



Financial report January – December 2017

Significant events October - December

- Patents granted in Sweden and Canada
- MyFC initiates development project to halve weight of LAMINA Range Extender for electric vehicles
- MyFC declares JAQ Hybrid ready for delivery, expects orders from Telling to be delayed
- MyFC initiates feasibility study with leading Chinese smartphone manufacturer

Significant events after the end of the quarter

- Skandia Fonder and Handelsbanken Fonder invest in myFC through a targeted issue
- myFC introduces fuel cells as a feasible alternative to batteries in energy density and production cost
- MyFC receives its first commercial order for JAQ Hybrid

	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales, SEK 000	0	10	337	303
Operating margin, %	neg	neg	neg	neg
Equity per share, SEK	3,7	3,1	3,7	3,1
Equity ratio, %	85,3	87,1	85,3	87,1
Average number of employees	17	11	14	12

A word from our CEO

Within myFC, our work is defined by four priorities, which I refer to as jobs 1-4.

Job number 1 is JAQ Hybrid and our Chinese frame agreement with Telling. During the fourth quarter, we announced that JAQ Hybrid was IEC certified and ready for delivery, but that we no longer expected any orders from Telling during 2017. At the beginning of 2018, we received our first commercial order. The order came from Huangdou e-commerce, covers 500 units initially, and we are planning for delivery after the Chinese New Year. The order from Telling is delayed. It is clear that the Chinese market – just as the global one – is struggling with the changed buying behaviors that follow the breakthrough of e-commerce.

Job number 2 refers to the sales of JAQ Hybrid to operators outside China. We have chosen to await the results of our efforts in China, job number 1, before we intensify these sales activities. The interest from the operators with whom we have an already established dialog remains.

Job number 3 is the integration of our fuel cell technology in smartphones and power banks. The objective, ever since the company was founded, has always been to integrate our fuel cells in smartphones and other portable devices. Less than a year after we introduced the LAMINA fuel cell and showed that integrating it in smartphones was possible, we established a joint feasibility study with a leading Chinese smartphone manufacturer.

Job number 4 comprises the development of our range extender for the automotive industry, LAMINA REX. Increased environmental requirements and stricter regulations increase the interest in our technology. During the fourth quarter, we announced a development project together with Gränges AB, with the ambition to halve the weight of LAMINA REX. A reduced weight gives immediate benefits in terms of longer range and lower manufacturing costs, and Gränges AB is a world leader in materials technology in this area. This project is now underway as planned.

We have also strengthened our finances in order to remain at the forefront of development and innovation. Both Skandia Fonder and Handelsbanken Fonder invested in myFC in early 2018. With the development we see now, and with the plans we have for our own development, we believe that fuel cells will be a real complement to batteries within a few years, both in terms of performance and manufacturing costs. Smartphone manufacturers would then be able to develop smaller, lighter and cheaper smartphones. And additionally, finally be able to offer consumers true mobility and a never-depleted smartphone.

The interest in our fuel cell technology has increased within different verticals, and changes continually. As a consequence, we have initiated a strategic review of the company's business model and how we can best take our industry-leading fuel cell technology to the market. This work is scheduled to be completed during the first half of 2018. Until this work is completed, by priorities remain as follows:

1. To fulfill our commitment to our Chinese customer Telling.
2. To continue building relationships with mobile operators.
3. To build relationships with stakeholders in the battery and terminal world, focusing on integration into smartphones.
4. To continue the development of LAMINA REX, a range of extenders for electric vehicles. The plan is to show a prototype in a commercial car in 2018.

Until next time,

Björn Westerholm

CEO myFC

Significant events during the fourth quarter

Patents granted in Sweden and Canada

The patent approved in Sweden covers the design which separates the inactive fuel components until it is time for hydrogen to be generated in a controlled manner. This design determines at which level myFC's fuel cards can be certified, classified and transported.

The Canadian Patent Office has approved the patent application for an electrochemical valve that automatically controls the hydrogen flow in myFC's fuel cell. This patent has previously been approved in the US, China and Japan.

MyFC initiates development project to halve weight of LAMINA Range Extender for electric vehicles

A low material weight is crucial for range extenders, as it reduces operating costs and increases range. MyFC will therefore collaborate with Gränges AB, which has a world-leading position in materials technology, in the development project. The cooperation will mainly take place between myFC's development unit in Stockholm and Gränges' development unit in Shanghai.

MyFC declares JAQ Hybrid ready for delivery, expects orders from Telling to be delayed

MyFC is expecting a delay in orders of JAQ Hybrid from Chinese mobile distributor Telling. The company further announces that JAQ Hybrid is now IEC certified.

MyFC initiates feasibility study with leading Chinese smartphone manufacturer

MyFC has initiated a feasibility study with a leading Chinese smartphone manufacturer. The aim is to analyze the technical and commercial feasibility of integrating myFC's fuel cell technology in smartphones.

