



Financial Report January – December 2018

Significant events October - December

- myFC showcases reference platform for smartphone integration and technology to protect from counterfeit fuel cards
- myFC launches JAQ Hybrid in Japan together with Lightec Inc
- Frame agreement with Telling expires; myFC continues to market JAQ Hybrid to existing and future customers in China

Significant events after the end of the period

- myFC raises the energy level of the company's fuel cards following chemical engineering breakthrough
- The Nomination Committee proposes Ann-Sofie Nordh to the myFC Board of Directors
- myFC receives order for 2,000 JAQ Hybrid chargers from South Africa
- myFC to develop smart cases for smartphones, initiates collaboration with case manufacturer Krusell
- myFC dismantles its share in joint venture and plans new structure in China
- myFC proposes a rights issue of MSEK 56 for offensive investments in the integration of fuel cells in smartphones and vehicles

	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Net sales, SEK 000	110	0	577	337
Operating margin, %	neg	neg	neg	neg
Equity per share, SEK	2,5	3,7	2,5	3,7
Equity ratio, %	91,4	85,3	91,4	85,3
Average number of employees	25	17	22	14

A word from our CEO

During the fourth quarter of the year, we continued to have good technology development within our focus areas – smartphones and the automotive industry. The automotive industry's interest in our technology has increased, and we are getting more and more contact requests from many large industrial players, especially from China and Europe. To take advantage of this momentum for our technology, we propose a rights issue of SEK 56 million with an over-allotment option of an additional SEK 14 million.

The challenge of the automotive industry is obvious: a shift from gasoline and diesel cars to electric cars is essential to meet the global environmental goals. Authorities, politicians and consumers have never been in as consistent agreement of this as now, and the pressure on traditional car manufacturers to find sustainable green solutions is increasing from all these stakeholders. Two major obstacles stand in the way of this shift: range, or how far you can drive an electric car before you have to stop and charge it, and the cost and availability of batteries. Car manufacturers have informed us that they are forced to make sizable upfront investments to battery manufacturers to guarantee access to batteries. We believe that the automotive industry will not be able to meet the coming environmental requirements solely with battery technology; they need new technology. The increasing number of requests for meetings we now receive confirms this.

Our offering for smartphone integration LAMINA MAX has made important progress. We have showcased our reference design, based on a commercially available smartphone, and we are adapting our fuel card for a mobile on-the-go experience. myFC has spent nearly 15 years developing efficient micro fuel cells, and this progress is the result of all this development. Our conversations with the smartphone manufacturers continue. To forward that process we will now develop smartphone cases with integrated fuel cells for charging, LAMINA INcase. The development of LAMINA INcase gives us improved means in speeding up the penetration of fuel cells on the market, and thus the important sales of our associated fuel. As we have said before, even a very low market share would generate significant revenues for myFC. At Mobile World Congress 2019 we will showcase prototypes of LAMINA INcase.

During the fourth quarter, our framework agreement with Telling expired, without further orders for JAQ Hybrid. Although our sales and marketing efforts are highly global, China continues to be a very important market for us. We have decided to dismantle our share in our local joint venture, which has been announced separately, and are now planning for activities through a different structure in China. We have reserved SEK 6.2 million for the dismantling of our share in the joint venture in China, myFC Asia, during the fourth quarter. The reservation does not affect our cash flow. It will provide a number of benefits. It increases our freedom to address the various segments that fit our offering in the Chinese market – the automotive industry, the smartphone industry via cases and integration, and additional commercial channels for JAQ Hybrid. Another advantage is cash flow, where we estimate SEK 3–6 million in reduced costs during 2019.

We continue to sell JAQ Hybrid. During the quarter we completed the certification of JAQ Hybrid for the Japanese market. After the turn of the period we also announced that we have received our largest order of JAQ Hybrid to date from Trenditrade 21 in South Africa.

We continue to further improve JAQ Hybrid. After the end of the period we announced that we are able to nearly double the energy in our fuel cards thanks to chemical engineering breakthroughs. A clear improvement in increased battery life for the user and thus improved conditions for our sales.

Today, we also announced our plans to carry out a rights issue of SEK 56 million with an overallotment option of another SEK 14 million. The rights issue will secure intensified investments in the integration of myFC's fuel cells in smartphones, smart cases, and vehicles.

I look forward to an exciting 2019 with confidence.

