for public disclosure on 6 November 2018.

Income statement - Group

Income statement (TSEK)	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net turnover	33 205	26 309	143 345	105 678	137 457
Capitalised work on own account	5 213	2 649	14 071	8 031	11 571
Other operating income	632	268	2 920	506	506
Total income	39 050	29 227	160 336	114 215	149 534
Operating expenses					
Raw materials and consumables	-30 309	-24 703	-117 381	-101 387	-130 625
Personnel expenses	-12 012	-4 350	-28 302	-14 819	-21 275
Other external expenses	-5 413	-4 471	-16 710	-13 372	-19 118
Depreciation and amortization of tangible and intangible fixed assets	-2 871	-1 929	-7 897	-5 215	-7 297
Other operating expenses	-3 042	-522	-2 729	-682	-406
Total operating expenses	-53 648	-35 974	-173 018	-135 475	-178 721
Operating income	-14 597	-6 748	-12 682	-21 260	-29 188
Income from financial items					
Other interest income and similar items	21	0	63	17	26
Interest expenses and similar income items	-1 103	-278	-1 724	-537	-1 532
Total income from financial items	-1 082	-278	-1 661	-520	-1 507
Income after financial items	-15 679	-7 025	-14 343	-21 780	-30 694
Taxes on year's income	0	0	0	0	0
Net income	<u>-15 679</u>	<u>-7 025</u>	<u>-14 343</u>	<u>-21 780</u>	<u>-30 694</u>
Earnings per share, SEK	-0.32	-0.16	-0.29	-0.50	-0.66
Average number of shares	49 128 250	43 494 806	49 128 250	43 494 806	46 311 528
Number of shares at the end of the period	49 128 250	43 494 806	49 128 250	43 494 806	49 128 250

Balance Sheet – Group

Balance sheet	2018-09-30	2017-09-30	2017-12-31
Assets (TSEK)			
Fixed assets			
<u>Intangible fixed assets</u>			
Balanced costs for development work	<u>37 860</u>	<u>27 749</u>	<u>29 574</u>
Patents, licences and similar rights	<u>11 231</u>	<u>0</u>	<u>0</u>
<u>Tangible fixed assets</u>			
Fixtures, tools and installations	8 843	5 197	5 219
Improvements leasehold	<u>66</u>	<u>0</u>	<u>79</u>
On-going construction	<u>11 300</u>	<u>0</u>	<u>0</u>
Total fixed assets	<u>69 298</u>	<u>32 946</u>	<u>35 012</u>
Current assets			
<u>Inventories etc.</u>			
Raw materials and consumables	51 088	48 487	58 370
Payment in advance to suppliers	<u>0</u>	<u>13</u>	<u>0</u>
	<u>51 088</u>	<u>48 500</u>	<u>58 370</u>
<u>Current receivables</u>			
Accounts receivables	22 470	14 897	16 027
Current tax assets	709	709	390
Other short-term receivables	1 584	565	1 410
Prepayments and accrued income	1 211	970	1 077
	<u>25 973</u>	<u>17 142</u>	<u>18 904</u>
<u>Cash and bank</u>	<u>18 663</u>	<u>9 174</u>	<u>39 479</u>
Total current assets	<u>95 724</u>	<u>74 816</u>	<u>116 753</u>
Total assets	<u>165 022</u>	<u>107 761</u>	<u>151 765</u>

