SaltX Technology

SaltX Technology Holding AB (publ)

INTERIM REPORT QUARTER 2 2020

This information is information which SaltX Technology is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on August 25, 2020, at 8:00 a.m.



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INTERIM REPORT QUARTER 2 2020

FINANCIAL EVENTS

Quarter 2

- Net sales amounted to MSEK 0.0 (0.9)
- Operating profit/loss (EBIT) totaled MSEK -8.2 (-45.8)
- Cash flow from operating activities amounted to MSEK -10.2 (-11.1)
- Earnings per share before and after dilution amounted to SEK -0.09 (-0.66)

Year to date January — June

- Net sales amounted to MSEK 0.1 (-0.8)
- Operating profit/loss (EBIT) totaled MSEK -17.3 (-65.9)
- Cash flow from operating activities amounted to MSEK -19.2 (-36.2)
- Earnings per share before and after dilution amounted to SEK -0.21 (-0.96)

"THE SPRING HAS LARGELY BEEN SPENT ADVANCING OUR OWN POSITIONS IN REACTOR AND MATERIAL DEVELOPMENT.

READ MORE ON PAGE 4

SIGNIFICANT EVENTS

After the end of the period

- State Energy Agency grants support with MSEK 5 to further develop and verify SaltX's solution for energy storage

Other information

- The effect of Covid-19 remains limited, however with a certain delay in the cooperation with partners

KEY FIGURES

Group, TSEK	Q 2 2020	Q 2 2019	YTD Jun 2020	YTD Jun 2019	FY 2019
Net sales	25	867	89	-839	193
Operating profit/loss (EBIT)	-8,169	-45,762	-17,327	-65,906	-83,830
Earnings per share before and after dilution	-0.09	-0.66	-0.21	-0.96	-1,22
Equity	113,419	74,632	113,419	74,632	131,748
Cash flow from operating activities	-10,216	-11,094	-19,174	-36,237	-58,820
Equity ratio (equity/balance sheet total)	74%	57%	74%	57%	73%

THE CEO'S ADDRESS

There continued to be high level of activity at SaltX Technology during the quarter. SaltX has been able to carry out its own development work at a normal pace in spite of the current situation, but the Covid-19 pandemic has proved to be more extensive than we initially assumed and this has involved delays in our projects with partners.

At the same time, the pandemic has shown what society, companies and people can accomplish in a short time to address global threats. A reactive spirit that shows what changes are likely to be achieved in terms of the world's increasingly tangible environmental threats.

Countries and companies backed by motivated people are starting to gather forces to create an economy based on greener and more sustainable principles.

This puts us in a good strategic position in a market that demands technical solutions to achieve a fossil-free society.

The spring has largely been spent advancing our own positions in reactor and material development. We have been working on optimizing the interaction between nano-coated salt and the reactor technology itself and continue to do so.

A YEAR AS CEO

I have worked as CEO of SaltX for just over a year now and the company has moved from several applications to a clear focus area — large-scale energy storage. It is in this area — EnerStore — that we see the potential to create the greatest value for all stakeholders, including shareholders.

The focus on one strategic area means that our external communication is not as frequent as before when we had a wider offer of solutions. The company has dedicated, competent employees and I am proud of all of them. My belief in SaltX potential remains strong and I am convinced that we have chosen the right way to go.

PARTNERS

Our partners have been greatly affected by the pandemic during the spring, with the large-scale lockdowns in Germany and Spain, among others.

This has meant that our partners have not been able to work on our joint projects at the rate we planned.

China has also been affected, but the country reopened during the quarter and cooperation with our Chinese partner, Shuangliang, has returned to a more normal pace. Shuangliang continues to develop and manufacture its construction for an EnerStore energy storage. SaltX supports with material, knowledge of it and process competence.

MY BELIEF IN SALTX POTENTIAL REMAINS LARGE AND I AM CONVINCED THAT WE HAVE CHOSEN THE RIGHT WAY TO GO.

We have also continued development work on our own. During the spring and early summer, we evaluated various solutions for reactors. This has been achieved through contacts with several interesting companies that develop and manufacture different types of reactors. These companies have expertise and technical knowledge that will be of great benefit in developing business with our partners in the future.

BERLIN

Regarding the pilot project at Vattenfall in Berlin, we have received a positive response to our application to the Swedish Energy Agency. We have been granted SEK 5 mil-

lion to optimize and scale up our discharge reactor, something I am happy for. It shows the trust granted by the agency to us and our technology. Due to the pandemic, discussions are ongoing about best place for the test facility.

