

SaltX Technology Holding AB (publ)

# INTERIM REPORT QUARTER 2 2021

This is information that SaltX Technology is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on August 20, 2021, at 08:00 am



The background image shows a large industrial facility with several tall, grey cylindrical storage tanks in the foreground. A blue rectangular panel with the SaltX Technology logo is positioned in front of one of the tanks. A complex network of silver-colored pipes and metal structures extends into the background under a clear blue sky.

**SaltX**  
Technology

**SALTX LAYS  
THE FOUNDATION  
FOR UPSCALING**

# CONTENTS

|  |    |
|--|----|
| Interim Report Quarter 2, 2021   | 3  |
| The CEO's address  | 4  |
| New collaboration in automation and control systems strengthens SaltX's competence | 5  |
| SaltX operations   | 6  |
| Significant events   | 8  |
| Financial overview   | 9  |
| Consolidated financial statements  | 12 |
| Notes  | 16 |
| Note 1 Significant estimates and assessments for accounting purposes               | 16 |
| Note 2 Revenue   | 17 |
| Note 3 Financial instruments   | 17 |
| Note 4 Transactions with affiliated parties  | 17 |
| Parent company financial statements  | 18 |
| Declaration of the Board of Directors and the CEO                                  | 20 |
| Other information  | 21 |

# INTERIM REPORT QUARTER 2 2021

## FINANCIAL EVENTS

### Second quarter

- ◆ Net sales amounted to MSEK 0.1 (0.0)
- ◆ Operating profit/loss (EBIT) totaled MSEK -7.9 (-8.2)
- ◆ Cash flow from operating activities amounted to MSEK -10.3 (-10.2)
- ◆ Earnings per share before and after dilution amounted to SEK -0.08 (-0.09)

### Year to date January - June

- ◆ Net sales amounted to MSEK 0.1 (0.1)
- ◆ Operating profit/loss (EBIT) totaled MSEK -16.0 (-17.3)
- ◆ Cash flow from operating activities amounted to MSEK -18.1 (-19.2)
- ◆ Earnings per share before and after dilution amounted to SEK -0.19 (-0.21)

## SIGNIFICANT EVENTS

### Second quarter

- ◆ SaltX launched a new industrial project in the city of Luleå
- ◆ SaltX completed a directed new share issue of B-shares, raising SEK 60 million

### After the end of the period

- ◆ SaltX in cooperation agreement with ABB regarding control systems

**"OUR SUCCESS IN THE COMPETITION HELSINKI ENERGY CHALLENGE HAS OPENED DOORS TO CURIOUS AND INTERESTED POTENTIAL PARTNERS, AND WE ARE IN A DIALOGUE WITH AMONGST OTHERS HELEN, THE LOCAL POWER COMPANY IN HELSINKI.**

**READ MORE ON PAGE 4**

## KEY FIGURES

| Group, TSEK                                  | Q 2 2021 | Q 2 2020 | YTD June 2021 | YTD June 2020 | FY 2020 |
|--|----------|----------|---------------|---------------|---------|
| Net sales                                    | 52       | 25       | 61            | 89            | 94      |
| Operating profit/loss (EBIT)                 | -7,923   | -8,169   | -16,044       | -17,327       | -33,392 |
| Earnings per share before and after dilution | -0.08    | -0.09    | -0.19         | -0.21         | -0.41   |
| Equity                                       | 133,116  | 113,419  | 133,116       | 113,419       | 95,434  |
| Cash flow from operating activities          | -10,317  | -10,216  | -18,095       | -19,174       | -32,508 |
| Equity ratio (equity/balance sheet total)    | 77%      | 74%      | 77%           | 74%           | 70%     |



# THE CEO'S ADDRESS

The second quarter has been eventful, and we continue to strengthen the business. Building large-scale pilots and enhancing our solution based on our lab results is without a doubt the most important point on the agenda. This will enable us to take the next step in SaltX's commercial development.

We are pleased that we have signed a cooperation agreement with ABB in Sweden that aims to develop automation and control systems for the process in EnerStore, which is an important part of our installation. It is a strength for SaltX to bring in ABB's specialists and their extensive expertise and experience at

an early stage in our pilot projects.

## REACTOR IS FINALISED

The discharge reactor in our Stockholm pilot was completed during the quarter, and the first test runs have started. The other part, the charging reactor, is under construction together with our Australian partner

**"IT IS A STRENGTH FOR SALT X TO BRING IN ABB'S SPECIALISTS AND THEIR EXTENSIVE EXPERTISE AND EXPERIENCE AT AN EARLY STAGE IN OUR PILOT PROJECTS..."**

Calix Ltd, so we will come back later to the results for both the discharge reactor and the complementary charging reactor. The complete facility in Stockholm will form an important basis for the pilot project in the city of Luleå. The plant will be the first of its kind to use residual gas from the production of steel to charge an energy store. We are in the process of planning and conducting preliminary studies for the Luleå plant, which we plan to install next year. SaltX takes responsibility for the complete installed energy storage in this pilot plant – an important confirmation of the competence and ability of the company.

The work with the Chinese partner Shuangliang is progressing. Tests continue as certain adjustments and changes need to be made to one of their reactors to achieve results.

## SUCCESS CREATES INTEREST

Our success in the competition Helsinki Energy Challenge has opened doors to curious and