Balance sheet - Group

Balance sheet	2018-09-30	2017-09-30	2017-12-31
Equity and liabilities (TSEK)			
Equity			
Share capital	<u>986</u>	<u>870</u>	<u>983</u>
Other contributed capital	<u>246 032</u>	<u>224 143</u>	<u>259 675</u>
Other equity including year's income	<u>-157 189</u>	<u>-147 190</u>	<u>-153 456</u>
Non-current liabilities			
Liabilities to credit institutions	31 778	3 261	2 075
Total non-current liabilities	<u>31 778</u>	<u>3 261</u>	<u>2 075</u>
Provisions			
Provisions relating to guarantees	9 449	4 465	5 399
Current liabilities			
Utilized overdraft facility	0	0	8 034
Liabilities to credit institutions	593	296	1 326
Liabilities to suppliers	16 284	12 332	16 728
Other current liabilities	4 363	816	827
Prepayments and accrued income	12 726	8 768	10 174
Total current liabilities	<u>33 966</u>	<u>22 213</u>	<u>37 089</u>
Total equity and liabilities	<u>165 022</u>	<u>107 761</u>	<u>151 765</u>

Cash flow statement - Group

	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating activities					
Operating income	-13 767	-6 131	-13 550	-20 578	-28 941
Adjustment for items not included in cash flow	3 800	2 682	11 946	8 292	11 307
Interest received	21	0	63	17	26
Interest paid	-1 103	-278	-1 724	-537	-1 532
Income tax paid	0	0	0	0	0
Cash flow from operating activities before change in working capital	-11 048	-3 727	-3 265	-12 806	-19 140
Cash flow from change in working capital					
Decrease/increase in inventories	-2 159	-19 827	7 282	-26 511	-36 381
Decrease/increase in accounts receivables	3 932	14 781	-6 442	-13 262	-14 393
Decrease/increase in operating receivables	870	-587	-11 085	266	-85
Decrease/increase in trade payables	-8 144	-11 402	-445	-919	3 477
Decrease/increase in operating liabilities	1 615	3 789	5 806	5 619	7 036
Cash flow from operating activities	-14 935	-16 974	-8 148	-47 614	-59 486
Investment					
Investment in tangible and intangible assets	-6 415	-3 254	-31 304	-10 470	-14 618
Cash flow from investment	-6 415	-3 254	-31 304	-10 470	-14 618
Financing activities					
Liabilities to credit institutions	-296	0	29 111	0	-296
New issue of shares	0	0	0	0	39 434
Issue and transaction expenses	0	0	-3 308	0	-1 281
Cash flow from financing activities	-296	0	25 803	0	37 857
Cash flow for the period					
Cash and cash equivalents at the beginning of the period	41 140	30 017	31 445	67 940	67 940
Cash and cash equivalents at the end of the period	18 663	9 174	18 663	9 174	31 445
Currency change in cash and cash equivalents	-831	-616	867	-682	-247
Change in cash and cash equivalents	-22 477	-20 844	-12 782	-58 766	-36 494

Change in equity - Group

TSEK	Jan-Sep 2018	Jan-Sep 2017	Whole year 2017
Opening equity	107 206	99 602	99 602
Profit or loss for the period	-14 345	-21 780	-30 694
New issue including issue and transaction expenses	-3 308	0	38 294
Stock options DB	281	0	0
Conversion difference foreign currency DB	-4	0	0
Closing equity	89 829	77 823	107 202

Key ratios - Group

TSEK if not otherwise stated	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating margin	-44.0%	-25.6%	-8.8%	-20.1%	-21,2%
Net margin	-47.2%	-26.7%	-10.0%	-20.6%	-22,3%
Return on equity	-16.06%	-8.64%	-14.51%	-26.43%	-31,61%
Equity/assets ratio	54.3%	72.2%	54.3%	72.2%	70,6%
Earnings per share, SEK	-0.32	-0.16	-0.29	-0.50	-0,66
Equity per share, SEK	1.83	1.79	1.83	1.79	2,18
Cash flow per share, SEK	-0.34	-0.40	-0.16	-1.11	-1,22
Average number of shares	49 128 250	43 494 806	49 128 250	43 494 806	46 311 528
Number of shares at end of period	49 128 250	43 494 806	49 128 250	43 494 806	49 128 250
Average number of employees	48	23	47	23	23

