SaltX Technology

SaltX Technology Holding AB (publ)

# INTERIM REPORT QUARTER 1 2021

This is information that SaltX Technology is required to disclose under the EU Market Abuse Regulation.
The information was submitted for publication on May 3, 2021 at 08 am.



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# INTERIM REPORT QUARTER 1 2021

## FINANCIAL EVENTS

First quarter

- Net sales amounted to MSEK 0.0 (0.1)
- Operating profit/loss (EBIT) totaled MSEK -8.1 (-9.2)
- Cash flow from operating activities amounted to MSEK -7.8 (-9.0)
- Earnings per share before and after dilution amounted to SEK -0.11 (-0.12)

## SIGNIFICANT EVENTS

First quarter

- SaltX entered a partnership to scale up and optimize its charging reactor
- SaltX wins Helsinki Energy Challenge

After the end of the period

- SaltX starts new industrial project in Luleå

"USING WASTE HEAT TO CHARGE THE SALT IS BOTH ENVIRONMENTALLY SOUND AND COMMERCIALLY BENEFICIAL.

READ MORE ON PAGE 4

## KEY FIGURES

| Group, TSEK | Q 1 2021 | Q 1 2020 | FY 2020 |
|---|---|---|---|
| Net sales | 9 | 64 | 94 |
| Operating profit/loss (EBIT) | -8,121 | -9,158 | -33,392 |
| Earnings per share before and after dilution | -0.11 | -0.12 | -0.41 |
| Equity | 85,975 | 121,446 | 95,434 |
| Cash flow from operating activities | -7,778 | -8,958 | -32,508 |
| Equity ratio (equity/balance sheet total) | 68% | 73% | 70% |

# THE CEO'S ADDRESS

**At SaltX, we stand stronger than ever to face the future transition in the energy industry. The first quarter has been an eventful time for us, in which we have achieved several successes.**

**During the quarter, we have continued to build on the expertise that contributes to a unique integration of nanocoated salt and to make this work in reactors to recover energy.**

SaltX is today a company that takes responsibility for the complete energy storage in our pilot plants. Previously, the focus has been on developing and optimizing the nanocoated salt. Now, we complement our knowledge in materials with a strong collaboration with our important partners to create a complete product.

The coated salt is our technical platform, and with this increased value added in our company, we will also build competence and enable future technical optimizations of our energy storage. This is, as I said, the biggest change in the company for a long time, something that has also been requested. We are proud to have implemented this change and we thereby strengthen our competitive position.

A good example of our new level of competence is that we are building a 100 kW plant in Stockholm. We have come a long way on the first step of building a discharge reactor, which will be commissioned before summer. After this, we will continue building a charging reactor. With this plant, we take total responsibility for everything including control and adjustment equipment, which will give us a good basis for the next plant we erect.

Further proof of our broadened offering is that we were one of four winners of the "Helsinki Energy Challenge" (HEC) – a competition in which we presented a solution to help the City of Helsinki in its transition to become climate neutral by 2035. This is probably the world's most ambitious energy transition undertaken by a city. This accolade has attracted a lot of positive attention. We have been contacted by representatives from municipalities, for example, who are interested in seeing whether the SaltX solution can be part of their transition to becoming climate neutral. The SaltX solution can be implemented in many cities around the world.

"...WE ARE ON THE THRESHOLD OF SCALING UP OUR PILOT PLANTS TO MW SIZE.."

Work with our Chinese partner Shuangliang continues. Its 200 kW plant is assembled and ready and initial tests have been carried out. There is still some work and fine-tuning to be done before complete cycles can be carried out.

During the first quarter, we have also worked on clarifying our offering by presenting three product applications. They are displayed on our website, among other places, and are made up of:

Heat to Heat, Power to Steam and Power to Power.

As regards Heat to Heat, we have written a letter of intent with Luleå Energi, LuleKraft and the Swedish Metal Research

Institute Swerim to build a 1 MW plant in Luleå. It will be the first plant where we use waste heat in the form of gas to charge salt with energy. Using waste heat to charge the salt is both environmentally sound and commercially beneficial. Within our temperature range, there is great potential in Europe for using waste heat as a charge. Our idea and strategy is that all experience and test results from the plant in Stockholm will form the basis of the pilot plant in Luleå.