Until next time,

Björn Westerholm

CEO myFC

Significant events during the fourth quarter

myFC showcases prototype smartphone charged by integrated fuel cell

myFC's development towards integration of fuel cells in smartphone reached another milestone as a fully functional smartphone integrating myFC's LAMINA fuel cell was showcased, enabling myFC's fuel cell to deliver power on-the-go in a commercial Android smartphone.

myFC launches JAQ Hybrid in Japan together with Lightec Inc

myFC's fuel cell charger JAQ Hybrid is launched in Japan at the CEATEC Technology Exhibition. Lightec's launch is supported by myFC. Lightec delivers smartphone accessories to Japanese mobile operators' stores and retail chains such as Lawson and 7 Eleven.

myFC develops technology that secures the company's recurring revenues from fuel, and protects users and manufacturers from counterfeit fuel cards

myFC has developed the system and technologies to secure that myFC's unique certified fuel chemistry can correctly identify a myFC PowerCard, the company's original, patented fuel card. Only PowerCards will be accepted at start of energy generation for a smartphone or other device containing fuel cells from myFC, ensuring the device does not accept any uncertified or counterfeit versions.

Frame agreement with Telling expires; myFC continues to market JAQ Hybrid to existing and future customers in China

The frame agreement with the Chinese mobile distributor Telling Communication ("Telling") regarding sales of JAQ Hybrid, announced on December 1, 2016, expires on November 30, 2018. myFC will, as a consequence of this, review its structure for sales and distribution in China. myFC will continue to market JAQ Hybrid on the Chinese market.

myFC's fuel cell charger JAQ Hybrid receives Japanese PSE certification

The world's smallest fuel cell charger, JAQ Hybrid, is now PSE certified under the Electrical Appliance and Material Safety Law (DENAN), established by Japan's Ministry of Economy, Trade and Industry (METI).

Significant events after the end of the period

No more power gap: myFC shows its smartphone integration offering LAMINA MAX at CES in Las Vegas

myFC's smartphone integration offering LAMINA MAX was showcased at the world's largest consumer technology conference, CES Las Vegas. The objective is deep integration of fuel cells in smartphones, providing smartphone manufacturers with a sought-after competitive edge and consumers with power gap relief.

myFC releases electric cars and smartphones from wall-fettered charging at CES in Las Vegas

At CES Las Vegas, myFC showcased its answers to three major global questions:

- How to double the range of an electric car, with zero tail pipe emissions, supporting Agenda 2030 targets: a demo of fuel cell-based LAMINA Range Extender (LAMINA REX).
- How to eliminate of the fear of a depleted phone battery forever: myFC's integrated smartphone solution LAMINA MAX and its JAQ Hybrid fuel cell powerbank. Just add a power card.

- How to provide safe hydrogen on-the-go: LAMINA REX, LAMINA MAX and JAQ Hybrid all deliver safe onboard hydrogen generation, using nothing but water, salt and harmless reaction components.

The European Patent Office EPO intends to approve a new patent for myFC's JAQ system

The European Patent Office EPO intends to approve a completely new patent for myFC. The patent covers the company's proprietary system for fuel cell charger JAQ Hybrid.

myFC raises the energy level of the company's fuel cards following chemical engineering breakthroughs

myFC increases the energy level in the company's PowerCards and offers a card with up to 31,000 Joules. The new card has been designed to charge JAQ Hybrid, myFC's fuel cell-based power bank. The existing 17,000 Joule fuel card will be phased out over time.

myFC receives funding from Vinnova for the continued development of fuel cells

Horizon 2020 is the world's largest research and innovation program, and it is led by the European Commission. The program provides grants for groundbreaking, high-tech innovation projects. myFC has now, in fierce competition, passed the first phase for further funding through Horizon 2020 and has been awarded half a million SEK by Vinnova.

The Nomination Committee proposes Ann-Sofie Nordh to the myFC Board of Directors

The nomination committee for myFC proposes that Ann-Sofie Nordh is elected member of the Board of Directors at the upcoming Annual General Meeting of myFC. Ann-Sofie Nordh is currently Vice President and Head of Investor Relations at high-tech engineering group Sandvik and has more than 20 years of experience from working in the financial industry in Stockholm and London.

myFC receives order for 2,000 JAQ Hybrid chargers from South Africa

myFC has signed a non-exclusive distribution agreement for the company's fuel cell-based power bank JAQ Hybrid with Trenditrade 21, a franchisee in the Nashua Group. Trenditrade 21 also places an initial order of 2,000 units of JAQ Hybrid and their associated fuel cards. The Nashua Group delivers smart office solutions to large parts of Sub-Saharan Africa.

