



metacon
PURE ENERGY

YEAR END REPORT
2020

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ÖREBRO 2021-02-19

CONSOLIDATED GROUP OCTOBER 1 - DECEMBER 31, 2020

- Revenues amounted to 6 690 (5 568) kSEK
- Operating income amounted to -3 885 (397) kSEK
- Profit/Loss after financial items amounted to -3 936 (-192) kSEK
- Earnings per share amounted to -0,09 SEK

PARENT COMPANY OCTOBER 1 - DECEMBER 31, 2020

- Revenues amounted to 168 (250) kSEK
- Operating income amounted to -3 137 (1 403) kSEK
- Profit/Loss after financial items amounted to -3 178 (1 333) kSEK

SIGNIFICANT EVENTS DURING THE PERIOD

OCTOBER 1 - DECEMBER 31, 2020

- Metacon carried out a rights issue of approximately SEK 80 million, which was concluded on October 5th. The issue was subscribed at approximately 160%, and 38,867,883 new shares were issued.
- Helbio Holdings carried out a share capital increase of €1.5 million. Metacon AB subscribed for the full amount of the placement and was granted full allocation. Metacon's ownership in Helbio Holdings amounts to 58.87% post the new issuance of shares.
- Helbio signed an agreement with Pherousa encompassing construction and delivery of a pilot size ammonia cracker unit for hydrogen production with the capacity of 10 kW. Helbio will be paid by way of a 10% shareholding in Pherousa Green Technologies AS. The shares will be registered in Helbio Holdings SA. The total value of the unit that will be delivered is approximately EUR 150,000.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Metacon broadened its operations by investing in Water2H2 AB, a company that provides complete solutions for the design and delivery of electrolyzers. Metacon invested SEK 6 million through a directed new issuance of shares. Metacon's shareholding amounts to 20 percent post money. At the same time a non-binding option was obtained to acquire all remaining shares in the company within twelve months. Payment may be made by way of new issuance of Metacon shares.
- Metacon decided to offer an extension of the contract that expired year end 2020 for CEO Carl Christopher Tornblom. The agreement is extended until further notice, in parallel with the start of work on finding a successor. The company has hired Mercuri Urval to assist with the recruitment process.
- Trading in Metacon AB's shares commenced in the form of a dual-listing at Börse Stuttgart in Germany.
- Helbio was approved a grant from the Greek government of 60,000 Euro. The grant will be used, amongst other things, to purchase software and software rights for applications like process simulations, 2D and 3D designs and Enterprise Resource Planning (ERP)..

CEO COMMENTS

In 2020 the global pandemic presented challenges unprecedented in modern times. Despite this, we improved earnings over 2019 and delivered record total revenues. During the fourth quarter, the Group's total revenues were approximately SEK 6.7 million, an improvement of SEK 1.1 million compared to the same period of previous year. Our financial position at the end of the year is good with cash and cash equivalents of over SEK 76 million and very low debt.

Although certain restrictions complicated the certification process and thus imposed a delay, the fourth quarter was characterized by increased optimism and progress in vaccination against covid-19 and our efforts to complete the CE-mark of our smaller Combined Heat and Power (CHP) system H2PS-5 continue. We have completed the theoretical chapters included in the framework and expect completion in the near future, yet pending inspection from a third party, beyond our influence amid prevailing travel restrictions in Greece.

Undeterred by the pandemic, we continue to contribute to the significant role hydrogen plays in global efforts to create the green renewable society of the future. Leading financial institutions estimate that the global Green Hydrogen market will be worth EUR 10 trillion by 2050.

"Leading financial institutions estimate that the global Green Hydrogen market will be worth EUR 10 trillion by 2050"

Metacon has made a strategic decision to broaden the product portfolio with electrolysis solutions and began discussions with Water2H2 AB, a company providing complete solutions for the design and delivery of electrolyzers. After a period of negotiation, we agreed on a deal in January 2021, where we invested 6 million through a new issuance of shares in Water2H2, in exchange for a 20% ownership. We also received a non-binding option to acquire all remaining outstanding shares within twelve months. The payment for the remaining shares may be made by way of new issuance of Metacon shares. As a result, Metacon now offers production of Hydrogen by conversion of both gas and water.