As a supplier of thermal energy storage, we are on the threshold of scaling up our pilot plants to MW size. This is a major step for the company and will strengthen our position and competitiveness in the market.

In other words: We are building tomorrow's thermal energy storage, thereby contributing to the transition from fossil fuels to environmentally friendly systems.

Carl-Johan Linér, CEO
Stockholm, May 2021



Carl-Johan Linér

# SALTX 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 nanocoated 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.

## SALTX 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 commercialization is easier and less risky.

## SALTX ENERSTORE IN BRIEF

The energy is stored by adding high-temperature heat, approx 500°C. In simple terms, the salt is dried, and as long 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:

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

## HEAT TO HEAT

Recharge with heat and get heat back to 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 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.

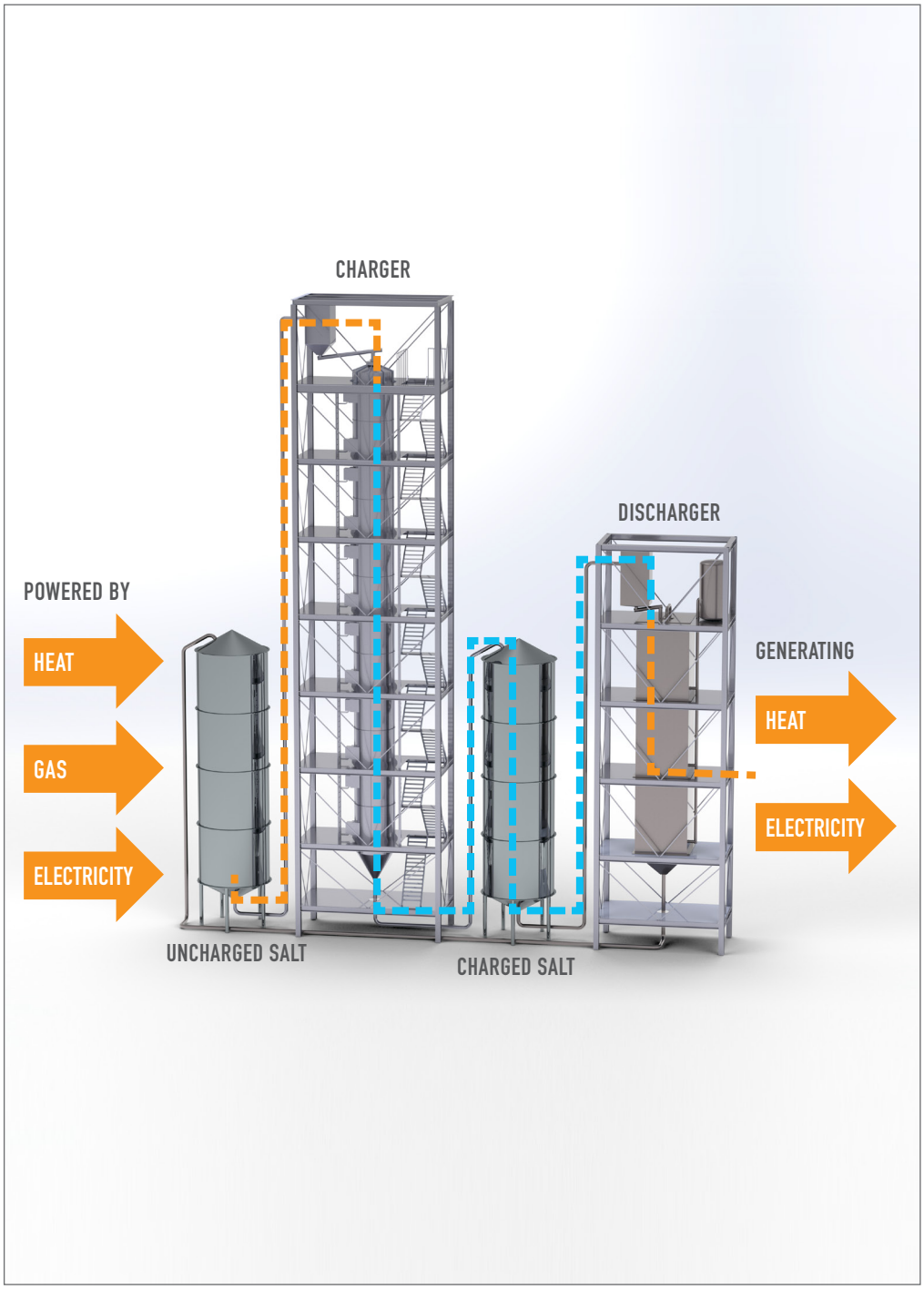
## SALTX PARTNERS & ECOSYSTEM

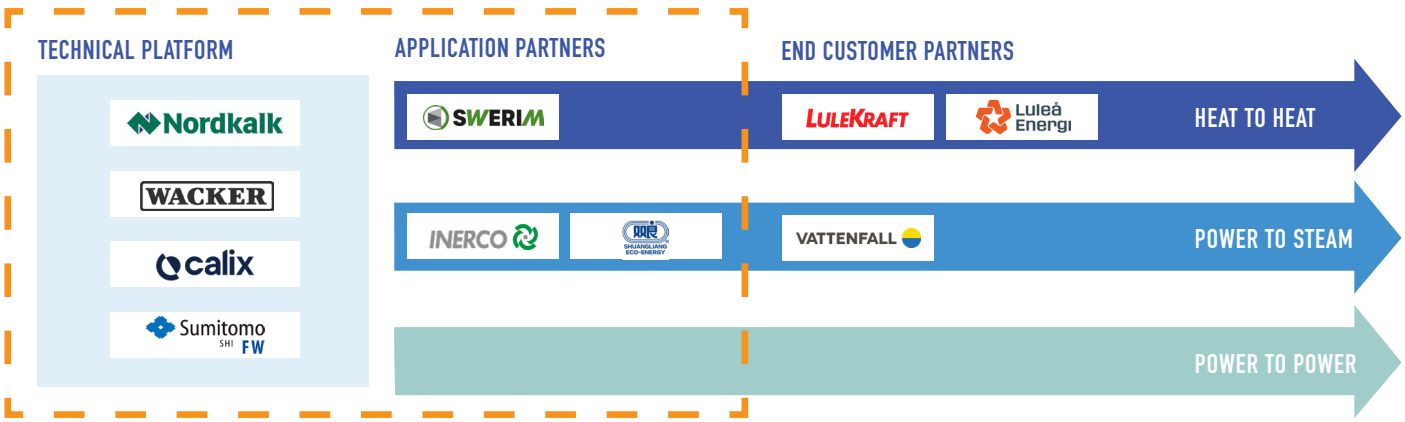
