SaltX Technology

SaltX Technology Holding AB (publ)

INTERIM REPORT QUARTER 3 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 November 4, 2020, at 08:00 am.



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INTERIM REPORT QUARTER 3 2020

FINANCIAL EVENTS

Quarter 3

- Net sales amounted to MSEK 0.0 (0.2)
- Operating profit/loss (EBIT) totaled MSEK -8.0 (-7.0)
- Cash flow from operating activities amounted to MSEK -6.6 (-12.4)
- Earnings per share before and after dilution amounted to SEK -0.11 (-0.10)

Year to date January – September

- Net sales amounted to MSEK 0.1 (-0.7)
- Operating profit/loss (EBIT) totaled MSEK -25.3 (-72.9)
- Cash flow from operating activities amounted to MSEK -25.8 (-48.7)
- Earnings per share before and after dilution amounted to SEK -0.32 (-1.06)

"WE CREATE VALUE FOR THE COMPANY THROUGH OUR COLLABORATION WITH SFW

READ MORE ON PAGE 4

SIGNIFICANT EVENTS

Quarter 3

- State Energy Agency grants support with MSEK 5 for further development and verification of SaltX solution for energy storage

After the end of the period

- SaltX builds a fluidized bed reactor for energy storage using nanocoated salt
- This is how SaltX can contribute to making Helsinki CO^2 neutral

Other information

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

KEY FIGURES

Group, TSEK	Q 3 2020	Q 3 2019	YTD Sep 2020	YTD Sep 2019	FY 2019
Net sales	5	165	94	-674	193
Operating profit/loss (EBIT)	-7,964	-6,985	-25,291	-72,889	-83 830
Earnings per share before and after dilution	-0.11	-0.10	-0.32	-1.06	-1,22
Equity	104,052	67,051	104,052	67,051	131 748
Cash flow from operating activities	-6,584	-12,427	-25,758	-48,664	-58 822
Equity ratio (equity/balance sheet total)	73%	58%	73%	58%	73%

THE CEO'S ADDRESS

How would you describe the third quarter?

The period has been characterized by intensive work where both our nanocoated salt and the discharge reactor are being optimized for the best possible results. This has given us valuable control parameters in our continued development work.

Naturally, the pandemic affected us at SaltX during the quarter. Not least in collaboration with our partners, who operate in countries with more restrictions than we have had and now have in Sweden. At the same time, global trends show that we are working in the right business area. The realization that the world is in the process of switching to an environmentally more sustainable society has continued to grow and is now well established. This also means that the energy transition will be central, which in turn highlights the fact that a crucial element is the possibility of storing energy. SaltX will play an important role here.

I would like to summarize Q3 in three main focus areas:

Firstly, we have continued the important work with the fluidization technique together with the nanocoated salt. Advances and knowledge of this process are important in order to prove the technology.

Secondly, we have worked on our commoditization of energy storage. This is an important ongoing task aimed at optimizing our offering to customers.

Last but not least, we have continued to strengthen our relationships with end customers and important partners supplying key components. This has been with a view to increasing the number of test facilities on the market.

Can you explain in more detail, what is the most important thing that has happened?

The most important thing that has happened is that we have developed a discharge reactor of 100 kW together with a global player called Sumitomo SHI FW (SFW). We have designed the concept and SFW has produced technical drawings and selected the materials. We are very proud of this step and it is a new way forward for SaltX. We create value for the company through our collaboration with SFW. We have previously only taken the approach of supplying nano-coated salt to system builders, but this has proved to be commercially difficult as the system builders have not had our knowledge as a basis for designing energy storage.


Carl-Johan Linér

We need to prove the process, and this is now an important strategic goal. Our aim is to productize our technology to prove how this enables large-scale energy stor-

age in an optimal and cost-effective way. We are doing this to simplify our product offering.

One example is the discharge reactor that will be built and commissioned at a heating plant outside Stockholm.

We have designed this 100 kW discharge reactor, but we have also designed a smaller test rig with both loading and unloading reactors based on fluidization technology in our lab. The test rig will be used to carry out continuous tests and optimizations of the salt.

These two important activities, together with close collaboration in terms of materials with both existing suppliers and established university contacts, mean that we have taken important steps towards being able to offer large-scale energy storage.

How is the collaboration with your different partners going?

Chinese company Shuangliang has enlisted the help of subcontractors for the construction of both the loading and unloading reactors. They will be able to test their 90 kW plant in early 2021.

The construction of the test pilot at Shuangliang is being followed by some new external stakeholders, which we see as very positive.

Spanish firm INERCO has a schedule that extends over several years. They are developing their own reactors and are engaging help from universities and specialists for this. INERCO is convinced that the need for heat (steam) is key to success in the Spanish market and this is entirely in line with our concept. Their involvement in the collaboration is great, even though it is currently difficult to say how quickly it will develop.