OUR FOCUS

SaltX focus is to work with research and development of our material together with technologies for reactors to bring us to commercialization of a solution for energy storage. The support from the Energy Agency, cooperation with partners and interest from the market we encounter are important factors which motivate and drive this work forward.

Finally, I would like to thank new and current shareholders and other stakeholders for their confidence in us. We are absolutely convinced and expect that together with our partners we will continue to create value in a market for fossil-free energy.

Best regards,
Carl-Johan Linér
CEO


Carl-Johan Linér

OPERATIONS

SaltX is a technology company focusing on energy storage. Today, SaltX is developing a thermochemical energy storage solution based on nanocoated salt. The world is transitioning to renewable energy sources. This transition requires large amounts of energy storage to meet supply and demand at the right time.

By heating the nanocoated salt using electricity or thermal heat, the energy can be stored for hours, days or weeks — and then used when it is needed.

SaltX technology is especially suited to the market where high-quality steam at between 160 — 450 °C is required. This requirement can be found, for example, in industries, cities or in cogeneration plants.

THE WAY FORWARD

The company's task is to sell and deliver the world-patented nanocoated salt together with key knowledge of the technology to customers and partners. SaltX is developing the finished solution with partners who already supply energy plants.

COMPONENTS

SaltX energy storage consists of four key components: two silos for storing the nanocoated salt, and two reactors where the salt is charged or discharged. The salt, together with the reactors, form the very core of the energy storage solution. In cooperation with our partners, a reactor technology has been identified that is considered significantly more efficient and more scalable than the one used in SaltX's first major pilot plant, located in Berlin. The technology — fluidized bed — is well known and is mainly used in coal-fired power plants. The next step is to prove the technology in pre-commercial installations.

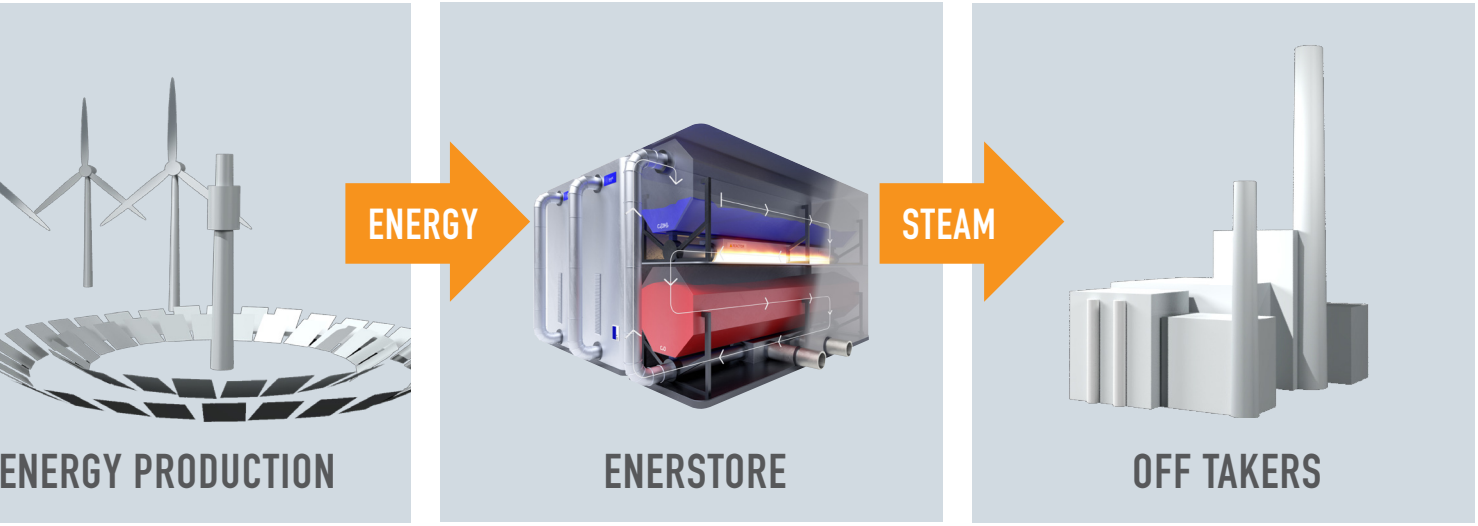
SALTX STORES THERMAL ENERGY

- Charges with surplus energy — electricity and/or heat
- Discharges high-temperature steam at 160 — 450 °C
- End customers may be industries, cogeneration plants or other customers who need high-temperature steam.