myFC to develop smart cases for smartphones, showcases prototype for Samsung Galaxy S10 at MWC Barcelona

myFC has decided to develop a smart smartphone case with fuel cells. The case will be the first commercial application of LAMINA MAX, the company's platform for fuel cell integration. LAMINA INcase will be developed in collaboration with premium case manufacturer Krusell. A prototype for a case for Samsung's new flagship model Galaxy S10 will be showcased during MWC Barcelona.

myFC dismantles its share in joint venture and plans new structure in China

myFC has decided to dismantle its share in myFC Asia, the joint venture that was established together with Novel Unicorn in 2016.

myFC proposes a rights issue of MSEK 56 for offensive investments in the integration of fuel cells in smartphones and vehicles

The Board proposes a partially guaranteed rights issue of SEK 56 million and an over-allotment option of SEK 14 million. The new issue will ensure an intensified investment in the integration of myFC's fuel cells into smartphones, mobile cases and vehicles. Extraordinary General Meeting on March 26, 2019 for approval of the rights issue.

Financial overview

Net sales and results

1 October – 31 December 2018

Net sales during the fourth quarter of 2018 amounted to SEK 0.1 million (0.0).

Operating expenses during the fourth quarter were SEK -37.1 million (-38.9). This means that costs decreased by SEK 1.8 million compared with the fourth quarter of 2017. These changes can mainly be attributed to:

- Other external costs decreased by SEK 3.9 million compared with the same quarter in 2017. The reason is that the fourth quarter of 2017 was burdened with all costs related to the REX project in 2017.
- Staff costs for the fourth quarter of 2018 increased by SEK 3.8 million compared with 2017. The reason is that the number of permanent employees increased by 8 persons compared with the same period in 2017.
- Depreciation has decreased, compared with the same period in 2017. This can be attributed to the fact that depreciation during the fourth quarter of 2017 became disproportionately large as a result of the fact that they included a large part of the annual depreciation. Depreciation for the period was SEK 6.9 million (11.6).
- The company has decided to reserve an amount in the Group of SEK 6.2 million for the company's joint venture with the company Novel Unicorn in China. This Joint Venture, of which myFC owns 30%, was started in order to implement the large order myFC received from Telling Communication in China. The intention was for myFC to be given a larger shareholding, as the deliveries to Telling were carried out. The agreement generated very little revenue and in December 2018 the agreement with Telling expired. With this, there is no reason to continue having a joint venture with Novel Unicorn. A decommissioning of the joint venture in China means an improved cash flow for myFC and the company can decide on what investments it wants to make in the Chinese market, which will continue to be a large and important market for myFC. In addition to the reservation of SEK 6.2 million, myFC's share of operations in China during Q4 2018 was SEK -0.2 million, (-3.0). During 2017, the full year's loss was reported in the Chinese operations during the fourth quarter of 2017.

The company's operating profit for the fourth quarter of 2018 amounted to SEK -35.2 million (-38.7), including non-recurring items of SEK 6.2 million, and net financial items for the same period were SEK -0.0 million (0.0).

1 January – 31 December 2018

Net sales in 2018 amounted to SEK 577 thousand (337). Sales during the year are mainly attributable to the sale of JAQ Hybrid to customers in China and Japan.

Operating expenses during 2018 were SEK -97.6 million (-71.7). The increase from the previous year is mainly attributable to:

- Increased external costs by SEK 12.6 million as a result of a large part of the development projects being expensed directly instead of being capitalized.
- The average number of employees has increased by 8 persons in 2018, which is an increase of 57% compared with 2017. This has meant that personnel costs increased by SEK 9.2

million, and the larger number of staff has also affected general administrative costs, such as premises, travel, IT, mm

- The provision for depreciation of operations in China has resulted in a cost increase of SEK 5.0 million compared with 2017.

The company's operating profit for 2018 amounted to SEK -91.2 million (-68.4), and net financial items for the same period were SEK -0.4 million (-0.6).

Cash flow, investments and financial position

Cash flow during the fourth quarter amounted to SEK -26.3 million (6.2). During the quarter, no issues were completed and cash flow from operating activities during the fourth quarter of 2018 amounted to SEK -16.2 million (-23.8).

On an annual basis, cash flow is SEK 20.7 million (22.5). In 2018, the company raised SEK 137 million in new issues, most of which were utilized in day-to-day operations and investments in 2018.