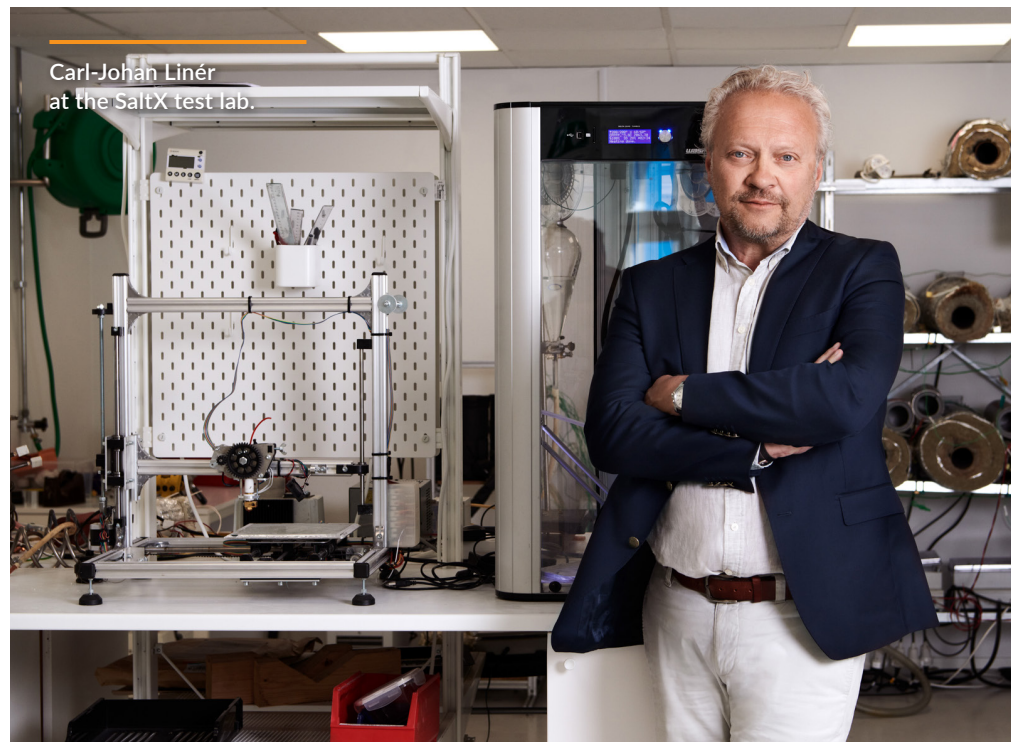
interested potential partners, and we are in a dialogue with amongst others Helen, the local power company in Helsinki.

## NEW CAPITAL

SaltX carried out a directed share issue in May. The issue of MSEK 60 was successful, and we ensured a continued secure financial basis to be able to drive development forward. The capital will be used to complete the full-scale pilot plant that we have started and to build the additional plants we are planning.

We are leaving an eventful quarter with progress in the technical development and look forward to continuing to build ourselves stronger in complete thermal energy storage, where our nanocoated material constitutes such an important basis. At the time of writing, it feels as if fall is already here with all the rain, however, it is my hope that we can all be able to look back on a pleasant and warm summer as we read this.

Carl-Johan Linér,  
CEO  
Stockholm, August 2021



Carl-Johan Linér  
at the SaltX test lab.

## NEW COLLABORATION IN AUTOMATION AND CONTROL SYSTEMS STRENGTHENS SALT X'S COMPETENCE

Cooperation agreement has been concluded with ABB in Sweden and enables SaltX to secure a stable and scalable control system to strengthen its technical platform.

SaltX has developed into a company that takes overall responsibility for the energy storage in its pilot plants. Recently, the focus has therefore been on supplementing the company's material expertise through close cooperation with a number of different partners in order to create a complete product. This broadens the offering and strengthens the business in relation to the company's competitors.

The cooperation agreement entered during this quarter with leading global technology company ABB is very gratifying and important. ABB will contribute with its long-term experience and expertise in complex control systems, thus upgrading, optimizing and ensuring the control system in both the long and short term for SaltX's energy storage system, EnerStore. A pilot plant is planned to be built in the city of Luleå in cooperation with Swerim, Luleå Energi and Lulekraft, with the aim of utilizing some of the residual gas/

heat from nearby industry. The cooperation with ABB therefore begins with the aim of installing the first common system in the Luleå pilot. Being able to develop first-class automation and control systems together with ABB's specialists and getting them into the project at an early stage is positive.

## SALT X, WANTS TO DRIVE THE TRANSFORMATION OF SOCIETY

ABB, with its leading position as a global technology company, like SaltX, wants to drive the transformation of society and industry, making the partnership a perfect match. ABB's engines, drive systems and automation solutions will complement SaltX's unique nanocoated technology in an excellent way, and the cooperation will be of great importance in the work to scale up energy storage for the industry.

# SALT X OPERATIONS

The SaltX business concept is to develop and offer sustainable technology that will benefit customers, the climate and society. SaltX is currently developing a large-scale energy storage facility that uses a patented nano-coated salt material and is cooperating with various types of partners who promote technology, material, and application development.

The energy transition with an increased proportion of weather-dependent power generation requires large-scale energy storage in order to meet requirements on continuous energy supply. SaltX's innovation, built using nanocoated salt material, is a circular thermo-chemical storage solution that provides energy when needed to various energy players and industrial customers.

## SALT X THERMO-CHEMICAL ENERGY STORAGE: ENERSTORE

SaltX systems are based on scalable industrial components and technology that have been used in the energy, process, and chemical industries for many decades. SaltX has adjusted and optimized this technology and uses it in a new fundamental way in conjunction with important innovations – such as nanocoated salt material. By using proven technology, the process of com-

mercialization is easier and less risky.

## SALT X ENERSTORE IN BRIEF

The energy is stored by adding high-temperature heat, approx. 500 °C. In simple terms, the salt is dried, and as the salt is dry, it contains a stored potential energy. To release the energy, water vapor is added to the salt, a strong chemical reaction occurs, and all the energy used to dry the salt returns in the form of 450-degree steam. The salt can be loaded with heat, electricity and gas depending on the area of application. The energy can be stored for hours, days or weeks – and then used when needed.

## THREE AREAS OF APPLICATION

The SaltX energy storage solution, EnerStore, is suitable for three different areas of application:

### HEAT TO HEAT

Recharge with heat and get heat back to

**THE ENERGY CAN BE STORED FOR HOURS, DAYS OR WEEKS—AND THEN USED WHEN NEEDED.**

the industry at the right time. Industries with large emissions of waste heat, for example, can optimize their processes by charging energy storage with this waste heat. SaltX nanocoated salt is also easy to move geographically, which enables the discharge of surplus energy elsewhere, such as in cities as a complement to biofuel.

### POWER TO STEAM

Cities and industries that require high-temperature steam can store electricity and then generate steam for the district heating network or industry. This enables customers who place high value on a reliable supply of energy to implement and make wider use of solar and wind power.