SaltX collaborates with partners in the development of materials, technology and applications. Depending on the market and end use, these partners may differ, but mainly have four different functions. They are salt suppliers that prepare and process nano-coated salt, OEMs (Original Equipment Manufacturer)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

## SALTX 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.

## SALTX STORES THERMAL ENERGY



# NEW PILOT PLANNED IN HEAT TO HEAT PRODUCT APPLICATION

**The pilot will be built in collaboration with the Swedish Metal Research Institute, Luleå Energi and LuleKraft.**

Today, large amounts of surplus energy from industries all over the world is wasted and this energy is deemed to be very valuable. In Europe alone, 120 terawatt hours of high-temperature heat is emitted by industry. With SaltX's Heat to Heat product area, heat can be used to charge a thermo-chemical battery based on SaltX nanocoated salt, allowing the heat to be recycled by industries or provide cities with district heating.

## MORE EFFICIENT ENERGY CONSUMPTION

A pilot plant of 1 MW and 15 MWh will be built in collaboration with the Swedish Metal Research Institute (Swerim), Luleå Energi and LuleKraft, to recover some of the residual gas/heat that comes from nearby industry in Luleå.
The aim of the project is to test how the SaltX energy store EnerStore works in a real industrial environment, and to demonstrate how carbon dioxide emissions from fossil fuels can be reduced in various manufacturing industries.

