

Press release

## **MyFC presents a revised strategy as the result of a strategic review**

Stockholm, April 17 2018

**At the release of the full-year report for 2017, myFC informed the market of an ongoing strategic review of the company's business model. As a result, the board has now formulated a revised strategy.**

In summary, the revised strategy is primarily aimed at accelerating the integration of myFC's fuel cell technology into mobile devices, such as smartphones and power banks. MyFC will also market its fuel cell to other power bank manufacturers.

The reason for the revised strategy is that myFC has identified an opportunity to significantly increase its total addressable market, by increasing the penetration of the company's fuel cells into consumer products (see market estimates below). The revised strategy also takes advantage of possible synergies regarding customer investments in R&D, marketing, and sales. This business model is estimated to have the potential to accelerate the penetration of myFC's fuel cell in commercially launched units.

MyFC's existing operations in the sales of its own power bank JAQ Hybrid, as well as its investments in the automotive industry, will continue unchanged. Signed agreements will continue to apply, and the ongoing discussions with operators and distributors will continue as previously announced.

### **Market valuation**

According to Strategy Analytics, the global smartphone market exceeded 1.5 billion units in 2017. Assuming that myFC would win business to integrate its LAMINA fuel cell into smartphones with volumes corresponding to a single percentage of this market, the value of the sales of myFC's LAMINA fuel cell would amount to several hundred million SEK per year for myFC. Assuming that the users require 1–2 fuel cards a month, the company's potential annual revenues for the sale of fuel cards are estimated to be 5–10 times higher than its fuel cell revenues – that is upward of several billion SEK according to this example.

According to TMR Analysis, the global market for power banks exceeded 600 million units in 2017. Assuming the same penetration rate of myFC's fuel cell and its associated fuel cards as for smartphones, and that myFC provides the same offer to power bank manufacturers as smartphone manufacturers – that is, the fuel cell LAMINA and associated fuel cards – this adds an additional revenue potential of 40% of the revenues from sales to smartphone manufacturers.

The global market for BEV and HEV vehicles (battery and hybrid vehicles) is estimated by the International Energy Agency to reach as many as 90 million vehicles in 2025, compared to the end of 2016, when there were more than 2 million of these vehicles on the market. Assuming that myFC would win business to integrate LAMINA REX range extenders corresponding to a single percentage of this market, the value of license sales of LAMINA REX would amount to several hundred million SEK per year for myFC.

In addition, the license fee for fuel according to this example would amount to more than half of the value of LAMINA REX sales per year.

As demonstrated, there is a considerable revenue potential in each product and market segment. The examples above should not be seen as revenue forecasts for myFC, but serve as an example of how myFC revenue is affected by the degree of penetration of myFC technology within each market segment.

### **Strategic plan**

The purpose of the proposed rights issue, communicated on April 9, 2018, is to ensure the necessary funding to implement this changed strategy. Examples of activities included here are:

- The establishment of operations in the Malmö region, comprising both office and key recruitments of cutting-edge competence.
- Continued development projects with smartphone manufacturers (as today with a leading global smartphone manufacturer).
- Marketing and sales of myFC's solution for the integration of fuel cells into smartphones.
- Further development of myFC's basic technology, primarily fuel cell and fuel, to further enhance the ability to integrate myFC's technology into mobile battery-powered devices.
- Increased investment in product development of a range extender for electric vehicles, LAMINA REX.
- Continued focus on development projects with strategic partners in the automotive industry (like today with Gränges AB).

In addition to expanding its collaboration with smartphone and power bank manufacturers, as well as with vehicle partners, previously named JOB # 3 and JOB # 4, the company will continue to promote and sell the company's own power bank JAQ Hybrid, previously named JOB # 1-2. This includes the existing framework agreement with Telling, and the discussions with mobile operators, mobile distributors and e-commerce companies globally.

As previously announced, myFC has started delivering JAQ Hybrid to Huangdou e-commerce, and efforts in marketing and sales of JAQ Hybrid to markets outside China will now be intensified.

"Our changed strategy is based on the analyses we have conducted on how to quickly exploit the potential of myFC's fuel cell technology in the market, as well as our estimate of the revenue potential of our various offers. The unique opportunity for myFC is that our offer enables our customers and ourselves to receive recurring revenue using our fuel cards. We also have an offer that has the potential to fundamentally change the way we charge our smartphones. We want to help make our smartphones fully mobile and thus offer strong consumer benefits. This combination has greatly contributed to my involvement in the company and is also why I am now a candidate to the role as chairman of the board. Now we want to execute on these verticals with existing and new competent employees to make the company's vision a reality," says Jörgen Lantto, by MyFC's nomination committee proposed as new chairman of the board at the Extraordinary General Meeting on May 9, 2018.

"MyFC has a unique position with our software, patent, fuel and fuel cell technology. Thanks to the development of the JAQ Hybrid, we have greatly improved our technology and learned how it can be integrated into portable devices like power banks and smartphones. The analysis we have made regarding the energy density of our technology enables us to have a very exciting offer for smartphone manufacturers and manufacturers of other portable devices such as power banks. I'm also looking forward to an increased commitment from Jörgen, who has already shown how to bring new technology to the industry and then onto the consumers globally, "says Björn Westerholm, CEO of myFC.

MyFC's planned rights issue was communicated on April 9, and the decision will be taken at an Extraordinary General Meeting on May 9th. On June 8, the company estimates to inform the market of the result of the issue.



*This information is information that myFC is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07:55 CET on 17 of April 2018.*

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**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](http://www.myfcpower.com)