



Interim report April – June 2017

Significant events April – June

- MyFC develops hybrid platform for the global operator and powerbank market and debuts JAQ Hybrid at Mobile World Congress in Shanghai
- New patents approved in Europe, India and Canada
- MyFC develops Lamina Range Extender for electric cars, doubling its potential target market
- MyFC strengthens finances for a stronger position in China
- Handelsbanken Fonder new major owner of myFC; board and staff increase their ownership significantly

	Q2 2017	Q2 2016	Jan-June 2017	Jan-June 2016	Full year 2015
Net sales, SEK 000	21	306	331	303	335
Operating margin, %	neg	neg	neg	neg	neg
Equity per share, SEK	3,7	3,7	3,7	3,7	3,4
Equity ratio, %	89,6	86,1	89,6	86,1	87,1
Average number of employees	12	13	12	13	14

A word from our CEO

The second quarter of the year was characterized by the development and completion of JAQ Hybrid, our new platform solution for mobile devices; as well as the news about Lamina REX, the core of our ambitions for the automotive industry. During the quarter, we also strengthened the company's capitalization to get ready for the next step in our development.

In April, we communicated the development of JAQ Hybrid, which enables our fuel cell Lamina™ to coexist with battery and provide the best features both fuel cells and batteries in one device. JAQ Hybrid is our lead product platform and our new offering toward mobile operators and power bank manufacturers.

In late June, we premiered JAQ Hybrid at Mobile World Congress in Shanghai. It was positively received. The JAQ Hybrid is both practical and stylish in its design. Its battery is charged by using one of our fuel cards, or through a regular power outlet. In other words, the JAQ Hybrid is the only external charger a user ever needs.

As previously communicated, our engineers are now working on completing JAQ Hybrid. We plan to commence production of JAQ Hybrid in the next few months, which means moving into the delivery phase towards the important Chinese market. The first delivery will go to Telling, as previously announced.

During the quarter, we informed the market about our plans to develop a Range Extender for electric cars, Lamina REX. We will do a further development of the hybrid solution in the JAQ Hybrid and begin the construction of a prototype (proof of concept) toward the automotive market during the second half of 2017. Tests with a car in a real environment are planned for 2018.

The introduction of Lamina REX is a result of accelerated electrification of the automotive industry, reinforced by the fact that several major cities have already set a deadline for the ban on diesel cars. Leading car manufacturers now announce that they will exclusively develop electric cars in the future. Through all this development, a major challenge remains which will resonate across the automotive industry as well as the mobile industry: to ensure that the battery never depletes when we are in motion. It is this challenge our technology has the potential to solve.

During the quarter, we have secured key patents in Canada, India and Europe. In total, we now have a patent portfolio for both fuel cell and fuel of more than 80 patents and patent applications.

During the second quarter, we have strengthened our finances with SEK 12.2 million, and after the end of the quarter by an additional SEK 32.3 million. The new capital will be used to support our development projects, increase our ownership in our joint venture myFC Asia, continued business development and further enhancements in our organization.

During the third quarter of the year, I will manage the company according to four main priorities, in the following order:

1. To fulfil our commitment to Telling.
2. To continue to develop our relationships with mobile operators.
3. To build relationships with stakeholders in the battery and terminal world, specifically powerbank and smartphone manufacturers.
4. To begin the development of Lamina REX, in order to have a prototype on the market in 2018.

Until the next time,

Björn Westerholm,
CEO myFC

Significant events during the second quarter

MyFC develops hybrid platform for the global operator and powerbank market and debuts JAQ Hybrid at Mobile World Congress in Shanghai.

MyFC develops a new hybrid platform with both fuel cell and battery. JAQ Hybrid will be the base of the company's offering to mobile operators and power bank manufacturers. The hybrid platform replaces the current JAQ product in existing agreements and is myFC's main product platform toward telecom operators. The first product based on the platform, JAQ Hybrid, made its international debut at Mobile World Congress in Shanghai at the end of June. JAQ Hybrid can both create and store energy, giving the user complete flexibility and mobility. It can be charged using myFC's patented fuel cards which produce hydrogen using salt and water, or in a wall socket, depending on availability and preference. The JAQ Hybrid delivers an outlet power of 10.5 watts, capacity of 4,000 mAh and weighs about 200 grams. Each fuel card delivers 1,250 mAh. Because the charger can store energy, multiple devices can be charged by refilling with more fuel cards. A 2,500 mAh fuel card is planned in the same standard interface.

New patents approved in Europe, India and Canada.