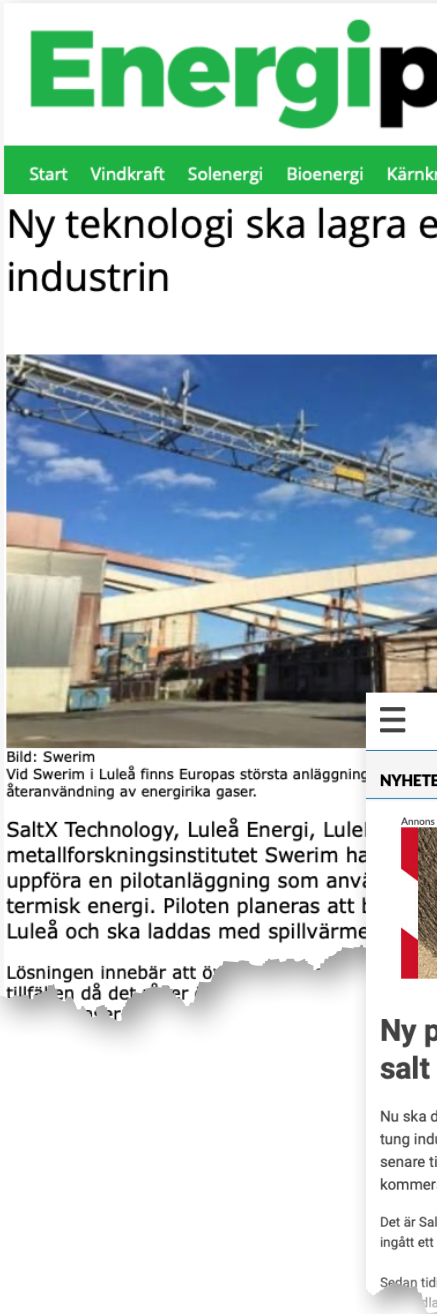
## SAME PLATFORM AS IN STOCKHOLM

The plant will be built on land owned by Swerim using the same technical platform as used in the SaltX pilot in Stockholm. A portion of the residual gas/heat that comes from industry will be used in the SaltX pilot, and LuleKraft will then pass on the energy to Luleå Municipality, which will then redistribute it to industry or as district heating for the city.

## IMPORTANT PART OF THE TRANSITION

SaltX sees great potential in being part of the huge transition that today's industries are facing. The Heat to Heat application area is intended for industries with high energy consumption and can be used to streamline batch processes, for long-term storage or transporting energy to other geographic locations.

**IN EUROPE ALONE, 120 TERAWATT HOURS OF HIGH-TEMPERATURE HEAT IS EMITTED BY INDUSTRY.**


Energi
Start Vindkraft Solenergi Bioenergi Kärnk
Ny teknologi ska lagra e
industrin
Bild: Swerim
Vid Swerim i Luleå finns Europas största anläggning
återanvändning av energirika gaser.
SaltX Technology, Luleå Energi, Lule
metallforskningsinstitutet Swerim ha
uppföra en pilotanläggning som anv
termisk energi. Piloten planeras att
Luleå och ska laddas med spillvärme
Lösningen innebär att ö
NYHETE
Annons
Ny p
salt
Nu ska d
tung ind
senare ti
kommer
Det är Sal
ingått ett
Sedan tid


NyTeknik
Premium / Automation / Digitalisering / Energi / Fordon / Startup / Ingenjörskarriär / Lediga jobb
PREMIUM
Målet: Minskad oljeeldning med energi lagrad i salt
2021-04-16 06:00 Av: Linda Nohrstedt
INDUSTRInyheter.se
AUTOMATION/ IOT UNDERHÅLL LEVERANTÖRSGUIDE ANNONSERA NYHETSBREV
ÅKERSTRÖMS
En ny dimension av kontroll och säkerhet
SaltX i pilotprojekt som ska ta tillvara spillvärme i industriell miljö
Vattenkraft El & Energinät Inomhusklimat
Mest lästa
2021-04-13
sverigesradio
Nyheter Poddar & program Direkt Min sida Mer
P4 Norrbotten
Start P4 program A-Ö Tablå Låtlistor Arkiv Om... Tipsa!
PRESS FROM SWEDISH MEDIA OUTLETS
process.
MEDLEMSNYTT KÖP & SÄLJ FÖRETAG KALENDER
SÄTTER STOPP FÖR ENERGIFÖRLUSTER
LÄS MER PÅ PAROC.SE
FÖRETAGENS

# SIGNIFICANT EVENTS

## ...IN THE FIRST QUARTER

### SALTX ENTERED A PARTNERSHIP TO UPSCALE UP AND OPTIMIZE ITS CHARGING REACTOR

SaltX Technology has entered into an agreement with Australian company Calix Limited, which is developing a groundbreaking technology for calcination processes. Under the agreement, the two companies will jointly develop a charging reactor to optimise SaltX's energy storage solution using a new scalable technology.