### POWER TO POWER

SaltX thermo-chemical SaltX thermo-chemical energy storage can also be used and acts as a large-scale electric battery. It is charged with a heat pump and generates electricity from stored heat via a heat engine. Among other things, this type of large electrical energy storage facility solves output and capacity

challenges for grid owners, electricity companies, cities, and countries.

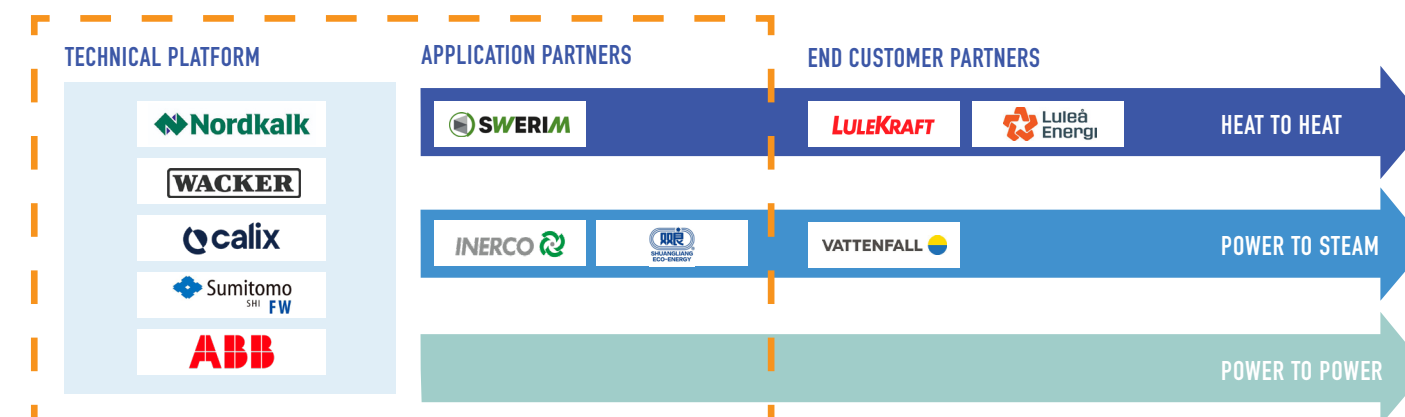
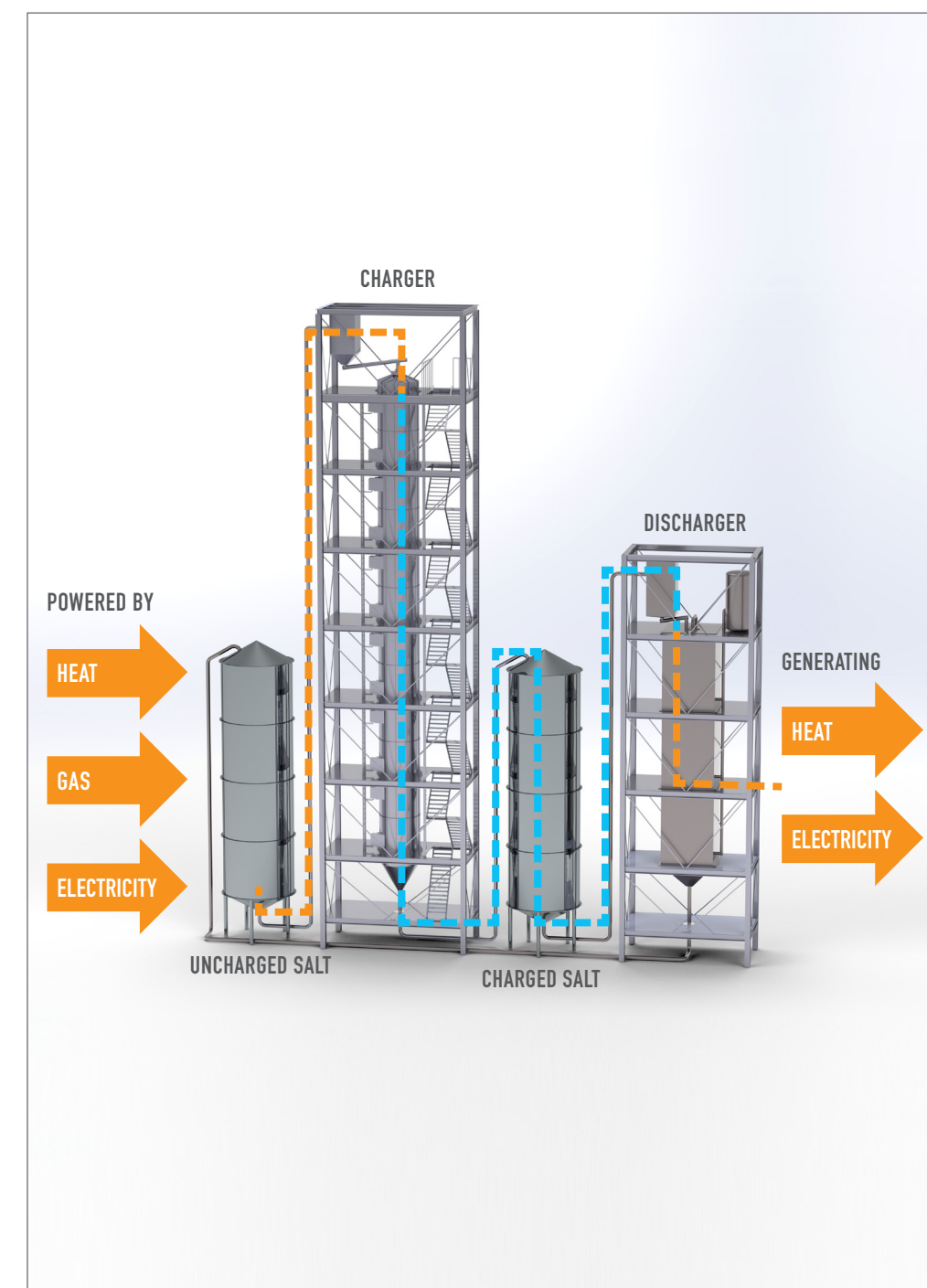
## SALT X PARTNERS & ECOSYSTEM

SaltX collaborates with partners in the development of materials, technology, and applications. Depending on the market and end use, these partners may differ, but mainly have four different functions. They are salt suppliers that prepare and process nanocoated salt, OEMs (Original Equipment Manufacturer) that manufacture key components, EPCs (Engineer, Procure, Construct) that install energy storage systems, and finally, end customers.