Quarterly data - Group

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net turnover, TSEK	33 205	53 685	56 563	31 779	26 309	53 613	25 756	21 953
Operating income, TSEK	-14 597	1 033	731	-7 928	-6 748	-6 390	-8 122	-5 614
Operating margin	-44.0%	1.9%	1.3%	-24.9%	-25.6%	-11.9%	-31.7%	-25,6%
Net income, TSEK	-15 679	982	203	-8 914	-7 025	-6 489	-8 266	-5 902
Net margin	-47.2%	1.8%	0.4%	-28.1%	-26.7%	-12.1%	-32.3%	-26,9%
Order bookings	44 516	56 531	51 606	33 847	25 941	48 256	38 451	15 566
Return on equity	neg.	0.64%	0.19%	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio	54.4%	57.1%	75.8%	74.7%	72.2%	69.7%	80.7%	81,8%
Earnings per share, SEK	-0.32	0.01	0.01	-0.19	-0.16	-0.15	-0.19	-0,14
Equity per share, SEK	1.83	2.13	2.19	2.18	1.79	1.95	2.10	2,29
Average number of shares	49 128 250	49 128 250	49 128 250	46 311 528	43 494 806	43 494 806	43 494 806	43 494 806

Income statement – Parent company

Income statement (TSEK)	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net turnover	31 959	26 309	138 114	105 678	137 457
Capitalised work on own account	5 213	2 649	14 071	8 031	11 571
Other operating income	339	268	2 611	506	506
Total income	37 511	29 227	154 797	114 215	149 534
Operating expenses					
Raw materials and consumables	-28 983	-24 703	-115 119	-101 387	-130 625
Personnel expenses	-6 454	-4 350	-20 851	-14 819	-21 275
Other external expenses	-5 413	-4 471	-16 710	-13 372	-19 118
Depreciation and amortization of tangible and intangible fixed assets	-2 715	-1 929	-7 539	-5 215	-7 297
Other operating expenses	-831	-522	0	-682	-406
Total operating expenses	-44 395	-35 974	-160 219	-135 475	-178 721
Operating income	-6 884	-6 748	-5 422	-21 260	-29 188
Income from financial items					
Other interest income and similar income items	268	0	311	17	26
Interest expenses and similar items	<u>-1 103</u>	<u>-278</u>	<u>-1 724</u>	<u>-537</u>	<u>-1 532</u>
Total income from financial items	-835	-278	-1 414	-520	-1 507
Income after financial items	-7 718	-7 025	-6 835	-21 780	-30 694
Taxes on year's income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net income	<u>-7 718</u>	<u>-7 025</u>	<u>-6 835</u>	<u>-21 780</u>	<u>-30 694</u>
Earnings per share, SEK	-0.16	-0.16	-0.14	-0.50	-0.66
Average number of shares	49 128 250	43 494 806	49 128 250	43 494 806	46 311 528
Number of shares at the end of the period	49 128 250	43 494 806	49 128 250	43 494 806	49 128 250

Balance sheet – Parent company

Assets (TSEK)	2018-09-30	2017-09-30	2017-12-31
Fixed assets			
<u>Intangible fixed assets</u>			
Balanced costs for development work	<u>37 860</u>	<u>27 749</u>	<u>29 574</u>
Patents, licences and similar rights	<u>10 779</u>	<u>0</u>	<u>0</u>
<u>Tangible fixed assets</u>			
Fixtures, tools and installations	6 583	5 197	5 219
Improvements leasehold	<u>66</u>	<u>0</u>	<u>79</u>
On-going construction	<u>11 300</u>	<u>0</u>	<u>0</u>
<u>Financial fixed assets</u>			
Shares in subsidiaries	302	0	50
Receivables subsidiaries	<u>10 862</u>	<u>0</u>	<u>140</u>
Total fixed assets	<u>77 751</u>	<u>32 946</u>	<u>35 062</u>
Current assets			
<u>Inventories etc.</u>			
Raw materials and consumables	50 034	48 487	58 370
Payment in advance to suppliers	<u>0</u>	<u>13</u>	<u>0</u>
	<u>50 034</u>	<u>48 500</u>	<u>58 370</u>
<u>Current receivables</u>			
Accounts receivables	18 901	14 897	16 027
Current tax assets	709	709	390
Other short-term receivables	1 584	565	1 410
Prepayments and accrued income	1 381	970	1 077
	<u>22 575</u>	<u>17 142</u>	<u>18 904</u>
<u>Cash and bank</u>	<u>16 328</u>	<u>9 174</u>	<u>39 289</u>
Total current assets	<u>88 937</u>	<u>74 816</u>	<u>116 563</u>
Total assets	<u>166 688</u>	<u>107 761</u>	<u>151 625</u>

