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PURE ENERGY

ANNUAL REPORT 2020

Annual Report for

Metacon AB (publ)

Org nr 556724-1616

The financial year 2020-01-01 - 2020-12-31

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DIRECTORS' REPORT

The Board of Directors and the President of Metacon AB (publ), 556724-1616, hereby submit the Annual Report for 2020. The company is headquartered in Örebro, Sweden.

COMPANY OVERVIEW

Metacon AB 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.

The products are divided into two main groups: Reforming and Electrolysis.

REFORMING

HYDROGEN GENERATORS

Metacon's Reformer Technology is scalable and can both be made as small systems and expanded to very large facilities. Such may be of interest to industries with a high hydrogen demand and where the raw material in the form of methane or other hydrocarbon is available locally at low cost.

For refuelling stations, Metacon offers complete 350 and 700 bar, in the 50, 100 and 300 Nm3 / h size (106, 212 and 640 kg/day or 38, 76 and 230 tons/year) with reformers, compressors, high pressure storage, coolers and dispensers.

SMALLER COGENERATION SYSTEMS AND POWER UNITS

(Combined Heat and Power, CHP och Auxiliary Power Unit, APU):

Metacons small CHP systems enable local power and heat production from biogas, natural gas and ethanol, for independent use or for connection to the commercial grid. They are designed for continuous operation, long service intervals and minimum environmental impact. The system, called H2PS-5, produces 5 kW of electricity and about 7 kW of thermal power.

Metacon's offers small, cost-effective power units with fuel cells in the 300 W to 2 kW power range are air-cooled and used to produce electricity in powerless areas and for backup power, or to charge batteries. Examples of other applications are telecom, caravans, boats, construction sites and within the defense. Such power units must be compact, effective, quiet and free of toxic emissions.

ELECTROLYSIS

Through the acquisition of shares in Water2H2, we can provide complete solutions for the design and delivery of electrolysers. Water2H2 has a distribution agreement with PERIC, China's largest manufacturer of electrolysers and plants for hydrogen production. The agreement with PERIC covers the whole of Europe. Water2H2 also performs services in design, training, installation and maintenance, etc. for sold facilities.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- Metacon's subsidiary Helbio announced that the installation and commissioning of an H2PS-5 system at EDA (Attiki Natural Gas Distribution Company) has been successfully completed.
- Metacon entered into an agreement with Hynion AS, where Hynion will lease a hydrogen reformer from Metacon. The reformer, also formerly called the AutoRe unit, will locally at a hydrogen filling station have the capacity to produce approximately 40 Nm3 of hydrogen per hour for refueling vehicles.
- Metacon's subsidiary Helbio has manufactured and delivered a fuel cell system to the Catholic University of Rio de Janeiro.
- Metacon's subsidiary Helbio receives an order from the Chemical Process & Energy Resources Institute (CPERI) including a supply of a low temperature PEM fuel cell system powered by high purity hydrogen gas and an adjustable DC / AC power conditioning system with a power of 5 kW.
- Metacon's subsidiary Helbio has manufactured and delivered the 5 kW cogeneration system to Pontifical Catholic University of Rio de Janeiro, which was announced in a press release on April 29, 2019. The system will be powered by natural gas for the production of electric power (5 kW) and heat (7 kW) via intermediate production of hydrogen, with a low temperature PEM fuel cell.
- Metacon's subsidiary Helbio has delivered the 5kW cogeneration system (H2PS-5) for LPG manufactured to Notes Co., Ltd. in Nagano, and announced via a press release on May 1, 2019.