THE SALTX ECOSYSTEM

- On the road to commercializing the company's large-scale energy storage solution, EnerStore, there are number of partners with whom SaltX will be working. Depending on the market and the final application, these partners may differ, but in the main they will have four different functions. These are as 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, so-called off-takers, who may be energy companies, industries and cities, see the image to the right.



ORIGINAL EQUIPMENT MANUFACTURERS (OEM)
KEY COMPONENTS (CHARGER/DISCHARGER ETC.)

SALT PRODUCERS
PREPARE AND PROCESS NCS

SaltX Technology

ENGINEERING PROCURMENT CONSTRUCTION (EPC)
INSTALLERS OF THE ENERGY STORAGE PLANT

OFF TAKERS
END CUSTOMERS (ENERGY COMPANIES, INDUSTRIES, MUNICIPALITIES)

BUSINESS MODEL

SaltX develops and sells energy storage based on nanocoated salt in conjunction with its partners. The company's future revenues will consist primarily of sales of nanocoated salt, license fees and technology transfer. Revenue streams can also come from the finished plant in the form of installation and energy fees.

SaltX's position in the value chain is delivery of the nanocoated salt and knowledge around it to selected system partners, who build and commission the entire energy solution.

THE ECOSYSTEM IS GROWING

The company is dependent on finding the right partners who can assist with other parts for a complete plant. An important part of the puzzle is the partnership with the company's suppliers of salt and protective material. The companies Nordkalk and Wacker supply the future projects with nanocoated salt.

PARTNERS

SaltX is focused on working with competent partners experienced in building energy installations. Three important partners liaised with the company in 2019 — German Steinmüller, Spanish INERCO and Chinese Shuangliang. The next step is to build additional test pilots and pre-commercial facilities with these partners and set a common plan for commercialization and customer offering. The company's partners will also play a key role in the sale of energy storage projects.

OEM/EPC: SPAIN

INERCO

OEM/EPC: GERMANY

steinmüller engineering

OEM/EPC: CHINA

双良锅炉 SHUANGLIANG BOILER

BUSINESS MODEL



SIGNIFICANT EVENTS

... AFTER THE END OF THE PERIOD

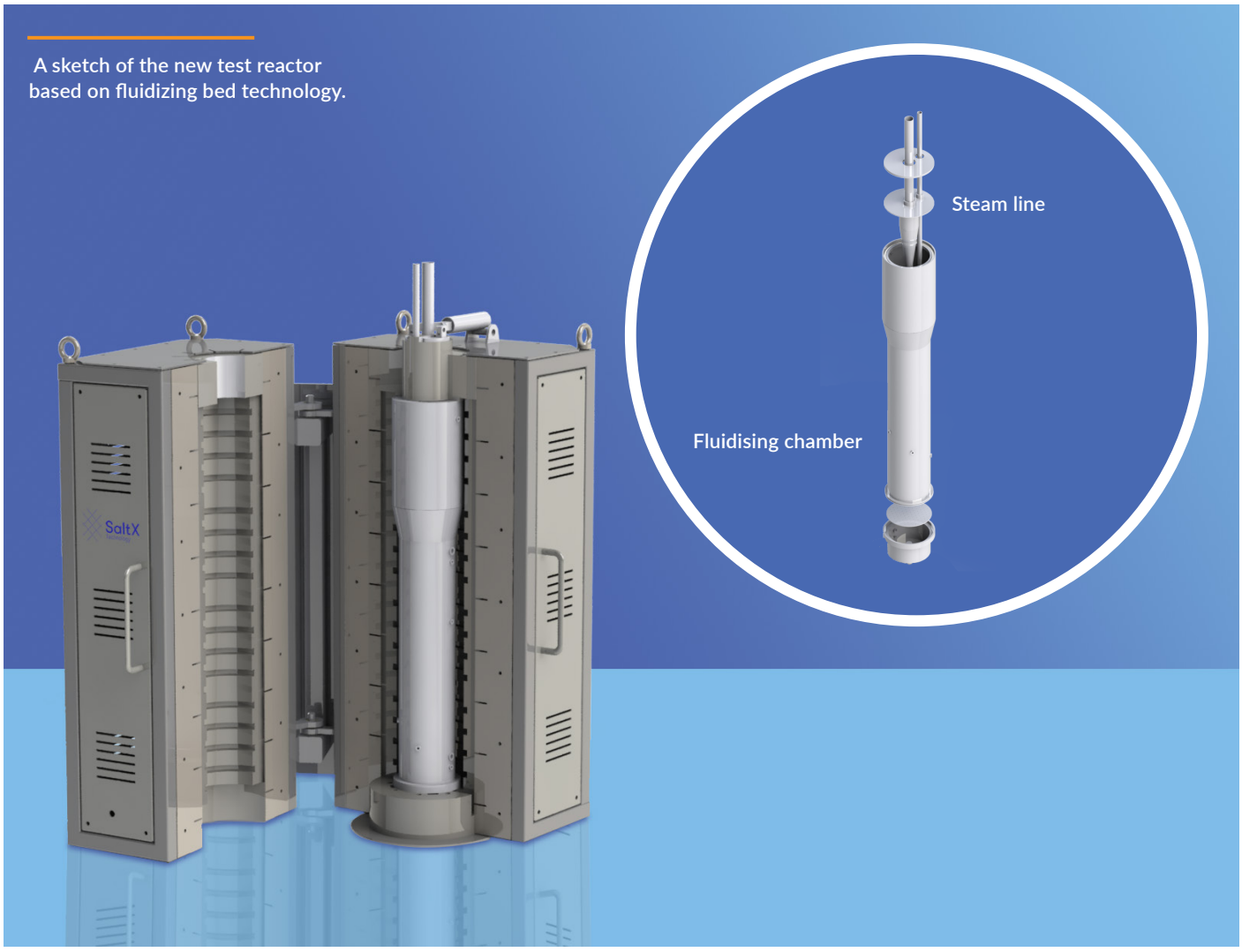
STATE ENERGY AGENCY GRANTS SUPPORT WITH MSEK 5