## SALT X TODAY

The next step in the development into a commercial product is to build additional test facilities, pilots, and pre-commercial facilities to ensure the technology reaches the market. SaltX strives to become a major player in terms of green and sustainable technological development.

## SALT X STORES THERMAL ENERGY





# SIGNIFICANT EVENTS

## ...IN THE SECOND QUARTER

### SALT X LAUNCHED AN INDUSTRIAL PILOT PROJECT IN THE CITY OF LULEÅ AND CONCLUDED AN AGREEMENT FOR STORING ENERGY FROM INDUSTRY

SaltX Technology has concluded an agreement with Luleå Energi, LuleKraft and the Swedish Metal Research Institute (Swerim), to construct a pilot plant of 1 MW and 15 MWh, that uses nanocoated salt to store thermal energy. The pilot plant is planned to be built in the city of Luleå and will be charged with residual gas/heat from nearby industry.

### SALT X COMPLETED A DIRECTED NEW SHARE ISSUE OF B-SHARES, RAISING SEK 60 MILLION

SaltX conducted in May a directed new share issue of 15 million B-shares, corresponding to SEK 60 million. The subscription price was set to SEK 4.00 per share. The proceeds to SaltX will

primarily be used to finance further product development.

## ...AFTER THE END OF THE PERIOD

### SALT X IN COOPERATION AGREEMENT WITH ABB STRENGTHENS THE TECHNICAL PLATFORM WITH SYSTEM FOR AUTOMATION AND CONTROL

SaltX Technology has signed a letter of intent with ABB regarding cooperation in systems for automation and control processes to strengthen the technical platform of EnerStore. The companies will jointly ensure a stable and scalable control system.

ABB has a long and solid experience in complex control systems and will be able to contribute to optimizing and securing the control system in both the short and long term for the energy storage system of SaltX.



# FINANCIAL OVERVIEW

## APRIL-JUNE QUARTER 2 2021

### REVENUE, EXPENSES AND EARNINGST

#### Net sales

Net sales for the quarter amounted to TSEK 52 (25).

#### Capitalized expenditure for development work

Balanced development expenses amounted to TSEK 3,377 (—) in the quarter and relate to the development and construction of a pilot with new reactor technology based on fluidization.

#### Other income

Other income in the quarter totaled TSEK 1,030 (744) and included the SaltX share of the reward from Helsinki Energy Challenge.

#### Expenses

Expenses during the quarter amounted to TSEK 12,382 (8,938), broken down as other external expenses TSEK 5,790 (3,009), personnel costs TSEK 5,047 (4,395), and depreciation of fixed assets TSEK 1,545 (1,534). The increase in external costs is attributable to increased project costs for the above-mentioned pilot plant for the new reactor technology.

#### Operating profit/loss (EBIT)

Operating profit/loss was TSEK -7,923 (-8,169).

#### Financial items

Profit/loss from financial items amounted to TSEK -177 (142) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was positive in the quarter at TSEK 330 (633).

#### Profit/loss before tax

Profit/loss before tax was TSEK -8,100 (-8,027).

Earnings per share before and after dilution amounted to SEK -0.08 (-0.09).

### CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

#### Cash flow and liquidity

Cash flow from operating activities during the quarter was TSEK -10,317 (-10,216).

Group cash equivalents at the end of the quarter amounted to TSEK 78,903 (61,820).

#### Long-term liabilities

Long-term liabilities amounted to TSEK 28,604 (31,832) and consisted of loans from

the Swedish Energy Agency of TSEK 24,388 and from Almi Företagspartner of TSEK 2,400, as well as long-term leasing liabilities of TSEK 1,816.

The loan from Almi is amortized monthly over a period of 5 years.

#### Investments

During the quarter, investments were made that impacted cash flow in the amount of TSEK -715 (-235). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor. Capitalized expenditure has been reduced in the quarter with the grant from Swedish Energy Agency with TSEK 2,812. Cash flow also include ongoing investments in new patents, including patent applications in additional markets.

#### Equity

At the end of the quarter equity amounted to TSEK 133,116 (113,419) or SEK 1.29 (1.29) per share and has increased through an issue of shares in the quarter. The equity ratio on the same date was 77 (74) percent.

SaltX conducted in May a directed new share issue of 15 million B-shares, corresponding to SEK 60 million. The subscription price was set to SEK 4.00 per share. The proceeds to SaltX

## DEVELOPMENT PER QUARTER

| TSEK                                | Q 2 2020 | Q 3 2020 | Q 4 2020 | Q 1 2021 | Q 2 2021 |
|-------------------------------------|----------|----------|----------|----------|----------|
| Net sales                           | 25       | 5        | —        | 9        | 52       |
| Operating profit/loss (EBIT)        | -8,169   | -7,964   | -8,101   | -8,121   | -7,923   |
| Cash flow from operating activities | -10,216  | -6,584   | -6,750   | -7,778   | -10,317  |
| Basic earnings per share, SEK       | -0.09    | -0.11    | -0.10    | -0.11    | -0.08    |

will primarily be used to finance further product development.

## JANUARY-JUNE

### REVENUE, EXPENSES AND EARNINGS

#### Net sales

Net sales for the period amounted to TSEK 61 (89).

#### Capitalized expenditure for development work

Balanced development expenses amounted to TSEK 8,366 (—) in the period and relate to the development and construction of a pilot with new reactor technology based on fluidization.

#### Other income

Other income in the period totaled TSEK 1,173 (825).

#### Expenses

Expenses during the period amounted to TSEK 25,644 (18,241), broken down as other external expenses TSEK 12,656 (6,589), personnel costs TSEK 9,909 (8,595), and depreciation of fixed assets TSEK 3,079

(3,057). The increase in external costs is attributable to increased project costs for the above-mentioned pilot plant for the new reactor technology.

#### Operating profit/loss (EBIT)

Operating profit/loss was TSEK -16,044 (17,327).