- Metacon's subsidiary Helbio delivered a 5 kW low temperature PEM fuel cell system to the Chemical Process & Energy Resources Institute (CPERI) based in Thermi, Thessaloniki, Greece, an order announced via a press release on January 15, 2020.
- Metacon's subsidiary Helbio has manufactured and delivered a Fuel Processor, which produces approximately 12 NMCH hydrogen and a 10 kWe power system with fuel cell, to Adsorption Technology, which is a wholly owned subsidiary of Futamura group. The order was announced via a press release on September 27, 2019.
- Metacon's subsidiary Helbio has filed three patent applications based on two previous patents.
- Implementation of a rights issue of approximately SEK 80 million, which ended on 5 October. The issue was subscribed for at approximately 160%, and thus 38,867,883 new shares were issued.
- Helbio Holdings carried out a new share issue of EUR 1.5 million. Metacon AB subscribed for the entire amount and was granted a full allotment. Metacon's ownership in Helbio Holdings amounts to 58.87% after the new share issue.
- Helbio signed an agreement with Pherousa for the extensive design and delivery of an ammonia cracking unit for hydrogen production. The unit is a pilot plant with a capacity of 10 kW and Helbio receives 10% of the shares in Pherousa Green Technologies AS as payment for the unit. The ownership in Pherousa will be registered in Helbio Holdings SA. The total value of the unit delivered is over EURO 150,000.

MULTI-YEAR OVERVIEW (kSEK)
Group

	2020	2019	2018	2017
Net sales	4 071	1 925	3 069	4 418
Profit/loss after financial items	-19 788	-22 103	-20 744	-15 084
Total assets	100 466	50 939	39 911	46 251
Solidity (%)	90	72	60	55
Return on total capital (%)	neg	neg	neg	neg

MULTI-YEAR OVERVIEW (kSEK)
Parent Company

	2020	2019	2018	2017
Net sales	260	305	711	1 143
Profit/loss after financial items	-8 929	-10 901	-6 835	-7 462
Total assets	149 857	84 405	62 388	55 134
Solidity (%)	96	93	86	79
Return on total capital (%)	neg	neg	neg	neg

EQUITY

	Share capital	Other equity	Non-controlling interest
Group			
Opening equity	1 943 394	32 380 724	2 312 902
Changes in reported values directly against equity			
Conversion difference		-758 087	
Total	1 943 394	31 622 637	2 312 902
Transactions attributable to the parent company's shareholders			
Proceeds from issuance of shares	388 679	79 679 160	
Costs from issuance of shares and other items		-5 613 592	
Result of the year		-17 583 798	-2 204 644
Total	388 679	56 481 770	-2 204 644
Ending equity 2020-12-31	**2 332 073**	**88 104 407**	**108 258**

Number of shares: 233 207 302

Restricted equity	Share capital	Fund for activated costs	Statutory reserve	Ongoing issuance of shares
Parent company				
Opening equity	1 943 394	315 666	10 000	-
Changes in reported values directly against equity				
Fund for development costs		-315 666		
Total	1 943 394	-	10 000	-
Transactions with shareholders				
Proceeds from issuance of shares	388 679			
Total	388 679	-	-	-
Ending equity 2020-12-31	**2 332 073**	**-**	**10 000**	**-**

Non-restricted equity	Share premium fund	Profit or loss brought forward and net result
Parent company		
Opening balance	138 449 689	-62 280 807
Fund for development costs		315 666
Net result for the year		-8 928 662
Proceeds from issuance of shares	79 679 160	
Costs from issuance of shares	-5 613 592	
Ending equity 2020-12-31	**212 515 257**	**-70 893 803**

Number of shares: 233 207 302

Proposed allocation of company profit or loss

The Board of Directors proposes that non-restricted equity is appropriated as follows:

	Amounts in SEK
Share premium fund	212 515 257
Profit or loss brought forward	-61 965 141
Profit for the year	-8 928 662
Total	**141 621 454**
Carried forward	**141 621 454**

Regarding the results and position in general, reference is made to the subsequent results and balance sheet with the associated notes.

INCOME STATEMENT - GROUP

Amounts in SEK	Note	2020-01-01-2020-12-31	2019-01-01-2019-12-31
Operating income			
Net sales		4 071 214	1 924 616
Other operating income	2	8 868 089	7 132 255
		12 939 303	9 056 871
Operating expenses			
Other external costs	3, 5	-15 413 614	-15 631 767
Employee benefit expenses	4	-6 796 517	-4 531 296
Depreciation/amortization and impairment of tangible and intangible assets		-8 212 563	-8 263 001
Other operating expenses		-2 173 727	-1 069 893
Operating result		**-19 657 118**	**-20 439 086**
Result from financial items			
Results from securities and receivables that are fixed assets		15 825	-
Interest income and similar income		233 123	22 911
Interest expenses and similar expenses		-380 272	-1 686 874
Profit/loss after financial items		-19 788 442	-22 103 049
Result before tax		-19 788 442	-22 103 049
Net result for the year		-19 788 442	-22 103 049
Attributable to:			
Shareholders of the parent company		-17 583 798	-18 730 368
Non-controlling interest		-2 204 644	-3 372 681