THE REALIZATION THAT THE WORLD IS IN THE PROCESS OF SWITCHING TO AN ENVIRONMENTALLY MORE SUSTAINABLE SOCIETY HAS CONTINUED TO GROW AND IS NOW WELL ESTABLISHED

One disappointment, however, is the collaboration with our German partner Steinmuller. We have taken the joint decision to put the collaboration on hold but have left the door open for making contact again in the future.

It seems to take a long time to develop a commercially viable product. Is this a normal process for this type of commercialization?

Yes, the development we are working on is normal for a tech company like SaltX. It is a process where you continually work your way forward. In some respects, it's like working on the development of a new medicine, which takes time as we all know.

In our commoditization process, we cannot rely solely on our patented nano-coated salt. We are now actively working to make this material function effectively in fluidization technology. Although the technology is established, it is not just a matter of adding our material formula, it requires a technical modification, which is completely normal.

It will take time, but we have and will take important steps and the work is ongoing to develop a commercially successful solution for energy storage.

At the end of the quarter, you announced that SaltX is set to build a large-scale discharge reactor. How important is this?

We see this as an industrially large-scale discharge reactor.

The discharge reactor and our test rigs in the lab will be very important for our continued journey towards really large-scale plants.

It is with great satisfaction that I can confirm that we have stimulated our own in-house development in what we have done and how we plan for the future. A development in which competence, experience and knowledge build the company in a very positive way. We stand strong and focused in order to achieve our goals.

Carl-Johan Linér
CEO

SALTX OPERATION

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 about the process to selected system partners, who build and commission the entire energy solution.

COMPONENTS

SaltX energy storage consists of two key components: one reactor for charging the energy and one for discharging. The system includes silos for storing the salt, transport system, piping and monitoring system. The salt, together with the reactors, form the very core of the energy storage solution. In cooperation with 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 — in Berlin. The technology — fluidization — is well known and is mainly used in coal-fired power plants.

SALTX STORES THERMAL ENERGY

- Charges with surplus energy — electricity and/or heat
- Discharges high-temperature steam at 160 — 450 degrees C
- Power or heat can be stored for hours, days or weeks — and later be used when it is needed.

ECOSYSTEM

The company's strategy is to work with partners. 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.

THE STRATEGY OF THE COMPANY IS TO WORK WITH PARTNERS

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 degrees C is required. This requirement can be found, for example, in industries, cities or in cogeneration plants.

PARTNERS

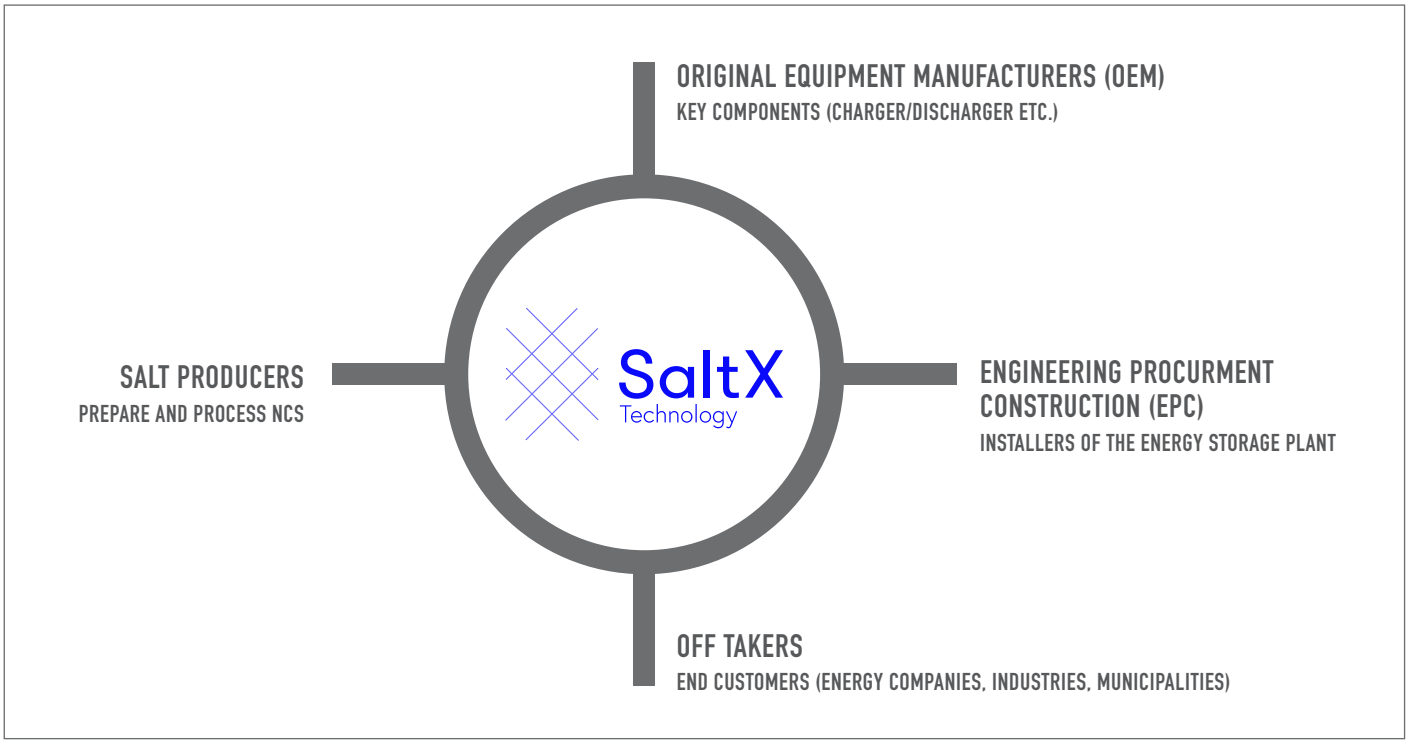
The companies Nordkalk and Wacker are in place to supply the future projects with nanocoated salt.