#### Financial items

Profit/loss from financial items amounted to TSEK -1,515 (-863) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was negative in the period at TSEK -537 (166).

#### Profit/loss before tax

Profit/loss before tax was TSEK -17,559 (-18,190).

Earnings per share before and after dilution amounted to SEK -0.19 (-0.21).

### CASH FLOW AND INVESTMENTS

#### Cash flow and liquidity

Cash flow from operating activities during the period was TSEK -18,095 (-19,174).

#### Investments

During the period, investments were made that impacted cash flow in the amount of TSEK -6,133 (-465). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor. Capitalized expenditure has been reduced in the quarter with the grant from Swedish Energy Agency with TSEK 2,812. Cash flow also include ongoing investments in new patents, including patent applications in additional markets.

### PARENT COMPANY

The operations of the parent company, SaltX Technology Holding AB (publ), include Group-wide services, management of the subsidiary SaltX Technology AB, and maintenance of the company's listing on Nasdaq First North Premier

Growth Market.

Profit/loss before tax for the period January – June was TSEK -5,231 (-3,584). At June 30, the parent company held available liquid assets amounting to TSEK 75,122 (60,456).

### SHARE CAPITAL

Share capital at the end of the period amounted to SEK 8,234,958.72 consisting of 102,936,984 shares at a nominal value of SEK 0.08. The share capital increased in May by SEK 1.2 million and the number of shares by 15 million shares through a directed issue.

### SHARES

Shares in SaltX are listed on Nasdaq First North Premier Growth Market.

### Warrants

A share issue in 2018 was carried out in the form of units consisting of one share and one warrant. 14.8 million warrants were issued. After conversion in connection with the 2019 issue, 1.9555 warrants are required to subscribe for one share at a strike price of SEK 12.71 until October 31, 2021. On full subscription of these warrants, the number of shares will increase by 7.5 million, corresponding to a dilution of 9 percent, and the company will receive SEK 96 million.

### Earnings per share

Earnings per share for the period amounted to SEK -0.19 (-0.21) based on an average of 91,686,984 (86,658,525) shares, before dilution. When calculating the number of shares after full dilution, the additional outstanding shares

from warrant programs issued were considered. However, this did not have any effect since the result was negative.

### Significant risks and uncertainties

All business operations and share ownership are associated with risk. Risks that are managed well can entail opportunities and the creation of value, if not, they can lead to damage and losses. The risks can be divided into market-related, operations-related, and financial risks.

See also the company's Annual Report on its website.

### Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) such as they have been adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups, and the Swedish Annual Accounts Act. The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that, in the interim report for the legal entity, the parent company applies all of the IFRS, and statements adopted by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and in

consideration of the relationship between accounting and taxation. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those described in the SaltX Group 2020 Annual Report.

## CHANGE OF SHARE CAPITAL DURING YEAR 2021

|                      | Change in share capital | Accumulated share capital | Change in no. of shares | Accumulated no. of shares |
|----------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| Opening balance 2021 | 7,034,958.72            | —                         | 87,936,984              | —                         |
| Directed issue       | 1,200,000.00            | 8,234,958.72              | 15,000,000              | 102,936,984               |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT—SUMMARY

| TSEK  | Q 2 2021       | Q 2 2020      | YTD June 2021  | YTD June 2020  | FY 2020        |
|---|----------------|---------------|----------------|----------------|----------------|
| Net sales   | 52             | 25            | 61             | 89             | 94             |
| Work performed by the Company for its own use and capitalized                                     | 3,377          | —             | 8,366          | —              | 2,863          |
| Other operating income  | 1,030          | 744           | 1,173          | 825            | 884            |
| <b>TOTAL</b>  | <b>4,459</b>   | <b>769</b>    | <b>9,600</b>   | <b>914</b>     | <b>3,841</b>   |
| Other external expenses   | -5,790         | -3,009        | -12,656        | -6,589         | -14,550        |
| Personnel expenses  | -5,047         | -4,395        | -9,909         | -8,595         | -16,330        |
| Depreciation of fixed assets  | -1,545         | -1,534        | -3,079         | -3,057         | -6,353         |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>-12,382</b> | <b>-8,938</b> | <b>-25,644</b> | <b>-18,241</b> | <b>-37,233</b> |
| <b>OPERATING PROFIT/LOSS</b>  | <b>-7,923</b>  | <b>-8,169</b> | <b>-16,044</b> | <b>-17,327</b> | <b>-33,392</b> |
| Financial income  | -8             | —             | —              | —              | —              |
| Financial expenses  | -169           | 142           | -1,515         | -863           | -2,783         |
| <b>FINANCIAL ITEMS - NET</b>  | <b>-177</b>    | <b>142</b>    | <b>-1,515</b>  | <b>-863</b>    | <b>-2,783</b>  |
| <b>PROFIT/LOSS BEFORE INCOME TAX</b>  | <b>-8,100</b>  | <b>-8,027</b> | <b>-17,559</b> | <b>-18,190</b> | <b>-36,175</b> |
| Income tax expense  | —              | —             | —              | —              | —              |
| <b>PROFIT/LOSS FOR THE PERIOD</b>   | <b>-8,100</b>  | <b>-8,027</b> | <b>-17,559</b> | <b>-18,190</b> | <b>-36,175</b> |
| <b>Earnings per share calculated on earnings attributable to parent company shareholders, SEK</b> |                |               |                |                |                |
| Basic earnings per share  | -0.08          | -0.09         | -0.19          | -0.21          | -0.41          |
| Earnings per share after dilution   | -0.08          | -0.09         | -0.19          | -0.21          | -0.41          |

No items are reported in other comprehensive income in the Group, which is why the total comprehensive income corresponds to the result for the period. Profit for the period and total comprehensive income are attributable in full to the parent company's shareholders.