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BALANCE SHEET - GROUP

Amounts in SEK	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	6	198 753	549 826
Goodwill	7	10 151 330	17 348 592
		10 350 083	17 898 418
Tangible assets	8		
Plant and machinery		1 896 727	1 594 174
Equipment, tools and installations		848 044	910 261
		2 744 771	2 504 435
Financial assets			
Other securities held as non-current assets	10	1	1
Other long-term receivables	11	87 775	88 595
		87 776	88 596
Total fixed assets		13 182 630	20 491 449
Current assets			
Inventories etc.			
Raw materials and consumables		2 123 920	2 938 109
Work in progress	12	2 632 545	3 790 247
		4 756 465	6 728 356
Current receivables			
Accounts receivables		232 006	512 239
Current tax assets		32 285	32 285
Other receivables		1 414 075	1 694 404
Prepaid expenses and accrued income	13	4 560 459	3 744 080
		6 238 825	5 983 008
Cash and bank balances		76 287 778	17 735 696
Total current assets		87 283 068	30 447 060
TOTAL ASSETS		100 465 698	50 938 509

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BALANCE SHEET - GROUP

Amounts in SEK	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		2 332 073	1 943 394
Other capital		88 104 407	32 380 724
Equity attributable to shareholders of the parent company		90 436 480	34 324 118
Non-controlling interest		108 258	2 312 902
Total equity		90 544 738	36 637 020
Non-current liabilities			
Other liabilities to credit institutions	15	3 750 000	4 500 000
Other non-current liabilities		335 573	2 702 340
		4 085 573	7 202 340
Current liabilities			
Liabilities to credit institutions		711 803	-
Accounts payable - trade		676 654	653 367
Tax liabiliy		26 756	6 938
Other current liabilities		3 079 085	5 039 462
Accrued expenses and deferred income	16	1 341 089	1 399 382
		5 835 387	7 099 149
TOTAL EQUITY AND LIABILITIES		100 465 698	50 938 509

CASH FLOW STATEMENT - GROUP

Amounts in SEK	Note	2020-12-31	2019-12-31
Operating activities			
Profit/loss after financial items		-19 788 442	-22 103 049
Adjustments for items not included in cash flow etc.		8 212 563	8 263 001
Other items not included in cash flow		-758 085	-738 437
Paid income tax		19 818	-57 375
Operating cash flow before changes in working capital		**-12 314 146**	**-14 635 860**
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		1 971 891	-2 154 283
Increase(-)/Decrease(+) in operating receivables		-255 817	-3 847 239
Increase(+)/Decrease(-) in operating liabilities		-1 283 580	119 359
Cash flow from operating activities		**-11 881 652**	**-20 518 023**
Investing activities			
Investment in tangible assets		-904 566	-1 542 828
Investment in financial assets		-	-78 978
Divestment of financial items		820	-
Cash flow from investing activities		**-903 746**	**-1 621 806**
Financing activities			
Proceeds from issuance of shares		80 067 839	40 081 437
Costs from issuance of shares		-5 613 592	-4 408 283
Net amortization of loan		-3 116 767	-698 591
Cash flow from financing activities		**71 337 480**	**34 974 563**
Total cash flow		**58 552 082**	**12 834 734**
Cash and bank balances at the beginning of the year		**17 735 696**	**4 900 962**
Cash and bank balances at the end of the year		**76 287 778**	**17 735 696**