### SALTX WINNER IN THE HELSINKI ENERGY CHALLENGE

SaltX Technology was one of the winners of the global competition—the Helsinki Energy Challenge—with the best solution for a fossil-free city. The winners received their accolades at a digital prize ceremony and the EUR 1 million prize money will be shared by the winning entries. SaltX and its partner Rebase Energy's "Smart Salt City" solution offer a functional and sustainable system that is suitable for cities that have high-set targets for carbon neutrality, high energy consumption and need help with a stable energy supply for their residents and businesses.

## ...AFTER THE END OF THE PERIOD

### SALTX LAUNCHES INDUSTRIAL PILOT PROJECT IN LULEÅ AND CONCLUDES AGREEMENT FOR STORING ENERGY FROM INDUSTRY

SaltX Technology has concluded an agreement with Luleå Energi, LuleKraft and the Swedish Metal Research Instutute (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 Luleå and will be charged with residual gas/heat from nearby industry.




The work of completing the pilot plant in Stockholm is going according to plan.



# FINANCIAL OVERVIEW

## JANUARY–MARCH – QUARTER 1 2021

### REVENUE, EXPENSES AND EARNINGS

***Net sales***
Net sales for the quarter amounted to TSEK 9 (64).

***Capitalized expenditure for development work***
Balanced development expenses amounted to TSEK 4,989 (—) thousand 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 143 (81).

***Expenses***
Expenses during the quarter amounted to TSEK -13,262 (-9,303) , broken down as other external expenses TSEK -6,866 (-3,580), personnel costs TSEK -4,862 (-4,200) , and depreciation of fixed assets TSEK -1,534 (-1,523). 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 -8,121 (-9,158).

***Financial items***
Profit/loss from financial items amounted to TSEK -1,338 (-1,005) 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 slightly negative in Q1 at TSEK -867 (-467).

***Profit/loss before tax***
Profit/loss before tax was TSEK -9,459 (-10,163).

Earnings per share before and after dilution amounted to SEK -0.11 (-0.12).

### CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

***Cash flow and liquidity***
Cash flow from operating activities during the quarter was TSEK -7,778 (-8,958).

Group cash equivalents at the end of the quarter amounted to TSEK 32,034 (75,440).

***Long-term liabilities***
Long-term liabilities amounted to TSEK 29,307 (32,063) and consisted of loans from the Swedish Energy Agency of TSEK 24,388 and from Almi Företagspartner of TSEK 2,700, as well as long-term leasing liabilities of TSEK 2,219.

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 -5,418 (-230). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor, and ongoing investments in new patents, including patent applications in additional markets.

***Equity***
At the end of the period, equity amounted to TSEK 85,975 (121,446) or SEK 0.98 (1.38) per share and decreased during the year due to the negative result. The equity ratio on the same date was 68 (73) percent.

### 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 was TSEK -3,366

## DEVELOPMENT PER QUARTER

| TSEK | Q 1 2020 | Q 2 2020 | Q 3 2020 | Q 4 2020 | Q 1 2021 |
|---|---|---|---|---|---|
| Net sales | 64 | 25 | 5 | – | 9 |
| Operating profit/loss (EBIT) | -9,158 | -8,169 | -7,964 | -8,101 | -8,121 |
| Cash flow from operating activities | -8,958 | -10,216 | -6,584 | -6,750 | -7,778 |
| Basic earnings per share, SEK | -0.12 | -0.09 | -0.11 | -0.10 | -0.11 |

(-2,444). At at 31 March, the parent company held available liquid assets amounting to TSEK 28,473 (72,435).

### SHARE CAPITAL

Share capital at the end of the quarter amounted to SEK 7,034,958.72 consisting of 87,936,984 shares at a nominal value of SEK 0.08.

### 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 31 October 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 -0.11 (-0.12) based on an average of 87,936,984 (85,380,065) shares, before dilution. When calculating the number of shares after full dilution, the additional outstanding shares from warrant programs issued were taken into account. 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.