SaltX has been granted MSEK 5 by Swedish Energy Agency. The grant shall be used for further development and verification of the SaltX solution for energy storage, EnerStore, with a new updated discharging reactor based on fluid bed technology.

... OTHER INFORMATION

EFFECTS OF COVID-19

During 2020 the spread of Covid-19 has had a significant impact on the economy both in Sweden and internationally stå kvar tack. The Board of Directors and management state that the effect on the internal operations of the company is still limited, however, the effect on international partners is more severe which effects the pace in the cooperation and commercialization of the SaltX solution.



A sketch of the new test reactor based on fluidizing bed technology.

FINANCIAL OVERVIEW

APRIL–JUNE – QUARTER 2

REVENUE, EXPENSES AND EARNINGS

Net sales
Net sales for the quarter amounted to TSEK 25 (867).

Other income
Other income in the quarter totaled TSEK 744 (1,666) primarily consisting of grant from Energy Agency of TSEK 555 regarding the pilot in Berlin. The grant was initially accounted for as debt foreseen for a partner, but has now been granted to SaltX.

Expenses
Expenses during the quarter amounted to TSEK -8,938 (-48,295) broken down as cost of goods TSEK – (-81), other external expenses TSEK -3,009 (-6,441), personnel costs TSEK -4,395 (-7,731) and depreciation and impairment of fixed assets of TSEK -1,534 (-34,042). Capitalized development expenditure is made up of two parts: the basic technology and the large-scale energy storage application. Depreciation of basic technology in the amount of MSEK 3.6 per year over a ten-year period commenced in 2020. The quarter has therefore been charged with TSEK 903 in increased depreciation from this.

Expenses are lower than last year, partly due to fewer employees and thereby a lower activity level, partly due to no impairment of intangible assets during the quarter.

Operating profit/loss (EBIT)
Operating profit/loss was TSEK -8,169 (-45,762).

Financial items
Profit/loss from financial items amounted to TSEK 142 (-2,117) 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. In addition, TSEK 633 (-1,507) is included in increased (previous period: reduced) fair value of shares. Furthermore, changes in fair value are included of the shares in Central Development Holdings Ltd being positive during the second quarter of TSEK 633 but was negative in the compairing period of TSEK -1,507.

Profit/loss before tax
Profit/loss before tax was TSEK -8,027 (-47,879).

Earnings per share before and after dilution amounted to SEK -0.09 (-0.66).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity
Cash flow from operating activities in the quarter was TSEK -10,216 (-11,094). Cash outflow from financing activities includes a repayment of advance payment from EU's Horizon 2020 program of TSEK 2,756).

Group cash equivalents at the end of the quarter totaled TSEK 61,820 (33,547).

Long-term liabilities
Long-term liabilities totaled TSEK 31,382 (33,734) and consisted of loans from the Swedish Energy Agency for TSEK 24,388 and Almi Företagspartner for TSEK 3,600 and the long-term element of leasing liabilities.