INCOME STATEMENT – PARENT COMPANY

Amount in SEK	Note	2020-01-01-2020-12-31	2019-01-01-2019-12-31
Operating income			
Net sales		259 990	304 504
Other operating income	2	555 141	869 565
		815 131	1 174 069
Operating expenses			
Other external costs	3, 5	-6 564 741	-8 612 970
Employee benefit expenses	4	-1 906 750	-560 169
Depreciation/amortization and impairment of tangible and intangible assets		-702 487	-795 191
Other operating expenses		-331 701	-1 069 893
Operating result		**-8 690 548**	**-9 864 154**
Result from financial items			
Results from securities and receivables that are fixed assets		15 825	-
Interest income and similar income		-	20 052
Interest expenses and similar expenses		-253 939	-1 056 806
Profit/loss after financial items		**-8 928 662**	**-10 900 908**
Result before tax		**-8 928 662**	**-10 900 908**
Net result for the year		**-8 928 662**	**-10 900 908**

BALANCE SHEET – PARENT COMPANY

Amount in SEK	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	6	-	315 666
		-	315 666
Tangible assets			
Plant and machinery	8	1 160 467	1 547 289
		1 160 467	1 547 289
Financial assets			
Participation in group companies	9	83 871 997	68 098 372
Other securities held as non-current assets	10	1	1
Other long-term receivables	11	7 500	7 500
		83 879 498	68 105 873
Total fixed assets		**85 039 965**	**69 968 828**
Current assets			
Inventories etc.			
Work in progress	12	-	82 668
		-	82 668
Current receivables			
Receivables from group companies		3 306 490	2 705 635
Current tax assets		32 285	32 285
Other receivables		462 348	182 848
Prepaid expenses and accrued income	13	293 111	672 220
		4 094 234	3 592 988
Cash and bank balances		60 723 050	10 760 027
Totalt current assets		**64 817 284**	**14 435 683**
TOTAL ASSETS		**149 857 249**	**84 404 511**

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BALANCE SHEET – PARENT COMPANY

Amount in SEK	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted capital			
Share capital		2 332 073	1 943 394
Statutory reserce		10 000	10 000
Fund for development costs		-	315 666
		2 342 073	2 269 060
Non-restricted equity			
Share premium reserve		212 515 257	138 449 689
Profit or loss brought forward		-61 965 141	-51 379 898
Profit or loss for the year		-8 928 662	-10 900 908
		141 621 454	76 168 883
Total equity		**143 963 527**	**78 437 943**
Non-current liabilities			
Other liabilities to credit institutions	15	3 750 000	4 500 000
		3 750 000	4 500 000
Current liabilities			
Liabilities to credit institutions		642 857	-
Accounts payable - trade		676 654	653 367
Tax liability		26 756	6 938
Other current liabilities		126 149	70 472
Accrued expenses and deferred income	16	671 306	735 791
		2 143 722	1 466 568
TOTAL EQUITY AND LIABILITIES		**149 857 249**	**84 404 511**

CASH FLOW STATEMENT – PARENT COMPANY

Amounts in SEK	Note	2020-12-31	2019-12-31
Operating activities			
Profit/loss after financial items		-8 928 662	-10 900 908
Adjustments for items not included in cash flow etc.		702 487	804 854
Paid income tax		19 818	-57 375
Cash flow from operating activities before changes in working capital		**-8 206 357**	**-10 153 429**
Cash flow from changes in working capital			
Increase(-)/Decrease (+) in inventories		82 668	-
Increase(-)/Decrease (+) in operating receivables		-501 245	-245 157
Increase(+)/Decrease (-) in operating liabilities		657 336	-1 530 381
Cash flow from operating activities		**-7 967 598**	**-11 928 967**
Investing activities			
Investment in group company		-15 773 625	-16 736 315
Cash flow from investing activities		**-15 773 625**	**-16 736 315**
Financing activities			
Proceeds from issuance of shares		80 067 838	40 081 437
Costs from issuance of shares		-5 613 592	-4 408 283
Net amortization of loan		-750 000	-
Cash flow from financing activities		**73 704 246**	**35 673 154**
Cash flow for the year		**49 963 023**	**7 007 872**
Cash and cash balances at the beginning of the year		**10 760 027**	**3 752 155**
Cash and cash balances at the end of the year		**60 723 050**	**10 760 027**

NOTES

Note 1 Accounting principles

Amounts in SEK if nothing else is noted.

General accounting principles
The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual and Group Reports (K3).

The Parent Company applies the same accounting principles as the Group, except in the cases listed below under the section "Accounting principles in the Parent Company".