This is my last year-end report as CEO; a recruitment process is ongoing to find my replacement. In June of 2018, when I began as CEO of Metacon, we had a couple of hundred shareholders and were unlisted. Today we have a base of over 20 thousand shareholders and are listed in Sweden and Germany. I would like to extend my gratitude and thanks to all current and former shareholders in Metacon who have supported us during these eventful years. It has been an honour and an incredibly inspiring journey. Metacon, with our patented reforming technology and broad product portfolio of energy systems, is uniquely integral to empowering this change as we transition globally to a greener society.



Carl Christopher Tornblom,
President and CEO, Metacon AB (publ)

COMMENTS ON THE FINANCIAL DEVELOPMENT

REVENUES

The Group's revenues for the year amounted to 12 967 (9 057) kSEK. The change consists of increased sales by SEK 2.1 million (+ 111%) and increased contributions by SEK 1.8 million (+25%)

OPERATING EXPENSES

The Group's operating expenses for the year amounted to -32 624 (-29 496) kSEK. The change mainly consisted of costs incurred to strengthen the organization.

OPERATING INCOME

The Group's operating income for the year amounted to -19 657 (-20 439) kSEK.

FINANCIAL STANDING

As of December 31, the Group's equity amounted to 90 545 (36 637) kSEK. In addition to the result for the year, equity was mainly affected by the new share issue carried out in 2020.

Cash and cash equivalents amounted to 76 288 (17 736) kSEK. Overdrafts of SEK 2 million were closed during the year. The Group's interest-bearing liabilities amounted to 4 798 (7 202) kSEK. The equity-to-asset ratio at the end of the reporting period was 90,1 % (71,9 %).

SIGNIFICANT CHANGES IN FINANCIAL POSITION AFTER THE END OF THE REPORTING PERIOD

No significant changes have taken place since the end of the reporting period.

ACCOUNTING PRINCIPLES

The report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice 2012:1 Annual Report and consolidated accounts, K3. The principles are unchanged compared with the previous period.

The report has not been subject to review by the company's auditor.

UPCOMING FINANCIAL REPORTS

The company publishes the following reports during the year:

- Report for the first quarter, (January – March) is published May 27, 2021
- Annual report is published April 27, 2021
- The Annual General Meeting is held on June 8, 2021
- Report for the second quarter, (April – June) is published August 26, 2021
- Report for the third quarter, (July – September) is published Nov 18, 2021
- Year-end report with the fourth quarter, (October – December) is published February 18, 2022

FINANCIAL INFORMATION IN SUMMARY

Amount in kSEK if nothing else is noted	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Net sales	2 063	1 701	4 071	1 925
Operating income	-3 885	397	-19 657	-20 439
Profit/loss after financial items	-3 936	-192	-19 788	-22 103
Total assets	100 466	50 938	100 466	50 938
Equity	90 545	36 637	90 545	36 637
Operating margin %	-188 %	23%	-483 %	-1 062 %
Net debt %	-79 %	-29 %	-79 %	-29 %
Solidity %	90,1 %	71,9 %	90,1 %	71,9 %
Number of shares ('000)	233 207	194 339	233 207	194 339
Average number of shares	215 933	194 339	199 738	181 357
Share price on the balance date, SEK	5,15	1,16	5,15	1,16
Average number of employees	17	12	17	12
Number of employees, end of period	17	13	17	13

DEFINITIONS OF KEY FIGURES:

Operating income

Profit/loss before financial items

Operating margin

Operating profit as a percentage of net sales

Net debt

Long-term and short-term interest-bearing liabilities less cash and cash equivalents as a percentage of equity

Earnings per share

Profit attributable to the parent company's shareholders divided by the weighted average number of shares outstanding during the period