Significant events after the end of the quarter

Skandia Fonder and Handelsbanken Fonder invest in myFC through a targeted issue

MyFC (MYFC) carries out a targeted emission of 50 million SEK. Handelsbanken Fonder, already a major owner, buys 1 703 577 shares, while 1 135 718 shares are bought by Skandia Fonder. The new capital will primarily be used to strengthen development efforts aimed at integrating myFC fuel cells into smartphones, as well as the continued development of the LAMINA REX for the automotive market.

myFC introduces fuel cells as a feasible alternative to batteries in energy density and production cost

MyFC says its technology has now reached a point in development where performance increases and

cost decreases so fast that it is expected to be directly comparable to battery technology in only a few years. The comparison is made on battery-powered portable technology such as smartphones. MyFC has studied three main characteristics: energy per volume (energy density), energy by weight (specific energy), and manufacturing cost. It is myFC's own fuel cell LAMINA and its associated fuel that underpins the analysis, along with current external industry estimates for battery development. The estimate is that LAMINA and its fuel will exceed lithium-ion batteries by latest 2020 in terms of energy per volume and weight, and that the manufacturing cost for LAMINA and its fuel may be lower than the equivalent of battery manufacturing cost within 3-5 years.

MyFC receives its first commercial order for JAQ Hybrid

MyFC has received an order for its fuel cell charger JAQ Hybrid. This is the first commercial delivery of JAQ Hybrid for myFC, and the customer is Huangdou e-commerce. The initial order is for 500 units, with a planned delivery after the Chinese New Year. Both parties are planning for further orders, and Huangdou's intention is to sell 30,000 JAQ Hybrid units during the year. The initial order value does not exceed 0.5 MSEK.

Financial overview

Net sales and results

1 October – 31 December 2017

Net sales during the period 1 October - 31 December 2017 amounted to SEK -0K (10). Delivery of the company's product JAQ Hybrid has not begun during the fourth quarter.

Operating expenses during the quarter were SEK -38.9 million (9.0). The increase from the previous year is mainly attributable to increased depreciation and increased costs for development, premises, consultants and travel. Operating expenses for the quarter include depreciation of SEK 11.6 million (2.0).

The company's operating profit for the fourth quarter of 2017 amounted to SEK -38.7 million (-6.5), and net financial items for the same period were SEK 0.0 million (-0.0).

The company's minority share of the myFC Asia amounted to MSEK -3 (0).

1 Januari – 31 December 2017

Net sales in 2017 amounted to SEK 337 thousand (335). Sales during the year are mainly attributable to the sale of 1,000 pcs JAQ 1.0 including PowerCards to the Telling customer in China.

Operating expenses during 2017 were SEK -71.7 million (-38.2). The increase from the previous year is mainly attributable to increased depreciation and increased costs for development, premises, consultants and travel. Operating expenses include depreciation of SEK 17.7 million (8.2).

The company's operating profit for the year 2017 amounted to SEK -68.4 million (-31.0), and net financial items for the same period were -0.6 million (-0.5).

Cash flow, investments and financial position

Cash flow during the fourth quarter amounted to 6.2 MSEK (0.1). During the quarter, the money for the new issue issued at the end of the third quarter to Signal Special Opportunities and Handelsbanken Fonder was paid to the company, which resulted in an additional contribution of SEK 42.1 million to the company.

At the end of December 2017 Handelsbanken Fonder and Skandia Fonder signed an investment in the company of SEK 50 million. The issue was conducted in early 2018.

In 2017, the company has received SEK 117.5 million to finance operations. The largest investors have been institutions such as Handelsbanken Fonder and Signal Special Opportunities, and Skandia Fonder invested in the beginning of 2018.

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

Cash flow from operating activities in the fourth quarter of 2017 was negative and amounted to -23.8 MSEK (-6.9). The same was true for the whole of 2017 when cash flow from operating activities amounted to SEK -45.2 million (-32.2). The accounts receivable of SEK 0.2 million the company has on December 31, 2017 applies to the repayment of services to China.

At the end of December 2017, the Group's liquid assets amounted to SEK 31.3 M (8.8).

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 126.6 M (80.7) as at 31 December 2017. The equity ratio was 31 December 2017 to 85.6% (87.1).

Employees

At the close of the period, the company had 19 (12) 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, changing business climate generally or on certain markets, 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

- 27 April 2018 Interim report January – March 2018
- 31 May 2018 Annual General Meeting 2018
- 27 July 2018 Interim report January – June 2018

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

Stockholm, February 23 2018

Board of Directors

myFC Holding AB

For further information, please contact:

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

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

Financial reports

Income statement for the Group

Income statement for the Group				
Operating income				
Net sales	0	10	337	335
Work performed by the company for its own use	191	687	2 978	3 447
Other operating income	0	1 753	0	3 490
Total operating income	191	2 450	3 315	7 272
Operating expenses				
Raw materials, consumables and goods for resale	-900	-784	-1 781	-1 014
Other external expenses	-18 454	-3 482	-30 368	-13 651
Personnel costs	-4 795	-2 691	-18 825	-15 383
Other operational cost	-118	0	-56	0
Depreciation	-11 605	-2 018	-17 656	-8 194
Share of associated companies' income after tax	-3 000	-	-3 000	-
Total operating expenses	-38 872	-8 975	-71 686	-38 242
Operating loss	-38 681	-6 525	-68 371	-30 970
Profit/loss from financial items				
Net financial items	-38	-5	-598	-509
Tax	-	-	-	-
Loss for the period	-38 719	-6 529	-68 969	-31 479
Earnings per share				
before dilution (SEK)	-1,03	-0,25	-2,15	-1,20
after dilution (SEK)	na	na	na	na
Average number of outstanding shares at the close of the report period before dilution (000)	34 436	24 785	30 633	23 674