Valuation principles etc
Assets, provisions and liabilities are valued based on cost unless otherwise stated. Receivables have been valued at the lower of acquisition value and the amount by which they are expected to be settled.

Receivables and liabilities in foreign currency have been valued at the exchange rate on the balance sheet date. Exchange rate gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.

The accounting principles are unchanged compared with previous year.

Income
Revenue has been recognized at real value of what has been or will be received and is reported to the extent that it is probable that the financial benefits will be credited to the company and the revenue can be calculated in a reliable manner.

Fixed assets
Intangible and tangible fixed assets are reported at acquisition value less accumulated depreciation according to plan and any write-downs.

Income tax
Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly against equity whereby associated tax effects also are reported in equity.

Public grants
Grants from the state are reported at fair value when it is reasonable and certain that the grant will be received and the company will meet the conditions associated with the grant.

Definition of key ratios
Net sales
Operating main income, invoiced costs, side income and income corrections.

Profit/loss after financial items
Profit/loss after financial income and expenses, but before extraordinary income and expenses.

Total assets
The company's total assets.

Solidity (%)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

Return on equity (%)

Profit/loss after financial items as a percentage of adjusted equity (equity and untaxed reserves less deferred tax).

Intangible assets

Expenditure on research and development

When capitalizing expenses for development, the capitalization model is applied. This means that expenses incurred during the development phase are reported as an asset when all of the following conditions are met:

- It is technically possible to complete the intangible asset so that it can be used or sold.
- The intention is to complete the intangible fixed asset and to use or sell it.
- Prerequisites exist for using or selling the intangible fixed asset.
- It is likely that the intangible fixed asset will generate future economic benefits.
- There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible fixed asset can be calculated reliably.

The acquisition value of an internally generated intangible fixed asset consists of external directly attributable expenses.

Other intangible assets

Other intangible assets acquired by the company are reported at acquisition value less accumulated depreciation and write-downs. Expenses for internally generated goodwill and brands are reported in the income statement as an expense when they arise.

Depreciations

Depreciation takes place on a straight-line basis over the asset's estimated useful life. Depreciation is reported as an expense in the income statement.

The following depreciation periods are applied:	Group %	Parent company %
Internally generated intangible assets		
Capitalized expenses for development and similar work	20-30	20-30
Acquired intangible assets		
Goodwill och patents	7,5-35	7,5-35

Tangible assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation and write-downs. In addition to the purchase price, the acquisition value also includes expenses that are directly attributable to the acquisition.

Additional expenses

Additional expenses that meet the asset criterion are included in the asset's carrying amount. Expenses for ongoing maintenance and repairs are reported as costs when they arise.

Depreciations

Depreciation takes place on a straight-line basis over the asset's estimated useful life, as it reflects the expected consumption of the asset's future economic benefits. Depreciation is reported as an expense in the income statement.

The following depreciation periods are applied:

Tangible fixed assets:	Group %	Parent company %
- Plant and machinery	12-20	20

The difference between the above-mentioned depreciation and depreciation made for tax purposes is reported in the individual companies as accumulated overdepreciation, which is included in untaxed reserves.

Leasing

All leasing agreements have been classified as financial or operational leasing agreements. A financial leasing agreement is a leasing agreement according to which the risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operational leasing agreement is a leasing agreement that is not a financial leasing agreement.

Operational leasing agreements

Leasing fees according to operational leasing agreements, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are reported as an expense on a straight-line basis over the leasing period.

Consolidated financial statements
The consolidated financial statements are prepared in accordance with the acquisition method.

Intra-group receivables and liabilities as well as transactions between Group companies as well as unrealized gains are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction corresponds to an impairment loss.

Subsidiary

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means a right to formulate a company's financial and operational strategies in order to obtain economic benefits. The reporting of business acquisitions is based on the unit view. This means that the acquisition analysis is prepared as of the time when the acquirer acquires a controlling influence. From this point on, the acquirer and the acquired entity are seen as an accounting entity. The application of the unit view also means that all assets (including goodwill) and liabilities as well as income and expenses are included in their entirety also for partly owned subsidiaries..