The loan from Almi is amortized monthly for 5 years.

Investments
During the quarter, investments were made that impacted cash flow by TSEK -235 (-310). These consisted of ongoing investments in new patents, including patent applications in additional markets.

Equity
Equity at the end of the period totaled TSEK 113,419 (74,632) or SEK 1.29 (1.03) per share and has fallen since year-end

DEVELOPMENT PER QUARTER

TSEK	Q 2 2019	Q 3 2019	Q 4 2019	Q 1 2020	Q 2 2020
Net sales	867	165	867	64	25
Operating profit/loss (EBIT)	-45,762	-6,984	-10,941	-9,158	-8,169
Cash flow from operating activities	-11,094	-12,427	-10,156	-8,958	-10,216
Basic earnings per share, SEK	-0.66	-0.10	-0.16	-0.12	-0.09

with the negative earnings and increased number of shares. The equity ratio on the same date was 74 percent.

JANUARY–JUNE 2020

REVENUE, EXPENSES AND EARNINGS

Net sales
Net sales for the period amounted to TSEK 89 (-839).

Other income
Other income in the period totaled TSEK 825 (3,422) primarily consisting of grant from Energy Agency of TSEK 555 regarding the pilot in Berlin.
The grant was initially accounted as debt foreseen for a partner, but has now been granted to SaltX.

Expenses
Expenses during the period amounted to TSEK -18,241 (-68,489) broken down as cost of goods TSEK – (-81), other external expenses TSEK -6,589 (-15,849), personnel costs TSEK -8,595 (-17,868) and depreciation and impairment of fixed assets of TSEK -3,057 (-34,691). Capitalized development expenditure is made up of two parts: the basic technology and the large-scale energy storage application. Depreciation of basic technology in the amount of MSEK 3.6 per year over a ten-year period commenced in 2020. The quarter has therefore been charged with TSEK 1,806 in increased depreciation from this.

In total, expenses are lower than last year due to fewer employees and thereby a lower activity level, even excluding impairment of capitalized development.

Operating profit/loss (EBIT)
Operating profit/loss was TSEK -17,327 (-65,906).

Financial items
Profit/loss from financial items amounted to TSEK -863 (-2,766) 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.

Furthermore, changes in fair value are included of the shares in Central Development Holdings Ltd being positive during the second quarter of TSEK 166 but was negative in the comparing period of TSEK -1,507.

Profit/loss before tax
Profit/loss before tax was TSEK -18,190 (-68,672).

Earnings per share before and after dilution amounted to SEK -0.21 (-0.96).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity
Cash flow from operating activities in the quarter was TSEK -19,174 (-36,237). Cash outflow from financing activities includes a repayment of advance payment from EU's Horizon 2020 program of TSEK 2,756).

Long-term liabilities
A request for remission of most of the loan was sent to the Swedish Energy Agency, but was rejected. Reconsideration of the decision will be requested.

Investments
During the period, investments were made that impacted cash flow by TSEK -465 (-732). These

CHANGES IN SHARE CAPITAL IN 2020

	Change in share capital	Accumulated share capital	Change in no. of shares	Accumulated no. of shares
Opening balance 2020		5,807,637.76		72,595,472
Rights issue	1,161,527.52	6,969,165.28	14,519,094	87,114,566
Offset issue, guarantors	65,793.44	7,034,958.72	822,418	87,936,984

consisted of 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 company-wide services and management of the subsidiary SaltX Technology AB and maintaining the company's listing on Nasdaq First North Premier Growth Market.

Profit/loss before tax for the period was TSEK -3,584 (-7,739). The parent company's available liquid funds as per March 31 totaled TSEK 60,456 (27,148).

SHARE CAPITAL

Share capital at the end of the period totaled SEK 7,034,958.72 consisting of 87,936,984 shares at a nominal value of SEK 0.08. New capital issues were carried out before the end of the year and were registered in January 2020.

SHARES

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

Share warrants

A capital issue in 2018 was carried out in the form of units consisting of one share and one share warrant. 14.8 share warrants were issued. After minor adjustments due to the 2019 capital issue, 1.9555 share warrants are required to subscribe for one share at the exercise price of SEK 12.71 during the period January 1, 2020 to October 31, 2021. With 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 MSEK 96.

Incentive programs

The warrants decided by the Annual General Meeting in April 2017 expired without value in June 2020.