# CONSOLIDATED BALANCE SHEET — SUMMARY

| TSEK  | Jun 30, 2021   | Jun 30, 2020   | Dec 31, 2020   |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>   |                |                |                |
| <b>Fixed assets</b>   |                |                |                |
| <b>Intangible assets</b>                                      |                |                |                |
| Capitalized expenditure on development work                   | 78,140         | 73,334         | 74,392         |
| Patents and trademarks  | 1,622          | 1,538          | 1,338          |
|   | <b>79,762</b>  | <b>74,872</b>  | <b>75,730</b>  |
| <b>Tangible assets</b>  |                |                |                |
| Equipment, tools, and installations                           | 772            | 1,234          | 991            |
| Access-rights assets  | 3,164          | 4,683          | 3,924          |
|   | <b>3,936</b>   | <b>5,917</b>   | <b>4,915</b>   |
| <b>Financial fixed assets</b>                                 |                |                |                |
| Other long-term securities                                    | 4,818          | 6,283          | 5,355          |
|   | <b>4,818</b>   | <b>6,283</b>   | <b>5,355</b>   |
| <b>Total fixed assets</b>                                     | <b>88,516</b>  | <b>87,072</b>  | <b>86,000</b>  |
| <b>Current assets</b>   |                |                |                |
| Advance payments to suppliers                                 | 1,534          | —              | 639            |
| Accounts receivable   | —              | 38             | —              |
| Other current assets  | 2,023          | 2,196          | 2,024          |
| Prepaid expenses and accrued income                           | 1,455          | 1,721          | 1,309          |
| Cash and cash equivalents                                     | 78,903         | 61,820         | 45,649         |
| <b>Total current assets</b>                                   | <b>83,915</b>  | <b>65,775</b>  | <b>49,621</b>  |
| <b>TOTAL ASSETS</b>   | <b>172,431</b> | <b>152,847</b> | <b>135,621</b> |
| <b>EQUITY AND LIABILITIES</b>                                 |                |                |                |
| <b>Equity</b>   |                |                |                |
| Share capital   | 8,235          | 7,035          | 7,035          |
| Other contributed capital                                     | 719,754        | 665,713        | 665,713        |
| Accumulated profit or loss including profit/loss for the year | -594,873       | -559,329       | -577,314       |
| <b>Total equity</b>   | <b>133,116</b> | <b>113,419</b> | <b>95,434</b>  |
| <b>Long-term liabilities</b>                                  |                |                |                |
| Other liabilities   | 26,788         | 27,988         | 27,388         |
| Leasing liabilities   | 1,816          | 3,394          | 2,617          |
| <b>Total long-term liabilities</b>                            | <b>28,604</b>  | <b>31,382</b>  | <b>30,005</b>  |
| <b>Current liabilities</b>                                    |                |                |                |
| Accounts payable  | 1,499          | 728            | 1,950          |
| Leasing liabilities   | 1,578          | 1,489          | 1,533          |
| Other liabilities   | 1,523          | 1,489          | 1,673          |
| Accrued expensed and deferred income                          | 6,111          | 4,340          | 5,026          |
| <b>Total current liabilities</b>                              | <b>10,711</b>  | <b>8,046</b>   | <b>10,182</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           | <b>172,431</b> | <b>152,847</b> | <b>135,621</b> |



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| TSEK   | Attributable to Parent Company shareholders |                                  |                           |  | Total equity   |
|--|---|----------------------------------|---------------------------|--|----------------|
|  | Share capital                               | Rights issues under registration | Other contributed capital | Accumulated profit/loss incl. profit/loss for the year |                |
| <b>Opening balance Jan 1, 2020</b>                                       | <b>5,808</b>                                | <b>1,228</b>                     | <b>665,851</b>            | <b>-541,139</b>  | <b>131,748</b> |
| Net income/loss Jan-Jun 2020 equal to total comprehensive income         | —   | —                                | —                         | -18,190  | -18,190        |
| <b>Total comprehensive income</b>  | <b>—</b>                                    | <b>—</b>                         | <b>—</b>                  | <b>-18,190</b>   | <b>-18,190</b> |
| <b>Transactions with shareholders in their capacity as shareholders:</b> |   |                                  |                           |  |                |
| Rights issues  | 1,227                                       | -1,228                           | —                         | —  | -1             |
| Issue expenses   | —   | —                                | -138                      | —  | -138           |
| <b>Closing balance Jun 30, 2020</b>                                      | <b>7,035</b>                                | <b>—</b>                         | <b>665,713</b>            | <b>-559,329</b>  | <b>113,419</b> |
| <b>Opening balance Jul 1, 2020</b>                                       | <b>7,035</b>                                | <b>—</b>                         | <b>665,713</b>            | <b>-559,329</b>  | <b>113,419</b> |
| Net income/loss Jul-Dec 2020 equal to total comprehensive income         | —   | —                                | —                         | -17,985  | -17,985        |
| <b>Total comprehensive income</b>  | <b>—</b>                                    | <b>—</b>                         | <b>—</b>                  | <b>-17,985</b>   | <b>-17,985</b> |
| <b>Transactions with shareholders in their capacity as shareholders:</b> |   |                                  |                           |  |                |
| <b>Closing balance Dec 31, 2020</b>                                      | <b>7,035</b>                                | <b>—</b>                         | <b>665,713</b>            | <b>-577,314</b>  | <b>95,434</b>  |
| <b>Opening balance Jan 1, 2021</b>                                       | <b>7,035</b>                                | <b>—</b>                         | <b>665,713</b>            | <b>-577,314</b>  | <b>95,434</b>  |
| Net income/loss Jan-Jun 2021 equal to total comprehensive income         | —   | —                                | —                         | -17,559  | -17,559        |
| <b>Total comprehensive income</b>  | <b>—</b>                                    | <b>—</b>                         | <b>—</b>                  | <b>-17,559</b>   | <b>-17,559</b> |
| <b>Transactions with shareholders in their capacity as shareholders:</b> |   |                                  |                           |  |                |
| Share issues   | 1,200                                       | —                                | 58,800                    | —  | 60,000         |
| Issue expenses   | —   | —                                | -4,759                    | —  | -4,759         |
| <b>Closing balance Jun 30, 2021</b>                                      | <b>8,235</b>                                | <b>—</b>                         | <b>719,754</b>            | <b>-594,873</b>  | <b>133,116</b> |