The acquisition value for subsidiaries is calculated at the sum of fair value at the time of acquisition for paid assets with the addition of incurred and assumed liabilities as well as issued equity instruments, expenses that are directly attributable to the business combination and any additional purchase consideration. The acquisition analysis determines the fair value, with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities as well as minority interests. Minority interest is valued at fair value at the time of acquisition. From the time of acquisition, the consolidated accounts include the acquired company's revenues and expenses, identifiable assets and liabilities as well as any goodwill or negative goodwill incurred.

The financial statements of foreign subsidiaries have been recalculated according to the current exchange rate method. All items in the balance sheet have been recalculated at the exchange rate on the balance sheet date. All items in the income statement have been translated at the average exchange rate during the financial year.

Goodwill
Group goodwill arises when the acquisition value upon acquisition of shares in subsidiaries exceeds the value of the acquired company's identifiable net assets determined in the acquisition analysis. Goodwill is reported at acquisition value less accumulated depreciation and any write-downs.

Note 2 Other operating income

	2020-01-01-2020-12-31	2019-01-01-2019-12-31
Group		
Exchange rate gains on receivables/liabilities of an operating nature	-	719 613
Commission income	582 470	149 952
EU grants Greece	5 702 420	5 997 076
Other income Greece	2 583 199	265 614
Total	**8 868 089**	**7 132 255**
Parent company		
Exchange rate gains on receivables/liabilities of an operating nature	-	719 613
Commission income	582 470	149 952
Total	**582 470**	**869 565**

Note 3 Fees and cost reimbursement to auditors

	2020-01-01-2020-12-31	2019-01-01-2019-12-31
Group		
R3 och Kypris & Associates S.A.		
Audit fees	266 000	277 000
Other missions	15 000	23 200
Total	281 000	300 200
Parent company		
R3		
Audit fees	190 000	207 000
Other missions	15 000	23 200
Total	205 000	230 200

Note 4 Employees, personnel costs and board fees

Average number of employees	2020-01-01-2020-12-31	Of which men	2019-01-01-2019-12-31	Of which men
Group				
Sweden	1	1	1	1
Greece	16	15	12	11
	17	16	13	12
Parent company				
Sweden	1	1	1	1
	1	1	1	1

Salaries and other remunerations and social costs, including retirement costs

	2020-01-01-2020-12-31	2019-01-01-2019-12-31
Group		
Salaries and other remunerations	5 307 144	3 636 393
Social costs	1 468 263	860 014
(of which pension expenses)	110 289	28 600
	6 775 407	4 496 407
Parent company		
Salaries and other remunerations	1 395 333	463 383
Social costs	490 306	61 897
(of which pension expenses)	110 289	28 600
	1 885 639	525 280

Note 5 Leasing agreements

Leasing costs for the year regarding leasing agreements, amounts to 441 724 (306 808) i the Group and 168 613 (72 340) in the parent company. Future leasing fees, for non-cancellable leasing agreements, are due for payment as follows:

	2020-12-31	2019-12-31
Group		
Within a year	289 024	273 159
Later than one year but within five years	972 768	972 768
Later than five years	567 448	810 640
	1 829 240	2 056 567
Parent company		
Within a year	45 832	29 967
Later than one year but within five years	-	-
Later than five years	-	-
	45 832	29 967

Note 6 Capitalized expenses for development work and similar work

	2020-12-31	2019-12-31
Group		
Accumulated acquisition values:		
-At the beginning of the year	2 596 780	2 554 478
-Nyanskaffningar	-	37 710
-The year's translation differences	-	4 592
	2 596 780	2 596 780
Accumulated depreciation according to plan:		
-At the beginning of the year	-2 046 954	-1 670 874
-Reclassifications	7 809	-9 663
-Depreciation for the year according to plan	-358 881	-366 417
	-2 398 026	-2 046 954
Reported value at the end of the year	**198 754**	**549 826**
Parent company		
Accumulated acquisition values:		
-At the beginning of the year	2 225 609	2 225 609
	2 225 609	2 225 609
Accumulated depreciation according to plan:		
-At the beginning of the year	-1 909 943	-1 584 615
-Reclassifications	-	-9 663
-Depreciation for the year according to plan	-315 666	-315 665
	-2 225 609	-1 909 943
Reported value at the end of the year	**-**	**315 666**