Earnings per share

Earnings per share for the period amounted to SEK -0.21 (-0.96) based on an average figure of 86,658,525 (70,718,660) shares, before dilution. When calculating the number of shares after full dilution, the additional outstanding shares from warrant programs issued have been considered, although this has not had any effect because the result is negative.

Significant risks and uncertainties

All business activity and share ownership are associated with risk. Risks that are managed well can entail opportunities and value creation, while the opposite 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.

Effects of Covid-19

During 2020, the spread of Covid-19 has had a significant impact on the economy, both in Sweden and internationally. The Board of Directors and management state that the effect on the internal operations of the company is still limited, however, the effect on international partners is more severe which effects the pace in the cooperation and commercialization of the SaltX solution.

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, and 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 the parent company in the interim report for the legal entity 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 inter-relation 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 in accordance with those described in the SaltX Group's annual report for 2019.

CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT — SUMMARY

TSEK	Q 2 2020	Q 2 2019	YTD Jun 2020	YTD Jun 2019	FY 2019
Net sales	25	867	89	-839	193
Other operating income	744	1,666	825	3,422	6,144
TOTAL	**769**	**2,533**	**914**	**2,583**	**6,337**
Cost of products sold	—	-81	—	-81	-126
Other external costs	-3,009	-6,441	-6,589	-15,849	-24,542
Personnel costs	-4,395	-7,731	-8,595	-17,868	-27,860
Depreciation and impairement of fixed assets	-1,534	-34,042	-3,057	-34,691	-37,639
TOTAL OPERATING COSTS	**-8,938**	**-48,295**	**-18,241**	**-68,489**	**-90,167**
OPERATING PROFIT/LOSS	**-8,169**	**-45,762**	**-17,327**	**-65,906**	**-83,830**
FINANCIAL ITEMS - NET	**142**	**-2,117**	**-863**	**-2,766**	**-3,867**
PROFIT/LOSS BEFORE INCOME TAX	**-8,027**	**-47,879**	**-18,190**	**-68,672**	**-87,697**
PROFIT/LOSS FOR THE PERIOD	**-8,027**	**-47,879**	**-18,190**	**-68,672**	**-87,697**
Earnings per share calculated on earnings attributable to parent company shareholders, SEK					
Basic earnings per share	-0.09	-0.66	-0.21	-0.96	-1.22
Earnings per share after dilution	-0.09	-0.66	-0.21	-0.96	-1.22

There are no items in the Group that are reported in other comprehensive income, which is why total comprehensive income corresponds to net profit. Net profit and total comprehensive income for the period are attributable in their entirety to parent company shareholders.