Solidity

Equity as a percentage of total assets

Average number of shares

Average number of shares outstanding during the period

Average number of employees

Average number of employees during the period converted to full-time positions

CONSOLIDATED INCOME STATEMENT

Amount in kSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Revenues				
Net sales	2 063	1 701	4 071	1 925
Other operating income	4 627	3 867	8 896	7 132
	6 690	5 568	12 967	9 057
Operating expenses				
Other external costs	-5 408	-1 199	-15 414	-15 632
Employee benefit expenses	-1 943	-1 175	-6 796	-4 531
Depreciation/amortization and impairment of tangible and intangible assets	-1 983	-2 025	-8 213	-8 263
Other operating expenses	-1 241	-772	-2 201	-1 070
Operating income	-3 885	397	-19 657	-20 439
Result from financial items				
Interest income and similar income	51	20	249	23
Interest expenses and similar expenses	-102	-609	-380	-1 687
Profit/loss after financial items	-3 936	-192	-19 788	-22 103
Earnings before tax	-3 936	-192	-19 788	-22 103
Net income	-3 936	-192	-19 788	-22 103
Attributable to				
Shareholders of the parent company	-3 581	462	-17 583	-18 730
Non-controlling interest	-355	-654	-2 205	-3 373

CONSOLIDATED BALANCE SHEET

Amount in kSEK	2020-12-31	2019-12-31
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditure for development and similar	199	550
Goodwill	10 151	17 348
	10 350	17 898
Tangible assets		
Plant and machinery	1 897	1 594
Equipment, tools and installations	848	910
	2 745	2 504
Financial assets		
Other long term receivables	88	89
	88	89
Total fixed assets	13 183	20 491
Current assets		
Inventories etc.		
Raw materials and consumables	2 124	2 938
Work in progress	2 632	3 790
	4 756	6 728
Current receivables		
Accounts receivable	232	512
Other receivables	1 446	1 727
Prepaid expenses and accrued income	4 561	3 744
	6 239	5 983
Cash and cash equivalents	76 288	17 736
Total current assets	87 283	30 447
TOTAL ASSETS	100 466	50 938

CONSOLIDATED BALANCE SHEET

Amount in kSEK	2020-12-31	2019-12-31
EQUITY AND LIABILITIES		
Equity		
Share Capital	2 332	1 943
Other equity	88 105	32 381
Equity attributable to the parent company's shareholders	90 437	34 324
Non-controlling interest	108	2 313
Total equity	90 545	36 637
Non-current liabilities		
Overdraft facility	-	-
Other liabilities to credit institutions	3 750	4 500
Other long-term liabilities	336	2 702
	4 086	7 202
Current liabilities		
Other liabilities to credit institutions	712	-
Accounts payable	676	653
Tax liabilities	27	7
Other current liabilities	3 079	5 040
Accrued expenses and deferred income	1 341	1 399
	5 835	7 099
TOTAL EQUITY AND LIABILITIES	100 466	50 938

CHANGE IN EQUITY IN THE GROUP

Amount in kSEK	2020 Jan-Dec	2019 Jan-Dec
Opening equity		
Attributable to the parent company's shareholders	34 324	18 120
Non-controlling interest	2 313	5 686
Result of the period	-19 788	-22 103
Proceeds from issuance of shares	80 067	40 081
Costs from issuance of shares and other items	-6 371	-5 147
Ending equity	90 545	36 637
Attributable to the parent company's shareholders	90 437	34 324
Non-controlling interest	108	2 313

THE GROUP'S CASH FLOW ANALYSIS

Amount in kSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Profit/loss after financial items	-3 936	-192	-19 788	-22 103
Adjustment for non-cash items	-4 561	-3 460	7 455	7 467
Operating cash flow	-8 497	-3 652	-12 333	-14 636
Change in working capital	1 382	-1 418	452	-5 882
Cash flow from operating activities	-7 115	-5 070	-11 881	-20 518
Cash flow from investing activities	-438	67	-904	-1 622
Cash flow from financing activities	79 369	-79	71 337	34 975
Total cash flow	71 816	-5 082	58 552	12 835
Cash at the beginning of the period	4 472	22 818	17 736	4 901
Cash at the end of the period	76 288	17 736	76 288	17 736