Note 7 Goodwill

	2020-12-31	2019-12-31
Group		
Accumulated acquisition values:		
-At the beginning of the year	67 379 877	67 379 877
	67 379 877	67 379 877
Accumulated depreciation according to plan:		
-At the beginning of the year	-50 031 285	-42 748 880
-Depreciation for the year according to plan	-7 197 262	-7 282 405
	-57 228 547	-50 031 285
Reported value at the end of the year	**10 151 330**	**17 348 592**

Note 8 Plant and machinery

	2020-12-31	2019-12-31
Group		
Accumulated acquisition values:		
-At the beginning of the year	7 858 488	7 524 875
-New acquisitions	904 566	1 542 828
-Disposals and obsolescence	-	-1 200 000
-The year's translation differences	-	-9 215
	8 763 054	7 858 488
Accumulated depreciation according to plan:		
-At the beginning of the year	-5 354 053	-4 716 450
-Reclassifications	-7 809	-
-Depreciation for the year according to plan	-656 421	-637 603
	-6 018 283	-5 354 053
Reported value at the end of the year	**2 744 771**	**2 504 435**
Machines included under financial leasing agreements	None	None
Parent company		
Accumulated acquisition values:		
-At the beginning of the year	2 861 137	4 061 137
-Disposals and obsolescence	-	-1 200 000
	2 861 137	2 861 137
Accumulated depreciation according to plan:		
-At the beginning of the year	-1 313 848	-834 322
- Depreciation for the year according to plan	-386 822	-479 526
	-1 700 670	-1 313 848
Reported value at the end of the year	**1 160 467**	**1 547 289**
Machines included under financial leasing agreements	None	None

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Note 9 Participations in group companies

	2020-12-31	2019-12-31
Accumulated acquisition values:		
-At the beginning of the year	68 098 372	51 362 057
-New acquisitions	15 773 625	16 736 315
Reported value at the end of the year	**83 871 997**	**68 098 372**

Spec of the parent company's and the group's holdings of shares in group companies
This applies to the ownership share of the capital, which also corresponds to the proportion of votes to the total number of shares

Subsidiary / Org no	Capital share, %	2020-12-31 Reported value	2019-12-31 Reported value
Helbio Holding S.A. (org nr 109503-5885)	58,87	83 850 680	68 077 055
Metacon KK (org nr 0210-01-0537)	100	21 317	21 317
		83 871 997	**68 098 372**

Note 10 Other securities held as non-current assets

	2020-12-31	2019-12-31
Group		
-Opening acquisition values	4 962 903	4 962 903
-Opening write-downs	-4 962 902	-4 962 902
Reported value at the end of the year	**1**	**1**
Parent company		
-Opening acquisition values	4 962 903	4 962 903
-Opening write-downs	-4 962 902	-4 962 902
Reported value at the end of the year	**1**	**1**

Refers to 24,086 shares in Advent Technologies.

Note 11 Other long-term receivables

	2020-12-31	2019-12-31
Group		
Accumulated acquisition values:		
-At the beginning of the year	88 595	9 670
- Additional receivables	2 058	78 925
	90 653	88 595
-Reclassifications	-2 878	-
Reported value at the end of the year	**87 775**	**88 595**
Parent company		
Accumulated acquisition values:		
-At the beginning of the year	7 500	7 500
	7 500	7 500
Reported value at the end of the year	**7 500**	**7 500**

Note 12 Work in progress

	2020-12-31	2019-12-31
Group		
Expenses incurred on contracts	2 632 545	3 790 247
Advance from customer	-	-
	2 632 545	**3 790 247**
Parent company		
Expenses incurred on contracts	-	82 668
Advance from customer	-	-
Reported value at the end of the year	**-**	**82 668**

Note 13 Prepaid expenses and accrued income

	2020-12-31	2019-12-31
Group		
Prepaid expenses	422 733	2 431 253
Accrued income	4 137 725	1 312 827
	4 560 458	**3 744 080**
Parent company		
Prepaid expenses	133 460	177 213
Accrued income	159 651	495 007
	293 111	**672 220**