The company is still in a development phase and a need for additional financing is expected so that the company can continue its operations in accordance with the long-term plan. The Board actively works with various options and forms of financing.

### *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 QUARTER 1 2021

| | Change in share capital | Accumulated share capital | Change in no. of shares | Accumulated no. of shares |
|---|---|---|---|---|
| Opening balande 2021 | – | 7,034,958.72 | – | 87,936,984 |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT — SUMMARY

| TSEK | Q 1 2021 | Q 1 2020 | FY 2020 |
|---|---|---|---|
| Net sales | 9 | 64 | 94 |
| Work performed by the Company for its own use and capitalized | 4,989 | — | 2,863 |
| Other operating income | 143 | 81 | 884 |
| **TOTAL** | **5,141** | **145** | **3,841** |
| Other external expenses | -6,866 | -3,580 | -14,550 |
| Personnel expenses | -4,862 | -4,200 | -16,330 |
| Depreciation of fixed assets | -1,534 | -1,523 | -6,353 |
| **TOTAL OPERATING EXPENSES** | **-13,262** | **-9,303** | **-37,233** |
| **OPERATING PROFIT/LOSS** | **-8,121** | **-9,158** | **-33,392** |
| Financial income | 8 | — | — |
| Financial expenses | -1,346 | -1,005 | -2,783 |
| **FINANCIAL ITEMS—NET** | **-1,338** | **-1,005** | **-2,783** |
| **PROFIT/LOSS BEFORE INCOME TAX** | **-9,459** | **-10,163** | **-36,175** |
| Income tax expense | — | — | — |
| **PROFIT/LOSS FOR THE PERIOD** | **-9,459** | **-10,163** | **-36,175** |
| **Earnings per share calculated on earnings attributable to parent company shareholders, SEK** | | | |
| Basic earnings per share | -0.11 | -0.12 | -0.41 |
| Earnings per share after dilution | -0.11 | -0.12 | -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 | Mar 31, 2021 | Mar 31, 2020 | Dec 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| **Intangible assets** | | | |
| Capitalized expenditure on development work | 78,478 | 74,237 | 74,392 |
| Patents and trademarks | 1,612 | 1,463 | 1,338 |
| | **80,090** | **75,700** | **75,730** |
| **Tangible assets** | | | |
| Equipment, tools, and installations | 894 | 1,325 | 991 |
| Access-rights assets | 3,544 | 5,063 | 3,924 |
| | **4,438** | **6,388** | **4,915** |
| **Financial fixed assets** | | | |
| Other long-term securities | 4,488 | 5,650 | 5,355 |
| | **4,488** | **5,650** | **5,355** |
| **Total fixed assets** | **89,016** | **87,738** | **86,000** |
| **Current assets** | | | |
| Advance payments to suppliers | 1,613 | – | 639 |
| Accounts receivable | – | 63 | – |
| Other current assets | 2,632 | 2,112 | 2,024 |
| Prepaid expenses and accrued income | 1,461 | 1,564 | 1,309 |
| Cash and cash equivalents | 32,034 | 75,440 | 45,649 |
| **Total current assets** | **37,740** | **79,179** | **49,621** |
| **TOTAL ASSETS** | **126,756** | **166,917** | **135,621** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 7,035 | 7,035 | 7,035 |
| Other contributed capital | 665,713 | 665,713 | 665,713 |
| Accumulated profit or loss including profit/ loss for the year | -586,773 | -551,302 | -577,314 |
| **Total equity** | **85,975** | **121,446** | **95,434** |
| **Long-term liabilities** | | | |
| Other liabilities | 27,088 | 28,288 | 27,388 |
| Leasing liabilities | 2,219 | 3,775 | 2,617 |
| **Total long-term liabilities** | **29,307** | **32,063** | **30,005** |
| **Current liabilities** | | | |
| Accounts payable | 2,618 | 1,297 | 1,950 |
| Leasing liabilities | 1,555 | 1,467 | 1,533 |
| Other liabilities | 1,572 | 5,291 | 1,673 |
| Accrued expensed and deferred income | 5,729 | 5,353 | 5,026 |
| **Total current liabilities** | **11,474** | **13,408** | **10,182** |
| **TOTAL EQUITY AND LIABILITIES** | **126,756** | **166,917** | **135,621** |