The Indian Patent Office (Controller General of Patents, Designs and Trade Marks) has granted one of myFC's key patents. The patent is relevant to all myFC operations, whether it be smartphones, powerbanks or electric cars, and has previously been approved in Switzerland, China, Germany, France, Great Britain, Japan, South Korea, Sweden and the United States. The Canadian Patent Office has approved the application for one of myFC's patents, which covers an important part of the control and self-regulation technology of the company's open-end solution, which is crucial for the fuel cell's life span. Finally, the European Patent Office has approved a further patent application for myFC regarding the design underlying the unique fuel cell technology used by myFC in its product family, JAQ. MyFC's patent portfolio for fuel cells and fuel now includes more than 80 patents and patent applications.

MyFC develops Lamina Range Extender for electric cars, doubling its potential target market.

MyFC doubles its potential target market with an offering aimed at the automotive industry. Within twelve months, myFC expects to commence tests of a hybrid solution with the potential to solve the range challenge of electric vehicles. Two technological breakthroughs enable myFC's initiative: its fuel cell Lamina, delivering more power at reduced volume and cost; and its hybrid solution, combining the best of fuel cell technology and the best of the battery world. The focus on coexistence between fuel cell technology and batteries makes it possible to relieve the automotive industry of the range barrier – how far an electric car can run between charges. A range extender (REX) based on the fuel cell Lamina and an adjusted fuel from the JAQ technology has the potential of doubling the mileage. Development of a prototype begins in 2017. Real-life testing is scheduled to take place in 2018. MyFC also plans to develop a recycling strategy for the JAQ fuel in vehicles.

MyFC strengthens finances for a stronger position in China.

MyFC strengthens its financing through a loan of SEK 12.2 million and carries out an offset issue of the entire amount. The capital will mainly be used to expand myFC's ownership in myFC Asia, but also for business development, sourcing and a strengthened organization.

Handelsbanken Fonder new major owner in myFC; board and staff increase their ownership significantly.

MyFC raises SEK 32.3 million in new capital through a targeted issue. Two million shares are bought by Handelsbanken Fonder, making them the largest owner of myFC, and more than 400,000 shares are bought by the board, management and employees. The new capital will be used primarily for the continued development of myFC's hybrid platform, the backbone of its upcoming JAQ Hybrid product; and the development of Lamina REX, aimed at the automotive industry.

Financial overview

Net sales and results

1 April – 30 June

Net sales during the period 1 April - 30 June 2017 amounted to SEK 21 thousand (306). The company's product JAQ Hybrid is not yet ready for delivery. Sales relate to minor completion purchases of the company's previous products.

Operating expenses during the quarter were SEK 10.4 million (10.1). Operating expenses for the quarter include depreciation of SEK 2.0 M (2.0).

The company's operating profit for the second quarter of 2017 was SEK -10.0 million (-7.3).

Net financial items for the second quarter amounted to SEK -0.4 million (-0.1)

Cash flow, investments and financial position

Cash flow during the second quarter amounted to SEK -5.3 million (9.7). During the quarter, an offset issue was issued which generated an additional SEK 12.2 million for the company. After the end of the second quarter, the company completed a directed share issue resulting in an additional SEK 32.3 million.

The Board of Directors continuously reviews the company's financial needs and financial position. Should the need for additional capital contributions arise, the Board believes the company is in a good position to secure future financing.

Cash flow from operating activities in the second quarter of 2017 was negative and amounted to SEK -6.7 million (-4.7).

At the end of June 2017, the Group's liquid assets amounted to SEK 20.3 M (17.0).

Intangible assets

The Group's intangible assets are divided into the various development projects the company is working with or has worked with; as well as the Group's patent portfolio of more than 80 patents and patent applications, trademarks and know-how. This may apply, for example, to the development of fuel cells, chargers, fuel, etc.

Equity

The Group's equity amounted to SEK 104.4 M (85.4) as of 30 June 2017. The equity ratio amounted to SEK 89.6 million (86.1) on June 30, 2017.

Employees

At the close of the period, the company had 12 (14) employees.

Parent company

myFC Holding AB is the Group's Parent company. The company's Group management team is employed by myFC Holding AB and the Parent company invoices myFC AB for the hours the Group management team works in myFC AB.

Miscellaneous

Material risks and uncertainty factors

myFC's material business risks primarily involve all technical risks that affect future product launches, the risk of being unable to increase production capacity quickly enough to satisfy market demand, difficulty in attracting and retaining skilled employees, capital risks and currency risks to a lesser extent.