Note 14 Overdraft facility

	2020-12-31	2019-12-31
Group		
Granted credit limit	-	2 000 000
Unused part	-	-2 000 000
Utilized credit amount	**-**	**-**
Parent company		
Granted credit limit	-	2 000 000
Unused part	-	-2 000 000
Utilized credit amount	**-**	**-**

Note 15 Other liabilities to credit institutions

	2020-12-31	2019-12-31
Group		
Due date, within one year from the balance sheet date	978 430	-
Due date, 1-5 years from the balance sheet date	2 571 429	5 380 912
Due date, later than five years from the balance sheet date	1 178 571	1 821 428
	4 728 430	**7 202 340**
Parent company		
Due date, within one year from the balance sheet date	642 857	-
Due date, 1-5 years from the balance sheet date	2 571 429	2 678 572
Due date, later than five years from the balance sheet date	1 178 571	1 821 428
	4 392 857	**4 500 000**

Note 16 Accrued expenses and deferred income

	2020-12-31	2019-12-31
Group		
Personnel-related costs	955 627	989 226
Other costs	385 462	410 156
	1 341 089	**1 399 382**
Parent company		
Personnel-related costs	285 844	325 635
Other costs	385 462	410 156
	671 306	**735 791**

Note 17 Pledged collateral and contingent liabilities

Collateral pledged	2020-12-31	2019-12-31
Group		
Other liabilities to credit institutions		
Corporate mortgages	6 500 000	6 500 000
	6 500 000	**6 500 000**
Parent company		
Other liabilities to credit institutions		
Corporate mortgages	6 500 000	6 500 000
	6 500 000	**6 500 000**

Note 18 Significant events after the end of the financial year

Metacon broadened its operations by investing in Water2H2 AB, a company that provides complete solutions for the design and delivery of electrolysers. Metacon invested SEK 6 million in exchange for 20 percent of the shares in Water2H2. Additionally, Metacon received a non-binding option to acquire all shares in the company in twelve months. Payment may be made with newly issued shares in Metacon.

Helbio received a grant of EUR 60 000 from the Greek State. The grant will be used to e.g. purchase software and software rights for applications such as process simulations, 3D and 2D design, and Enterprise Resource Planning (ERP).

Helbio received an order from Brunel University in London for an advanced H2PS-5 CHP system that will be able to run on three different fuels; natural gas, LPG and pure hydrogen without having to make any changes to the hardware. The order value is just below EUR 70,000.

Helbio got two pending Patent Applications filled with the United States Patent Office approved. The patents are entitled" Catalytically heated fuel processor with replaceable structured supports bearing catalyst for fuel cells" and "Heat integrated reformer with catalytic combustion for hydrogen production.

Helbio received an order from the University of Western Macedonia encompassing a hydrogen reactor that will be used for studies within catalytic hydrogen production. The order is worth about EUR 85,000.

Metacon hired Christian Hofmann as Business Development Director with immediate effect. Christian Hofmann has been involved in bioenergy for over 20 years and has researched the subject of hydrogen production from biomass as part of his doctoral degree.

Helbio received an order from the University of Groningen in the Netherlands regarding a hydrogen reactor for studies in catalytic hydrogen production. The order is worth about EUR 70,000.

Christer Wikner is been appointed as new President and CEO of Metacon AB, effective June 9, 2021. Christer Wikner will succeed Christopher Tornblom, who according to previous communication is leaving his position.

The Group's operations are affected by the corona pandemic, mainly by way of longer lead times for deliveries of materials and components. Moreover, travel restrictions have delayed the ongoing CE-mark process as third-party inspectors are not able to visit Patras for inspection of the products.


OUR MISSION:
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HEAD OFFICE

Tomtebogatan 2
SE-703 43 Örebro
Sweden

+46 19126800
info@metacon.se
www.metacon.se

AUDITOR'S REPORT

To the general meeting of the shareholders of Metacon AB (publ)
Corporate identity number 556724-1616

Report on the annual accounts and consolidated accounts

Opinions

I have audited the annual accounts and consolidated accounts of Metacon AB (publ) for the year 2020.

In my opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

• Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

• Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts and consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have also audited the administration of the Board of Directors and the Managing Director of Metacon AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

• has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined whether the proposal is in accordance with the Companies Act.

Stockholm 26 April 2021

Tomas Nöjd

Authorized Public Accountant