Balance sheet for the Group

SEK 000	Dec 31, 2017	Dec 31, 2016
Assets		
Fixed assets		
Intangible fixed assets	93 749	76 932
Property, plant and equipment	3 483	2 927
	5 331	0
Total fixed assets	102 563	79 859
Current assets		
Inventories	0	268
Accounts receivable	218	63
Prepaid expenses and accrued income	1 265	982
Other receivables	4 143	2 655
Cash and cash equivalents	31 276	8 825
Total current assets	45 886	12 793
Total assets	148 449	92 652
Equity and liabilities		
Equity		
Share capital	2 028	1 528
Other capital provided	377 208	261 469
Retained earnings	-183 686	-150 854
Loss for the period	-68 969	-31 479
Total equity	126 580	80 664
Non-current liabilities		
Other non-current liabilities	0	926
Total non-current liabilities	0	926
Current liabilities		
Liabilities to credit institutions	926	1 111
Bank overdraft facility	-	5 943
Accounts payable	15 826	822
Current tax liability		
Other liabilities	594	722
Accrued expenses and deferred income	4 498	2 464
Total current liabilities	21 869	11 062
Total equity and liabilities	148 449	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				
Disposition acc to AGM			-150 854	-31 479	80 664
New issue	1 528	261 470	-31 479	31 479	0
New issue through warrents	242	79 168			79 411
Off issue	195	24 373	0	0	24 568
Issue cost	53	12 189	0	0	12 243
Warrants	0	-3 214	0	0	-3 214
Redemption of warrants in myFC AB					
Non-cash issue	9	2 837	-1 353	0	1 493
Profit/loss for the period				-68 969	-68 969

Consolidated statement of cash flows

SEK 000	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Cash flow from current operations before changes in working capital	-25 967	-5 205	-51 454	-23 092
Cash flow from changes in working capital	2 202	-1 694	6 267	-9 146
Cash flow from current operations	-23 765	-6 899	-45 187	-32 238
Cash flow from investing activities	-8 829	-2 586	-40 194	-19 403
Cash flow from financing activities	38 790	9 614	107 832	55 809
Cash flow for the period	6 196	129	22 451	4 168
Opening balance, cash and cash equivalents	25 080	8 696	8 825	4 657
Cash and cash equivalents at the end of the period	31 276	8 825	31 276	8 825

Income statement for the parent company

SEK 000	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Operating income				
Net sales	2 401	1 817	7 922	4 601
Total operating income	2 401	1 817	7 922	4 601
Operating expenses				
External costs	-3 427	-884	-8 121	-2 308
Personnel costs	-3 211	-872	-10 825	-7 053
Operating profit/loss	-4 238	61	-11 024	-4 760
Profit/loss from financial items				
Net financial items	-11	-	-318	-
Profit/loss after financial items	-4 249	61	-11 342	-4 760
Tax	-	-	-	-
Profit/loss for the period	-4 249	61	-11 342	-4 760

Balance sheet for the parent company

SEK 000	Dec 31, 2017	Dec 31, 2016
Assets		
Fixed assets		
Interests in subsidiaries	201 594	138 484
Total fixed assets	201 594	138 484
Current assets		
Receivables in Group companies	99 533	72 351
Other receivables	2	0
Prepaid expenses and accrued income	136	629
Cash and cash equivalents	21 764	5 314
Total current assets	121 435	78 294
Total assets	323 028	216 778
Equity and liabilities		
Equity		
Share capital	2 028	1 528
Premium reserve	337 407	223 021
Subscribed unpaid capital	0	0
Retained earnings	-10 308	-5 548
Loss for the period	-11 342	-4 760
Total equity	317 785	214 241
Current liabilities		
Accounts payable	1 120	243
Other liabilities	888	522
Accrued expenses and deferred income	3 236	1 772
Total current liabilities	5 243	2 537
Total equity and liabilities	323 028	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	214 241
Transfer of last year's profit/loss			-4 760	4 760	0
New issue	242	79 168			79 411
New issue through warrants	195	24 373	0	0	24 568
Off issue	53	12 189	0	0	12 243
Issue cost	0	-3 214	0	0	-3 214
Warrants		384			384
Redemption of warrants in myFC AB					
Non-cash issue	9	1 485	0	0	1 494
Loss for the period				-11 342	-11 342
	2017-12-31	2 028	337 407	-10 308	-11 342
					317 785

Key figures

SEK 000	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net sales, SEK 000	0	10	337	303
Operating margin, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Equity per share, SEK	3,7	3,1	3,7	3,1
Equity ratio, %	85,3	87,1	85,3	87,1
Number of employees at end of period	19	12	19	12

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 February 23, 2018 at 08.00 am CET.

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 PowerTrekk. 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