The intangible fixed assets increased by SEK 6.9 million (8.1) during the quarter and during the whole of 2018 by SEK 32.6 million (29.4). Investments in intangible fixed assets relate to general fuel cell development, fuel development and the continued development of the JAQ system.

The Board regularly reviews the company's financial needs and financial position. As announced separately, the company plans to carry out a rights issue during the second quarter of 2019, which is planned to generate up to SEK 56 million with an overallotment option of SEK 14 million.

On December 31, 2018, the Group's cash and cash equivalents amounted to SEK 51.9 million (31.3).

Intangible assets

The Group's intangible assets are divided into various development projects that the company works with or has worked with, as well as the Group's patent portfolio of just over 90 patents and patent applications, brands and know-how. This may apply, for example, to the development of fuel cells, chargers, fuel and associated components such as algorithms, electronics and interfaces.

Other receivables

The advance paid by the company in autumn 2017 to the company NOTE in China of just over SEK 10 million, has been translated into a component stock at NOTE and are included in the post *Inventories*. On December 31, 2018, the inventory with NOTE amounted to SEK 7.7 million.

Equity

As of December 31, 2018, the Group's equity amounted to SEK 175.1 million (126.6). The equity / assets ratio at December 31, 2018 was 92.5% (85.3).

Employees

The number of employees was 25 (19) at the end of the period.

Parent company

myFC Holding AB is the parent company of the Group. The company's Group Management is employed by myFC Holding AB and the Parent Company invoices myFC AB for the time Group Management works in myFC AB.

The net income in the parent company increased to SEK 11.3 million (7.9) for the full year 2018. The reason for the increase is that the number of employees in the parent company increased by 3.3 persons (70%) on average in 2018.

Operating expenses for the full year amounted to SEK -83.3 million (-11.0). The large increase is due to the fact that as of 2018, the company decided to expense the shareholder contributions of SEK 74.2 million (53.3) which the parent company pays to myFC AB. This is a normal procedure for groups that work with shareholder contributions to wholly owned subsidiaries. Personnel costs for the full year increased by about 45% to SEK 15.7 million (10.8). Other external expenses decreased by SEK 3.3 million compared with 2017, as a result of the company reducing its utilization of external consultants.

myFC Holding's results are also affected by the provision of MSEK 11.0 regarding the joint venture that myFC has with Novel Unicorn in China, which is described under the heading *Net Sales and Results* above.

Miscellaneous

Significant risks and uncertainties

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

26 March 2019	Extraordinary General Meeting
31 May 2019	Interim report January – March 2019
11 June 2019	Annual General Meeting 2019
26 July 2019	Interim report January – June 2019
25 October 2019	Interim report January – September 2019

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

Stockholm, February 22 2019

Board of Directors

myFC Holding AB

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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 08:05 CET on 22 February 2019.

Financial reports

Income statement for the Group

SEK 000	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Operating income				
Net sales	110	0	577	337
Work performed by the company for its own use	1 633	191	5 556	2 978
Other operating income	88	0	286	0
Total operating income	1 831	191	6 419	3 315
Operating expenses				
Raw materials, consumables and goods for resale	0	-900	0	-1 781
Other external expenses	-14 556	-18 454	-42 948	-30 368
Personnel costs	-8 640	-4 795	-28 022	-18 825
Depreciation	-6 900	-11 605	-17 741	-17 656
Share of associated companies' income after tax	-6 417	-3 000	-7 961	-3 000
Other operational cost	-540	-118	-899	-56
Total operating expenses	-37 053	-38 872	-97 570	-71 686
Operating loss	-35 222	-38 681	-91 150	-68 371
Profit/loss from financial items				
Net financial items	-1	-38	-435	-598
Loss after financial items	-35 223	-38 719	-91 585	-68 969
Tax	-3	-	-3	-
Loss for the period	-35 226	-38 719	-91 589	-68 969
Earnings per share				
before dilution (SEK)	-0,51	-1,12	-1,63	-2,25
after dilution (SEK)	na	na	na	na
Average number of outstanding shares at the close of the report period before dilution (000)	69 287	34 436	56 206	30 633