A more detailed description of material risks and uncertainty factors can be found in myFC's annual report, published on myFC's website, www.myfc.se

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general regulations BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Calendar

- | | |
|---------------------|---|
| • October 26, 2017 | Interim report January – September 2017 |
| • February 23, 2018 | Year-end report 2017 |
| • April 27, 2017 | Interim report January – March 2018 |
| • May 31, 2018 | 2018 Annual General Meeting |

The interim report has not been reviewed by the company's auditors.

Stockholm, July 27, 2017

Board of Directors

For further information, please contact:

Björn Westerholm, CEO
+ 46 70 656 20 07
björn.westerholm@myfc.se

Ulf Henning, CFO
+46 70 555 35 54
ulf.henning@myfc.se

This information is information that myFC is obliged to make public pursuant to the EU Market Abuse Regulation, the Swedish Securities Market Act and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out above, on July 28, 2017 at 08.00 am CET.

Financial statements

Income statement for the Group

SEK 000

	Apr-June 2017	Apr-June 2016	Jan-June 2017	Jan-June 2016	Full year 2016
Operating income					
Net sales	21	306	331	318	335
Work performed by the company for its own use	374	741	2 383	2 019	3 447
Other operating income	3	1 721	17	1 734	3 490
Total operating income	399	2 768	2 731	4 071	7 272
Operating expenses					
Raw materials, consumables and goods for resale	0	-221	-881	-228	-1 014
Other external expenses	-4 164	-3 867	-7 952	-7 546	-13 651
Personnel costs	-4 252	-3 951	-8 284	-8 643	-15 383
Depreciation	-2 017	-2 029	-4 034	-4 159	-8 194
Total operating expenses	-10 433	-10 068	-21 151	-20 576	-38 242
Operating loss	-10 035	-7 300	-18 421	-16 504	-30 970
Profit/loss from financial items					
Net financial items	-363	-145	-514	-313	-509
Loss after financial items	-10 398	-7 445	-18 935	-16 817	-31 479
Tax	-	-	-	-	-
Loss for the period	-10 398	-7 445	-18 935	-16 817	-31 479
Earnings per share					
before dilution (SEK)	-0,37	-0,32	-0,68	-0,74	-1,33
after dilution (SEK)	na	na	na	na	na
Average number of outstanding shares at the close of the report period before dilution (000)	27 964	23 196	27 735	22 873	23 671

Balance sheet for the Group

SEK 000	June 31, 2017	June 30, 2016	Dec 31, 2016
Assets			
Fixed assets			
Intangible fixed assets	87 065	73 547	76 932
Property, plant and equipment	2 037	3 808	2 927
Interests in associated companies	55		
Total fixed assets	89 157	77 354	79 859
Current assets			
Inventories	134	1 906	268
Accounts receivable	55	55	63
Current tax assets	246	706	0
Prepaid expenses and accrued income	916	745	982
Other receivables	5 722	1 529	2 655
Cash and cash equivalents	20 336	16 970	8 825
Total current assets	27 408	21 909	12 793
Total assets	116 565	99 263	92 652
Equity and liabilities			
Equity			
Share capital	1 688	1 359	1 528
Other capital provided	305 345	251 788	261 469
Retained earnings	-183 686	-150 856	-150 854
Loss for the period	-18 935	-16 817	-31 479
Total equity	104 412	85 474	80 664
Non-current liabilities			
Other non-current liabilities	370	1 482	926
Total non-current liabilities	370	1 482	926
Current liabilities			
Liabilities to credit institutions	1 111	1 111	1 111
Bank overdraft facility	0	1 699	5 943
Accounts payable	6 698	4 333	822
Other liabilities	714	1 876	722
Accrued expenses and deferred income	3 260	3 288	2 464

Total current liabilities	11 782	12 307	11 062
Total equity and liabilities	116 565	99 263	92 652

Statement of changes in consolidated equity

SEK 000	Share capital	Other capital provided	Other equity incl profit/loss for the year	Profit/loss for the year	Total equity
2016-12-31	1 528	261 469	-150 854	-31 479	80 664
Disposition acc to AGM			-31 479	31 479	0
New issue	15	4 985			5 000
New issue through warrents	81	24 373	0	0	24 454
Off issue	53	12 189	0	0	12 243
Issue cost	0	-508	0	0	-508
Redemption of warrants in myFC AB					
Non-cash issue	9	2 837	-1 353	0	1 494
Profit/loss for the period				-18 935	-18 935
2017-06-30	1 687	305 346	-183 686	-18 935	104 412