# 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, 2020** | **5,808** | **1,228** | **665,851** | **-541,139** | **131,748** |
| Net income/loss Jan–Mar 2020 equal to total comprehensive income | — | — | — | -10,163 | -10,163 |
| **Total comprehensive income** | **—** | **—** | **—** | **-10,163** | **-10,163** |
| **Transactions with shareholders in their capacity as shareholders:** | | | | | |
| Rights issues | 1,227 | -1,228 | — | — | -1 |
| Issue expenses | — | — | -138 | — | -138 |
| **Closing balance Mar 31, 2020** | **7,035** | **—** | **665,713** | **-551,302** | **121,446** |
| | | | | | |
| **Opening balance Apr 1, 2020** | **7,035** | **—** | **665,713** | **-551,302** | **121,446** |
| Net income/loss Apr–Dec 2020 equal to total comprehensive income | — | — | — | -26,012 | -26,012 |
| **Total comprehensive income** | | | | | |
| **Transactions with shareholders in their capacity as shareholders:** | | | | | |
| **Closing balance Dec 31, 2020** | **7,035** | **—** | **665,713** | **-577,314** | **95,434** |
| | | | | | |
| **Opening balance Jan 1, 2021** | **7,035** | **—** | **665,713** | **-577,314** | **95,434** |
| Net income/loss Jan–Mar 2021 equal to total comprehensive income | — | — | — | -9,459 | -9,459 |
| **Total comprehensive income** | | | | | |
| **Transactions with shareholders in their capacity as shareholders:** | | | | | |
| **Closing balance Mar 31, 2021** | **7,035** | **—** | **665,713** | **-586,773** | **85,975** |

# CONSOLITADED CASH FLOW STATEMENT

| TSEK | Q 1 2021 | Q 1 2020 | FY 2020 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/loss after financial items | -9,459 | -10,163 | -36,175 |
| Adjustments for non-cash items etc. | 2,401 | 2,133 | 7,257 |
| | **-7,058** | **-8,030** | **-28,918** |
| | | | |
| Increase/decrease in operating receivables | -1,734 | 1,146 | 913 |
| Increase/decrease in operating liabilities | 1,014 | -2,074 | -4,503 |
| **Cash flow from change of working capital** | **-720** | **-928** | **-3,590** |
| **Cash flow from operating activities** | **-7,778** | **-8,958** | **-32,508** |
| | | | |
| **Cash flow from investing activities** | | | |
| Acquisition of intangible assets | -5,392 | -230 | -3,586 |
| Acquisition of tangible assets | -26 | – | -30 |
| **Cash flow from investing activities** | **-5,418** | **-230** | **-3,616** |
| | | | |
| **Cash flow from financing activities** | | | |
| New capital issue, net of issue expenses | – | -282 | -282 |
| Change in long term leasing liabilities | -419 | -411 | -1,656 |
| Financing development from public funds | – | – | 1,146 |
| Payback financing for development from European Union | – | – | -2,756 |
| **Cash flow from financing activities** | **-419** | **-693** | **-3,548** |
| | | | |
| **Cash flow for the period** | **-13,615** | **-9,881** | **-39,672** |
| Cash equivalents at beginning of period | 45,649 | 85,321 | 85,321 |
| Cash equivalents at end of period | 32,034 | 75,440 | 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 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.
  The loan is interest-bearing at approximately 6 per cent per year. A request for remission of the majority 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 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 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 in order 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 costs 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

## REVENUES

| | Q 1 2021 | Q 1 2020 | FY 2020 |
|---|---|---|---|
| Revenue from agreements with customers | 9 | 64 | 94 |
| Other revenue | 143 | 81 | 884 |
| **Total revenue** | **152** | **145** | **978** |

The Group has revenues as specified below:

| | Q 1 2021 | Q 1 2020 | FY 2020 |
|---|---|---|---|
| Product sale | 9 | 14 | 44 |
| License and royalty revenue | – | – | – |
| Development work | – | 50 | 50 |
| **Total revenue from customers** | **9** | **64** | **94** |

energy from nanocoated salt. In addition, resources have been put into initial 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).

## 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.

With regard to 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 first quarter of 2021, other than the agreed remuneration to the Board of Directors and management.