CONSOLIDATED BALANCE SHEET — SUMMARY

TSEK	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure on development work	73,334	74,161	75,139
Patents and trademarks	1,538	2,901	1,354
	74,872	**77,062**	**76,493**
Tangible assets			
Equipment, tools, and installations	1,234	1,760	1,445
Access-rights assets	4,683	6,213	5,443
	5,917	**7,973**	**6,888**
Financial fixed assets			
Shares	6,283	6,293	6,117
	6,283	**6,293**	**6,117**
Total fixed assets	**87,072**	**91,328**	**89,498**
Current assets			
Advance payments to suppliers	–	35	–
Accounts receivable	38	893	1,077
Other current assets	2,196	2,137	2,346
Prepaid expenses and accrued income	1,721	1,932	1,462
Cash and cash equivalents	61,820	33,547	85,321
Total current assets	**65,775**	**38,544**	**90,206**
TOTAL ASSETS	**152,847**	**129,872**	**179,704**
EQUITY AND LIABILITIES			
Equity			
Share capital	7,035	5,808	5,808
Rights issue, to be registered	–	–	1,228
Other contributed capital	665,713	590,938	665,851
Accumulated profit or loss including profit/loss for the year	-559,329	-522,114	-541,139
Total equity	**113,419**	**74,632**	**131,748**
Long-term liabilities			
Other liabilities	27,988	29,158	28,588
Leasing liabilities	3,394	4,576	4,150
Total long-term liabilities	**31,382**	**33,734**	**32,738**
Current liabilities			
Accounts payable	728	2,536	2,237
Leasing liabilities	1,489	1,726	1,447
Other liabilities	1,489	2,320	4,954
Accrued expensed and deferred income	4,340	14,924	6,580
Total current liabilities	**8,046**	**21,506**	**15,218**
TOTAL EQUITY AND LIABILITIES	**152,847**	**129,872**	**179,704**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Parent Company shareholders				
TSEK	Share capital	Rights issues under registration	Other contributed capital	Accumulated profit/loss incl. profit/loss for the year	Total equity
Opening balance Jan 1, 2019	**4,911**	**888**	**591,241**	**-453,442**	**143,598**
Net income/loss Jan-Jun 2019 equal to total comprehensive income	–	–	–	-68,672	-68,672
Total comprehensive income	**–**	**–**	**–**	**-68,672**	**-68,672**
Transactions with shareholders in their capacity as shareholders:					
Rights issues	897	-888	–	–	9
Issue expenses	–	–	-301	–	-301
Warrants repurchased	–	–	-2	–	-2
Closing balance Jun 30, 2019	**5,808**	**–**	**590,938**	**-522,114**	**74,632**
Net income/loss Jul-Dec 2019 equal to total comprehensive income	–	–	–	-19,025	-19,025
Total comprehensive income	**–**	**–**	**–**	**-19,025**	**-19,025**
Transactions with shareholders in their capacity as shareholders:					
Rights issues, under registration	–	1,228	84,508	–	85,736
Issue expenses	–	–	-9,595	–	-9,595
Closing balance Dec 31, 2019	**5,808**	**1,228**	**665,851**	**-541,139**	**131,748**
Opening balance Jan 1, 2020	**5,808**	**1,228**	**665,851**	**-541,139**	**131,748**
Net income/loss Jan-Jun 2020 equal to total comprehensive income	–	–	–	-18,190	-18,190
Total comprehensive income	**–**	**–**	**–**	**-18,190**	**-18,190**
Transactions with shareholders in their capacity as shareholders:					
Rights issues	**–**	**–**	**-138**	**–**	**-138**
Issue expenses	**1,227**	**–**	**-138**	**-18,190**	**-18,329**
Closing balance Jun 30, 2020	**7,035**	**–**	**665,713**	**-559,329**	**113,419**

CONSOLITADED CASH FLOW STATEMENT

TSEK	Q 2 2020	Q 2 2019	YTD Jun 2020	YTD Jun 2019	FY 2019
Cash flow from operating activities					
Profit/loss after financial items	-8,027	-47,879	-18,190	-68,672	-87,697
Adjustments for non-cash items etc.	901	36,036	3,034	36,783	39,901
	-7,126	**-11,844**	**-15,156**	**-31,891**	**-47,798**
Increase/decrease in operating receivables	-216	1,692	930	8,856	8,968
Increase/decrease in operating liabilities	-2,874	-943	-4,948	-13,204	-19,992
Cash flow from change of working capital	**-3,090**	**749**	**-4,018**	**-4,348**	**-11,024**
Cash flow from operating activities	**-10,216**	**-11,094**	**-19,174**	**-36,237**	**-58,820**
Cash flow from investing activities					
Acquisition of intangible assets	-205	-310	-435	-731	-2,037
Acquisition of tangible assets	-30	–	-30	–	–
Cash flow from investing activities	**-235**	**-310**	**-465**	**-731**	**-2,037**
Cash flow from financing activities					
New capital issue, net of issue expenses	–	-51	-282	-294	75,847
Repayment to European Union	-2,756	–	-2,756	–	–
Change in long term leasing liabilities	-413	-431	-824	-862	-1,340
Cash flow from financing activities	**-3,169**	**-482**	**-3,862**	**-1,156**	**74,507**
Cash flow for the period	**-13,620**	**-11,886**	**-23,501**	**-38,124**	**13,650**
Cash equivalents at beginning of period	75,441	45,433	85,322	71,672	71,672
Cash equivalents at end of period	61,821	33,547	61,821	33,548	85,322

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:

- Historical financing from the Swedish Energy Agency
  - Long-term liabilities consist largely of loans from the Swedish Energy Agency in the amount of TSEK 24,388. A request for remission of most of the loan was sent to the Swedish Energy Agency but was rejected. Reconsideration of the decision will be requested.

- **Intangible assets:** The largest asset recognized in SaltX's balance sheet is capitalized 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 of what the company's technology can lead to in the form of future revenue and cash flow. Important components in 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.

  Depreciation of basic technology in the amount of MSEK 3.6 per year over a ten-year period commenced in 2020.
  - **Development**
    The Group assesses when the product or process is technically and commercially feasible and the company has sufficient resources to complete development and thereafter use or sell the intangible asset. If these conditions are met, an intangible asset is recognized in the balance sheet.
  - **Research and promotional measures**
    During the period, the Group focused on the application for large-scale energy storage, EnerStore. The activities have mainly consisted of searching for a more efficient key component for charging and discharging energy from the nanocoated salt. In addition, resources have been put into initial sales promotion measures in the form of work on and preparation of pre-commercial facilities in conjunction with partners. These activities and efforts have the character of research and sales promotion activities and are expensed as they arise.