PARENT COMPANY INCOME STATEMENT

Amount in kSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Revenues				
Net sales	-	220	260	305
Other operating income	168	30	555	869
	168	250	815	1 174
Operating expenses				
Other external costs	-2 355	1 987	-6 565	-8 613
Employee benefit expenses	-539	115	-1 907	-560
Depreciation/amortization and impairment of tangible and intangible assets	-176	-177	-702	-795
Other operating expenses	-235	-772	-332	-1 070
Operating income	-3 137	1 403	-8 691	-9 864
Result from financial items				
Interest income and similar income	16	-15	16	20
Interest expenses and similar expenses	-57	-55	-254	-1 057
Profit/loss after financial items	-3 178	1 333	-8 929	-10 901
Earnings before tax	-3 178	1 333	-8 929	-10 901
Net income	-3 178	1 333	-8 929	-10 901

PARENT COMPANY BALANCE SHEET

Amount in kSEK	2020-12-31	2019-12-31
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditure for development and similar	0	316
	0	316
Tangible fixed assets		
Plant and machinery	1 160	1 547
	1 160	1 547
Financial assets		
Participations in group companies	83 872	68 099
Other long-term receivables	7	7
	83 879	68 106
Total fixed assets	85 039	69 969
Current assets		
Inventories, etc		
Work in progress	-	83
	-	83
Current receivables		
Receivables from group companies	3 307	2 706
Other receivables	495	215
Prepaid expenses and accrued income	293	672
	4 095	3 593
Cash and cash equivalents	60 723	10 760
Total current assets	64 818	14 436
TOTAL ASSETS	149 857	84 405

PARENT COMPANY BALANCE SHEET

Amount in kSEK	2020-12-31	2019-12-31
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	2 332	1 943
Statutory reserve	10	10
Reserve for development expenditure	-	316
	2 342	2 269
<i>Non-restricted equity</i>		
Share premium reserve	212 515	138 450
Profit or loss brought forward	-61 965	-51 380
Net result	-8 929	-10 901
Total equity	143 963	78 438
Non-current liabilities		
Other liabilities to credit institutions	3 750	4 500
	3 750	4 500
Current liabilities		
Other liabilities to credit institutions	643	-
Accounts payable	677	653
Tax liabilities	27	7
Other current liabilities	126	71
Accrued expenses and deferred income	671	736
	2 144	1 467
TOTAL EQUITY AND LIABILITIES	149 857	84 405

CHANGE IN EQUITY IN THE PARENT COMPANY

Amount in kSEK	2020 Jan-Dec	2019 Jan-Dec
Opening equity	78 438	53 666
Result of the period	-8 929	-10 901
Proceeds from issuance of shares	80 067	40 081
Costs from issuance of shares	-5 613	-4 408
Ending equity	143 963	78 438

PARENT COMPANY'S CASH FLOW ANALYSIS

Amount in kSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Profit/loss after financial items	-3 178	1 333	-8 929	-10 901
Adjustment for non-cash items	-5 436	568	702	748
Operating cash flow	-8 614	1 901	-8 227	-10 153
Changes in working capital	3 286	-1 131	259	-1 776
Cash flow from operating activities	-5 328	770	-7 968	-11 929
Cash flow from investing activities	-301	-	-15 774	-16 736
Cash flow from financing activities	63 845	-4 408	73 705	35 673
Total cash flow	58 216	-3 638	49 963	7 008
Cash at the beginning of the period	2 507	14 398	10 760	3 752
Cash at the end of the period	60 723	10 760	60 723	10 760

For further information, please contact CEO Christopher Tornblom, phone +44 7827 509544 or e-mail info@metacon.se

About Metacon AB (publ)

Metacon AB (publ) develops and manufactures energy systems for the production of hydrogen, heat and electricity. The products are based on a patented technology that produce hydrogen through reforming of biogas or other hydrocarbons. The hydrogen can be used in the transport sector, industry and the real estate sector with a better environment and climate as a result. Through its associated company Water2H2, the market is offered systems and solutions for the production of hydrogen through electrolysis.

HEAD OFFICE

Tomtebogatan 2
SE-703 43 Örebro
Sweden

+46 19126800

info@metacon.se