# CONSOLIDATED CASH FLOW STATEMENT

| TSEK  | Q 2 2021       | Q 2 2020       | YTD June 2021  | YTD June 2020  | FY 2020        |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Cash flow from operating activities</b>            |                |                |                |                |                |
| Profit/loss after financial items                     | -8,100         | -8,027         | -17,559        | -18,190        | -36,175        |
| Adjustments for non-cash items etc.                   | 1,215          | 901            | 3,616          | 3,034          | 7,257          |
|   | <b>-6,885</b>  | <b>-7,126</b>  | <b>-13,943</b> | <b>-15,156</b> | <b>-28,918</b> |
| Increase/decrease in operating receivables            | 694            | -216           | -1,040         | 930            | 913            |
| Increase/decrease in operating liabilities            | -4,126         | -2,874         | -3,112         | -4,948         | -4,503         |
| <b>Cash flow from change of working capital</b>       | <b>-3,432</b>  | <b>-3,090</b>  | <b>-4,152</b>  | <b>-4,018</b>  | <b>-3,590</b>  |
| <b>Cash flow from operating activities</b>            | <b>-10,317</b> | <b>-10,216</b> | <b>-18,095</b> | <b>-19,174</b> | <b>-32,508</b> |
| <b>Cash flow from investing activities</b>            |                |                |                |                |                |
| Acquisition of intangible assets                      | -715           | -205           | -6,107         | -435           | -3,586         |
| Acquisition of tangible assets                        | —              | -30            | -26            | -30            | -30            |
| <b>Cash flow from investing activities</b>            | <b>-715</b>    | <b>-235</b>    | <b>-6,133</b>  | <b>-465</b>    | <b>-3,616</b>  |
| <b>Cash flow from financing activities</b>            |                |                |                |                |                |
| New capital issue, net of issue expenses              | 55,241         | —              | 55,241         | -282           | -282           |
| Change in long term leasing liabilities               | -421           | -413           | -840           | -824           | -1,656         |
| Financing development from public funds               | 3,081          | —              | 3,081          | —              | 1,146          |
| Payback financing for development from European Union | —              | -2,756         | —              | -2,756         | -2,756         |
| <b>Cash flow from financing activities</b>            | <b>57,901</b>  | <b>-3,169</b>  | <b>57,482</b>  | <b>-3,862</b>  | <b>-3,548</b>  |
| <b>Cash flow for the period</b>                       | <b>46,869</b>  | <b>-13,620</b> | <b>33,254</b>  | <b>-23,501</b> | <b>-39,672</b> |
| Cash equivalents at beginning of period               | 32,034         | 75,440         | 45,649         | 85,321         | 85,321         |
| Cash equivalents at end of period                     | 78,903         | 61,820         | 78,903         | 61,820         | 45,649         |



# NOTES

## NOTE 1 SIGNIFICANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The estimates and assumptions that represent a significant risk of material adjustments in the carrying amounts of assets and liabilities are:

- ◆ **Earlier received from the Swedish Energy Agency**  
Long-term liabilities consist largely of loans from the Swedish Energy Agency in the amount of TSEK 24,388. The loan is interest-bearing at approximately 6 per cent per year. A request for remission of most of the loan was sent to the Swedish Energy Agency on two occasions but was rejected. The company intends to send a request for a new review to the authority in December 2021.
- ◆ **Intangible assets**  
The largest asset recognized in SaltX's balance sheet is capita-

lized development expenditure. This is attributable to the basic technology and the large-scale energy storage application, EnerStore. An impairment test of this asset is carried out based on an estimate and assessment of what the group's technology may lead to in the form of future revenue and cash flow. Important components when calculating these future values are volume growth, profit margin and discount rate. A significant change of important components in the calculation may mean that the balance sheet item needs to be adjusted. The cash flows that are discounted for impairment testing are taken from the company's budget and long-term forecast, assuming that sufficient financing can be secured to continue operations in the long term.

- ◆ **Development**  
The Group assesses when the product or process is

technically and commercially viable and whether the Group has sufficient resources to complete development and subsequently use or sell the intangible asset. If these conditions are met, an intangible asset is recognized in the balance sheet. The expenditures in conjunction with the construction of a new pilot plant with new reactor technology have been capitalized.

- ◆ **Research and promotional measures**  
During the period, the Group focused on the application for large-scale energy storage, EnerStore. In addition to the pilot plant mentioned above, the activities have consisted of searching for a more efficient process for charging and discharging energy from nanocoated salt. In addition, resources have been put into initial

## REVENUE

|  |              |            |              |            |            |
|--|--------------|------------|--------------|------------|------------|
| Revenue from agreements with customers | 52           | 25         | 61           | 89         | 94         |
| Other revenue                          | 1,030        | 744        | 1 173        | 825        | 884        |
| <b>Total revenue</b>                   | <b>1,082</b> | <b>769</b> | <b>1 234</b> | <b>914</b> | <b>978</b> |

The Group has revenues as specified below:

|                                     | Q 2 2021  | Q 2 2020  | YTD June 2021 | YTD June 2020 | FY 2020   |
|-------------------------------------|-----------|-----------|---------------|---------------|-----------|
| Product sale                        | 52        | 25        | 61            | 39            | 44        |
| Development work                    | —         | —         | —             | 50            | 50        |
| <b>Total revenue from customers</b> | <b>52</b> | <b>25</b> | <b>61</b>     | <b>89</b>     | <b>94</b> |

sales promotion measures in the form of work on and preparation of pre-commercial plants in conjunction with partners. These activities and efforts are research and sales promotion-oriented activities in nature and are expensed as they arise.

Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

## NOTE 2 REVENUE

The Group has In the income statement reported amounts relating to revenue (see the table on the preceding page).

## STOCK MARKET LISTED SHARES

Central Development Holdings Ltd  
(previously Zhong Fa Zhan Holdings Ltd)

| Jun 30, 2021 | Jun 30, 2020 | Dec 31, 2020 |
|--------------|--------------|--------------|
| 4,818        | 6,283        | 5,355        |

## CHANGE IN FAIR VALUE OF SHARES

TSEK

Change in fair value of shares

| Q 2 2021 | Q 2 2020 | YTD June 2021 | YTD June 2020 | FY 2020 |
|----------|----------|---------------|---------------|---------|
| 330      | 633      | -537          | 166           | -762    |

## FAIR VALUE

State Energy Agency

| Jun 30, 2021    |            | Jun 30, 2020    |            | Dec 31, 2020    |            |
|-----------------|------------|-----------------|------------|-----------------|------------|
| Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| 24,388          | 23,830     | 24,388          | 23,830     | 24,388          | 23,830     |

## NOTE 3 FINANCIAL INSTRUMENTS

For the Group's borrowing from Almi Företagspartner, the carrying amount of the borrowing corresponds to its fair value, since the interest rate on this borrowing is at parity with current market interest rates. Regarding the loan from the Swedish Energy Agency, the request for a remission of the loan has been submitted to the Agency on two occasions and has been rejected. The company intends to send a request for a new review to the authority in December 2021.