Balance sheet – Parent company

	2018-09-30	2017-09-30	2017-12-31
Equity and liabilities (TSEK)			
Equity			
<u>Restricted equity capital</u>			
Stock capital	983	870	983
Development fund	30 345	17 502	20 010
Total restricted equity capital	<u>31 327</u>	<u>18 371</u>	<u>20 992</u>
<u>Unrestricted equity capital</u>			
Capital surplus	246 032	224 143	259 675
Profit or loss brought forward	-173 185	-142 912	-142 772
Profit or loss for the period	-6 835	-21 780	-30 694
	<u>66 012</u>	<u>59 451</u>	<u>86 209</u>
Total equity capital	<u>97 339</u>	<u>77 823</u>	<u>107 202</u>
Non-current liabilities			
Liabilities to credit institutions	31 778	3 261	2 075
Total non-current liabilities	<u>31 778</u>	<u>3 261</u>	<u>2 075</u>
Provisions			
Provisions relating to guarantees	9 449	4 465	5 399
Current liabilities			
Utilized overdraft facility	0	0	8 034
Liabilities to credit institutions	593	296	1 186
Liabilities to suppliers	15 001	12 332	16 728
Other current liabilities	1 101	816	827
Prepayments and accrued income	11 427	8 768	10 174
Total current liabilities	<u>28 122</u>	<u>22 213</u>	<u>36 949</u>
Total equity and liabilities	<u>166 688</u>	<u>107 761</u>	<u>151 625</u>

Definitions of financial terms and key ratios

Return on equity	Result after taxes in percentage of average equity
Equity per share	Equity divided by number of shares at the end of the period
Average number of shares	Total number of shares at the beginning of the period and at the end of the period divided by two
Cash flow per share	Cash flow from the operating activities after change of working capital divided by the number of shares at the end of the period
Average number of employees	Average number of employees during the fiscal year, converted into full-time employment
Net margin	Profit after tax as a percentage of turnover
Earnings per share	Profit after tax divided by average number of shares
Operating margin	Operating income as a percentage of turnover
Equity/assets ratio	Equity as a percentage of balance sheet total

Glossary

Battery	An electrochemical device that creates electricity through controlled chemical reactions between different substances
Lead acid battery	The most common type of battery widely found in cars where anode and cathode normally consist of lead and carbon dioxide
BMS – Battery Management System	An electronic system monitoring and managing lithium-ion cells
Energy storage system	A “smart” battery, where the battery cell is integrated with software to create a device that both stores energy and ensures that the battery cells have optimal conditions, along with a computer configured for the application to communicate with the overall system
Energy density	The amount of energy per unit of volume in a substance
Industrial truck	A term used in materials management that includes all vehicles manufactured to fulfil logistical tasks and manage warehousing
Lithium-ion battery	Battery based on the most recent lithium-ion technology, that can store twice as much energy per weight and unit of volume as other types of battery. Anode and cathode are made of lithium and a metallic oxide, usually iron, nickel, cadmium or aluminium
OEM	Original Equipment Manufacturer, a company that manufactures final products for sale to the market, such as industrial truck manufacturers.



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