Balance sheet for the Group

SEK 000	Dec 31, 2018	Dec 31, 2017
Assets		
Fixed assets		
Intangible fixed assets	110 754	93 749
Property, plant and equipment	8 883	3 483
Interests in associated companies	-	5 331
Total fixed assets	119 636	102 563
Current assets		
Inventories	11 092	-
Prepayments to suppliers	-	8 984
Accounts receivable	-	218
Current tax assets	216	-
Other receivables	3 558	4 143
Prepaid expenses and accrued income	2 235	1 265
Cash and cash equivalents	51 933	31 276
Total current assets	69 033	45 886
Total assets	188 670	148 449
Equity and liabilities		
Equity		
Share capital	4 083	2 028
Other capital provided	512 528	377 208
Retained earnings	-252 655	-183 686
Loss for the period	-91 589	-68 969
Total equity	172 368	126 580
Current liabilities		
Liabilities to credit institutions	-	926
Bank overdraft facility	-	-
Accounts payable	9 668	15 826
Current tax liability	-	25
Other liabilities	1 431	594
Accrued expenses and deferred income	5 203	4 498
Total current liabilities	16 302	21 869
Total equity and liabilities	188 670	148 449

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
	2017-12-31	2 028	377 208	-183 686	-68 969
Disposition acc to AGM				-68 969	68 969
New issue	2 055	144 867			146 922
Issue cost		-9 546			-9 546
Profit/loss for the period				-91 589	-91 589
	2018-12-31	4 083	512 528	-252 655	-91 589
					172 367

Consolidated statement of cash flows

SEK 000	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Cash flow from current operations	-16 205	-23 765	-75 694	-45 187
Cash flow from investing activities	-10 007	-8 829	-40 100	-40 194
Cash flow from financing activities	-93	38 790	136 451	107 832
Cash flow for the period	-26 305	6 196	20 657	22 451
Opening balance, cash and cash equivalents	78 238	25 080	31 276	8 825
Cash and cash equivalents at the end of the period	51 933	31 276	51 933	31 276

Income statement for parent company

SEK 000	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Operating income				
Net sales	2 401	2 401	7 922	7 922
Other income	87	-	104	-
Total operating income	2 445	2 401	11 426	7 922
Operating expenses				
External costs	-1 009	-3 427	-4 789	-8 121
Personnel costs	-4 171	-3 211	-15 741	-10 825
Shareholder contribution	-74 169	-	-74 169	-
Operating profit/loss	-76 904	-4 238	-83 273	-11 024
Profit/loss from financial items				
Net financial items	-	-11	-342	-318
Profit/loss after financial items	-87 865	-4 249	-94 576	-11 342
Tax	-	-	-	-
Profit/loss for the period	-87 865	-4 249	-94 576	-11 342

Balance sheet for the Parent Company

SEK 000	Dec 31, 2018	Dec 31, 2017
Assets		
Fixed assets		
Interests in subsidiaries	193 262	193 262
Interests in subsidiaries	0	8 331
Total fixed assets	193 262	201 593
Current assets		
Receivables in Group companies	128 956	99 533
Other receivables	711	2
Prepaid expenses and accrued income	279	136
Cash and cash equivalents	42 664	21 764
Total current assets	172 609	121 435
Total assets	365 871	323 028
Equity and liabilities		
Equity		
Share capital	4 083	2 028
Premium reserve	472 728	337 406
Retained earnings	-21 650	-10 308
Loss for the period	-94 576	-11 342
Total equity	360 585	317 784
Current liabilities		
Accounts payable	512	1 120
Other liabilities	949	888
Accrued expenses and deferred income	3 825	3 236
Total current liabilities	5 286	5 243
Total equity and liabilities	365 871	323 028

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
	2017-12-31	2 028	337 407	-10 308	-11 342
Transfer of last year's profit/loss				-11 342	11 342
New issue	2 055	144 867			146 922
Cost for issue					
Redemption of warrants in myFC AB				-94 576	-94 576
	2018-12-31	4 083	472 727	-21 650	-94 576
					360 585

Key figures

SEK 000	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales, SEK 000	110	0	577	337
Operating margin, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Equity per share, SEK	2,5	3,7	2,5	3,7
Equity ratio, %	91,4	85,3	91,4	85,3
Number of employees at end of period	25	19	25	19

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About myFC

myFC is a Swedish innovation company, world leader in micro-fuel cells. myFC develops technology which co-locates batteries and fuel cells and which is charged with a green, hydrogen-generating fuel consisting of water, salt and reactants. The company's offerings LAMINA MAX, LAMINA INcase and JAQ Hybrid are aimed at the smartphone industry while LAMINA REX targets the automotive industry. MyFC was founded in 2005 and was listed on NASDAQ | First North in 2014. Its headquarters are in Stockholm. For more information, visit www.myfcpower.com

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