## STOCK MARKET LISTED SHARES

| | Mar 31, 2021 | Mar 31, 2020 |
|---|---|---|
| Central Development Holdings Ltd (previously Zhong Fa Zhan Holdings Ltd) | 4,488 | 5,650 |

## CHANGE IN FAIR VALUE OF SHARES

| TSEK | Q 1 2021 | Q 1 2020 | FY 2020 |
|---|---|---|---|
| Change in fair value of shares | -867 | -467 | -762 |

## FAIR VALUE

| | Mar 31, 2021 | | Mar 31, 2020 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| State Energy Agency | 24,388 | 23,830 | 24,388 | 23,830 |

# PARENT COMPANY INCOME STATEMENT

| TSEK | Kv 1 2021 | Kv 1 2020 | Helår 2020 |
|---|---|---|---|
| Net revenue | 600 | 600 | 2 400 |
| Other operating revenue | 34 | — | 9 |
| **NET REVENUE** | **634** | **600** | **2,409** |
| Other external expenses | -752 | -1,009 | -2,988 |
| Peronnel expenses | -1,852 | -1,634 | -6,612 |
| **TOTAL OPERATING EXPENSES** | **-2,604** | **-2,643** | **-9,600** |
| **OPERATING RESULT** | **-1,970** | **-2,043** | **-7,191** |
| Financial income | — | 66 | 943 |
| Financial expenses | -1,396 | -467 | -762 |
| **FINANCIAL ITEMS - NET** | **-1,396** | **-401** | **181** |
| **PROFIT BEFORE TAX** | **-3,366** | **-2,444** | **-7,010** |
| Group contribution | — | — | -72,000 |
| Income tax | — | — | — |
| **PROFIT/LOSS FOR THE PERIOD** | **-3,366** | **-2,444** | **-79,010** |

# PARENT COMPANY BALANCE SHEET

| TSEK | Mar 31, 2021 | Mar 31, 2020 | 31 dec 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial assets** | | | |
| Participations in subsidiaries | 197,270 | 197,270 | 197,270 |
| Other long-term securities | 4,488 | 5,650 | 5,355 |
| **Total fixed assets** | **201,758** | **202,920** | **202,625** |
| | | | |
| **Current assets** | | | |
| **Current receivables** | | | |
| Other receivables | 412 | 351 | 174 |
| Accounts receivable from Group companies | – | 8,817 | 750 |
| Prepaid expenses and accrued income | 410 | 452 | 340 |
| Cash and bank deposits | 28,473 | 72,435 | 43,828 |
| **Total current assets** | **29,295** | **82,055** | **45,092** |
| **TOTAL ASSETS** | **231,053** | **284,975** | **247,717** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| ***Restricted equity*** | | | |
| Share capital | 7,035 | 7 035 | 7,035 |
| | **7,035** | **7 035** | **7,035** |
| **Non-restricted equity** | | | |
| Share premium reserve | 447,058 | 447,058 | 447,058 |
| Retained earnings | -249,578 | -170,568 | -170,568 |
| Profit/loss for the year | -3,366 | -2,444 | -79,010 |
| | **194,114** | **274,046** | **197,480** |
| **Total equity** | **201,149** | **281,081** | **204,515** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | 160 | 523 | 43 |
| Accounts payables to Group companies | 41,520 | – | 40,907 |
| Other liabilities | 119 | 236 | 290 |
| Accrued expenses and deferred income | 2,589 | 3,135 | 1,962 |
| **Total current liabilities** | **29,904** | **3,894** | **43,202** |
| **TOTAL EQUITY AND LIABILITIES** | **231,053** | **284,975** | **247,717** |

## 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, May 3, 2021
Board of Directors

| | | |
|---|---|---|
| Åke Sund<br>*Chairman* | Staffan Andersson<br>*Board member* | Tony Grimaldi<br>*Board member* |
| Hans Holmström<br>*Board member* | Erica Larson<br>*Board member* | Elin Lydahl<br>*Board member* |

Carl-Johan Linér
*CEO*

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

# OTHER INFORMATION

## CALENDAR

| | |
|---|---|
| Interim Report Q2 2021 | August 26, 2021 |
| Interim Report Q3 2021 | November 4, 2021 |
| Year-End Report 2021 | February 18, 2022 |

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

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