Consolidated statement of cash flows

SEK 000	Apr-June 2017	Apr-June 2016	Jan-June 2017	Jan-June 2016	Full year 2016
Cash flow from current operations before changes in working capital	-8 421	-5 910	-15 146	-13 170	-23 286
Cash flow from changes in working capital	1 753	1 260	3 806	37 060	-8 952
Cash flow from current operations	-6 668	-4 650	-11 340	23 890	-32 238
Cash flow from investing activities	-8 802	-6 960	-13 332	-12 865	-19 403
Cash flow from financing activities	10 135	21 329	36 183	1 288	55 809
Cash flow for the period	-5 335	9 720	11 511	12 313	4 168

Opening balance, cash and cash equivalents	25 672	7 250	8 825	4 657	4 657
Cash and cash equivalents at the end of the period	20 336	16 970	20 336	16 970	8 825

Income statement for parent company

SEK 000	Apr-June 2017	Apr-June 2016	Jan-June 2017	Jan-June 2016	Full year 2016
Operating income					
Net sales	1 795	1 129	3 261	2 369	4 601
Total operating income	1 795	1 129	3 261	2 369	4 601
Operating expenses					
External costs	-944	-627	-1 660	-1 039	-2 308
Personnel costs	-2 300	-1 615	-3 962	-3 879	-7 053
Operating profit/loss	-1 450	-1 113	-2 361	-2 549	-4 760
Profit/loss from financial items					
Net financial items	-301	0	-301	0	-
Profit/loss after financial items	-1 751	-1 113	-2 662	-2 549	-4 760
Tax	-	-	-	-	-
Profit/loss for the period	-1 751	-1 113	-2 662	-2 549	-4 760

Balance sheet for the Parent Company

SEK 000	June 31, 2017	June 30, 2016	Dec 31, 2016
Assets			
Fixed assets			
Interests in subsidiaries	154 936	126 152	138 484
Interests in associated companies	54		
Total fixed assets	154 991	126 152	138 484
Current assets			
Receivables in Group companies	85 073	70 200	72 351
Other receivables	0	114	0
Prepaid expenses and accrued income	84	0	629
Cash and cash equivalents	18 240	13 956	5 314
Total current assets	103 398	84 270	78 294
Total assets	258 388	210 422	216 778
Equity and liabilities			
Equity			
Share capital	1 688	1 359	1 528
Premium reserve	265 546	213 459	223 021
Retained earnings	-10 308	-5 548	-5 548
Loss for the period	-2 662	-2 549	-4 760
Total equity	254 263	206 721	214 241
Current liabilities			
Accounts payable	1 047	120	243
Other liabilities	425	1 830	522
Accrued expenses and deferred income	2 654	1 751	1 772
Total current liabilities	4 125	3 701	2 537
Total equity and liabilities	258 388	210 422	216 778

Statement of changes in Parent Company's equity

SEK 000	Share capital	Other capital provided	Other equity, including profit/loss for the year	Profit/loss for the year	Total equity
2016-12-31	1 528	223 021	-5 548	-4 760	214 241
Transfer of last year's profit/loss			-4 760	4 760	0
New issue	15	4 985			5 000
New issue through warrents	82	24 374			24 456
Off issue	53	12 189			12 243
Issue costs		-509			-509
Redemption of warrants in myFC AB					
Issue costs	9	1 485			1 494
Loss for the period				-2 662	-2 662
2017-06-30	1 687	265 546	-10 308	-2 662	254 263

Key figures

SEK 000	Apr-June 2017	Apr-June 2016	Jan-June 2017	Jan-June 2016	Full year 2016
Net sales, SEK 000	21	306	331	303	335
Operating margin, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Equity per share, SEK	3,7	3,7	3,7	3,7	3,4
Equity ratio, %	89,6	86,1	89,6	86,1	87,1
Number of employees at end of period	12	13	12	13	14

The information in this interim report is information that myFC AB (publ) is obliged to make public pursuant to the Swedish Securities Market Act.

About myFC

MyFC, a Swedish innovation company and market leader in micro fuel cells, develops green energy solutions. Its JAQ Hybrid platform, which co-locates fuel cell and battery to charge smartphones and tablets, was launched in 2017. JAQ Hybrid is the company's third hydrogen-powered product following JAQ and PowerTrek. It runs on the company's patented fuel consisting of salt, water and reactants. MyFC was founded in 2005 and is part of the group myFC Holding AB. MyFC Holding was listed on NASDAQ | First North in May 2014. Its head office is located in Stockholm and the company's Certified Advisor is Avanza Bank. For more information, visit www.myfcpower.com