Estimates and assessments are

REVENUE

	Q 2 2020	Q 2 2019	YTD Jun 2020	YTD Jun 2019	FY 2019
Revenue from agreements with customers	25	867	89	-839	193
Other revenue	744	1,666	825	3,422	6,144
Total revenue	**769**	**2,533**	**914**	**2,583**	**6,337**

The Group has revenues as specified below:

	Q 2 2020	Q 2 2019	YTD Jun 2020	YTD Jun 2019	FY 2019
Product sale	25	54	39	216	393
License and royalty revenue	–	–	–	-2,178	-2,067
Development work	–	813	–	1,123	1,867
Total revenue from customers	**25**	**867**	**39**	**-839**	**193**

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 reported the following amounts in the income statement relating to revenue (see the table on the preceding page).

NOTE 3 FINANCIAL INSTRUMENTS

Financial assets are valued at fair value through the income statement

The assets have been valued at level 1 in the fair value hierarchy.

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. However, differences have been identified regarding the loan from the Swedish Energy Agency.
The reported value of the liability is expected to change. A request for remission of most of the loan was sent to the Swedish Energy Agency but was rejected. Reconsideration of the decision will be requested.

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

In 2020, no transactions with affiliated parties have occurred other than agreed payments to the Board of Directors and management.

SHARES OF LISTED COMPANIES

	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Central Development Holdings Ltd (formerly Zhong Fa Zhan Holdings Ltd)	6,283	6,293	6,117

CHANGE IN FAIR VALUE OF SHARES

TSEK	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Change in fair value of shares	633	-1,507	166	-1 507	-1 683

FAIR VALUE

	Jun 30, 2020		Jun 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
State Energy Agency	24,388	23,830	24,358	23,830

PARENT COMPANY INCOME STATEMENT

TSEK	YTD Jun 2020	YTD Jun 2019	FY 20199
NET SALES	**1,200**	**1,200**	**2,400**
Other external costs	-1,698	-3,132	-4,444
Peronnel costs	-3,508	-5,583	-8,876
TOTAL OPERATING EXPENSES	**-5,206**	**-8,715**	**-13,320**
OPERATING RESULT	**-4,006**	**-7,515**	**-10 ,920**
FINANCIAL ITEMS — NET	**422**	**-224**	**1,515**
PROFIT BEFORE TAX	**-3,584**	**-7,739**	**-9,405**
Group contribution	—	—	-83,000
PROFIT/LOSS FOR THE PERIOD	**-3,584**	**-7,739**	**-92,405**

PARENT COMPANY BALANCE SHEET

TSEK	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
ASSETS			
Financial assets			
Participations in subsidiaries	197,270	197,270	197,270
Shares	6,283	6,293	6,117
Total fixed assets	**203,553**	**203,563**	**203,387**
Current assets			
Current receivables			
Other receivables	241	368	782
Accounts receivable from Group companies	17,157	65,990	750
Prepaid expenses and accrued income	536	492	265
Cash and bank deposits	60,456	27,148	82,458
Total current assets	**78,390**	**93,998**	**84,255**
TOTAL ASSETS	**281,943**	**297,561**	**287,642**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	7,035	5,808	5,808
Rights issue, to be registered	–	–	1,228
	7,035	**5,808**	**7,036**
Non-restricted equity			
Share premium reserve	447,058	372,283	447,196
Retained earnings	-170,568	-78,163	-78,163
Profit/loss for the year	-3,584	-7,739	-92,405
	272,906	**286,381**	**276,628**
Total equity	**279,941**	**292,189**	**283,664**
Current liabilities			
Accounts payable	170	312	778
Other liabilities	111	570	158
Accrued expenses and deferred income	1,721	4,490	3,042
Total current liabilities	**2,002**	**5,372**	**3,978**
TOTAL EQUITY AND LIABILITIES	**281,943**	**297,561**	**287,642**

AFFIRMATION BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and CEO affirm 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 25, 2020
Board of Directors

Åke Sund *chair*	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 auditor.

OTHER INFORMATION

CALENDAR

Interim Report Q3 2020	November 4, 2020
Year-end Report 2020	February 17, 2021

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