Regarding the fair value of short-term financial assets and liabilities, the fair value is estimated to correspond to the carrying amount since the discount effect is not material.

## NOTE 4 TRANSACTIONS WITH AFFILIATED PARTIES

No transactions have been conducted with affiliated parties in the year, other than the agreed remuneration to the Board of Directors and management.

# PARENT COMPANY INCOME STATEMENT

| TSEK                              | YTD June 2021 | YTD June 2020 | FY 2020        |
|-----------------------------------|---------------|---------------|----------------|
| Net revenue                       | 1,200         | 1,200         | 2,400          |
| Other operating revenue           | 34            | —             | 9              |
| <b>NET REVENUE</b>                | <b>1,234</b>  | <b>1,200</b>  | <b>2,409</b>   |
| Other external expenses           | -1,278        | -1,698        | -2,988         |
| Personnel expenses                | -3,786        | -3,508        | -6,612         |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>-5,064</b> | <b>-5,206</b> | <b>-9,600</b>  |
| <b>OPERATING RESULT</b>           | <b>-3,830</b> | <b>-4,006</b> | <b>-7,191</b>  |
| Financial income                  | —             | 256           | 943            |
| Financial expenses                | -1,401        | 166           | -762           |
| <b>FINANCIAL ITEMS - NET</b>      | <b>-1,401</b> | <b>422</b>    | <b>181</b>     |
| <b>PROFIT BEFORE TAX</b>          | <b>-5,231</b> | <b>-3,584</b> | <b>-7,010</b>  |
| Group contribution                | —             | —             | -72,000        |
| Income tax                        | —             | —             | —              |
| <b>PROFIT/LOSS FOR THE PERIOD</b> | <b>-5,231</b> | <b>-3,584</b> | <b>-79,010</b> |

# PARENT COMPANY BALANCE SHEET

| TSEK                                     | Jun 30, 2021   | Jun 30, 2020   | 31 dec 2020    |
|--|----------------|----------------|----------------|
| <b>ASSETS</b>                            |                |                |                |
| <b>Financial assets</b>                  |                |                |                |
| Participations in subsidiaries           | 197,270        | 197,270        | 197,270        |
| Other long-term securities               | 4,818          | 6,283          | 5,355          |
| <b>Total fixed assets</b>                | <b>202,088</b> | <b>203,553</b> | <b>202,625</b> |
| <b>Current assets</b>                    |                |                |                |
| <b>Current receivables</b>               |                |                |                |
| Other receivables                        | 483            | 241            | 174            |
| Accounts receivable from Group companies | —              | 17,157         | 750            |
| Prepaid expenses and accrued income      | 388            | 536            | 340            |
| Cash and bank deposits                   | 75,122         | 60,456         | 43,828         |
| <b>Total current assets</b>              | <b>75,993</b>  | <b>78,390</b>  | <b>45,092</b>  |
| <b>TOTAL ASSETS</b>                      | <b>278,081</b> | <b>281,943</b> | <b>247,717</b> |
| <b>EQUITY AND LIABILITIES</b>            |                |                |                |
| <b>Equity</b>                            |                |                |                |
| <b>Restricted equity</b>                 |                |                |                |
| Share capital                            | 8,235          | 7,035          | 7,035          |
|  | <b>8,235</b>   | <b>7,035</b>   | <b>7,035</b>   |
| <b>Non-restricted equity</b>             |                |                |                |
| Share premium reserve                    | 501,099        | 447,058        | 447,058        |
| Retained earnings                        | -249,578       | -170,568       | -170,568       |
| Profit/loss for the year                 | -5,231         | -3,584         | -79,010        |
|  | <b>246,290</b> | <b>272,906</b> | <b>197,480</b> |
| <b>Total equity</b>                      | <b>254,525</b> | <b>279,941</b> | <b>204,515</b> |
| <b>Current liabilities</b>               |                |                |                |
| Accounts payable                         | 405            | 170            | 43             |
| Accounts payables to Group companies     | 21,369         | —              | 40,907         |
| Other liabilities                        | 117            | 111            | 290            |
| Accrued expenses and deferred income     | 1,665          | 1,721          | 1,962          |
| <b>Total current liabilities</b>         | <b>23,556</b>  | <b>2,002</b>   | <b>43,202</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <b>278,081</b> | <b>281,943</b> | <b>247,717</b> |



# OTHER INFORMATION

## DECLARATION BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and CEO confirm that this Interim Report provides a true and fair view of the parent company and the Group's operations, financial position and results for the period concerned.

Stockholm, August 20, 2021  
Board of Directors

Åke Sund  
*Chairman*

Staffan Andersson  
*Board member*

Tony Grimaldi  
*Board member*

Hans Holmström  
*Board member*

Erica Larson  
*Board member*

Elin Lydahl  
*Board member*

Carl-Johan Linér  
*CEO*

*This interim report has not been reviewed by the Company's auditors.*

## CALENDAR

Interim Report Q3 2021  
Year-End Report 2021

November 4, 2021  
February 18, 2022

The 2021 Annual Report is expected to be published at the end of March 2022.

## ADDRESS

SaltX Technology Holding AB (publ)  
Västertorpsvägen 135  
129 44 HÄGERSTEN

For further information, please contact:

Carl-Johan Linér, CEO  
+ 46 (0)70 532 08 08  
[cj.liner@saltxtechnology.com](mailto:cj.liner@saltxtechnology.com)

Harald Bauer, CFO  
+46 (0)708 10 80 34  
[harald.bauer@saltxtechnology.com](mailto:harald.bauer@saltxtechnology.com)