Today SaltX cooperates with two partners, 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.

SALTX STORES THERMAL ENERGY



SALTX ECOSYSTEM



OUR PARTNERS

SALT PRODUCTION	OEM/EPC: SPAIN	OEM/EPC: CHINA
Nordkalk	INERCO	双良锅炉 SHUANGLIANG BOILER
WACKER		

SIGNIFICANT EVENTS

... DURING THE THIRD QUARTER

STATE ENERGY AGENCY GRANTS SUPPORT WITH MSEK 5

SaltX Technology has in August 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.

THIS IS HOW SALTX CAN CONTRIBUTE TO MAKING HELSINKI CO2 NEUTRAL

During the year, SaltX Technology has together with Rebase Energy produced a submission for the innovation competition Helsinki Energy Challenge. The companies have carefully reviewed Helsinki's current heat and energy situation in order to create a sustainable and suitable solution for the City of Helsinki.

... AFTER THE END OF THE PERIOD

SALTX BUILDS A FLUIDIZED BED REACTOR FOR ENERGY STORAGE USING NANOCOATED SALT

SaltX Technology develops a discharge reactor pilot, to upscale the energy storage solution using SaltX's patented nanocoated salt. The new reactor is based on fluidized bed technology. It is built together with the global technology provider Sumitomo SHI FW and will be installed at a heating plant outside Stockholm.

... 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. The Board of Directors and management find that the impact on the company's internal operation remains limited, but it causes a certain delay in the cooperation with partners.



SaltX is competing to make Helsinki carbonoxide neutral

FINANCIAL OVERVIEW

JULY – SEPTEMBER 2020 – QUARTER 3

REVENUE, EXPENSES AND EARNINGS

Net sales
Net sales for the quarter amounted to TSEK 5 (165).

Other income
Other income in the quarter totaled TSEK 1 (2,427).

Expenses
Expenses during the quarter amounted to TSEK -7,970 (-9,576) broken down as cost of goods TSEK – (-35), other external expenses TSEK -2,629 (-4,317), personnel costs TSEK -3,800 (-4,468) and depreciation and impairment of fixed assets of TSEK -1,541 (-756). 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.

In total, expenses are lower than last year due to fewer employees and a lower activity level.

Operating profit/loss (EBIT)
Operating profit/loss was TSEK -7,964 (-6,984).

Financial items
Profit/loss from financial items amounted to TSEK -1,403 (-556) 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, variation on fair value of the shares in Central Development Holdings Ltd is included being negativ in the third quarter with TSEK -901 while the effect was neutral, +/-0 in the comparing period.

Profit/loss before tax
Profit/loss before tax was TSEK -9,367 (-7,540).

Earnings per share before and after dilution amounted to SEK -0.11 (-0.10).

FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity
Cash flow from operating activities in the quarter was TSEK -6,584 (-12,427).

Group cash equivalents at the end of the quarter totaled TSEK 54,701 (19,922).

Long-term liabilities
Long-term liabilities totaled TSEK 30,696 (33,408) and consisted of loans from the Swedish Energy Agency for TSEK 24,388 and Almi Företagspartner for TSEK 3,300 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 -120 (-1,050). These consisted of ongoing investments in new patents, including patent applications in additional markets.

Equity
Equity at the end of the period totaled TSEK 104,052 (67,051) or SEK 1.18 (0.92) per share and has fallen since year-end with the negative earnings. The equity ratio on the same date was 58 percent.

JANUARY – SEPTEMBER 2020

REVENUE, EXPENSES AND EARNINGS

Net sales
Net sales for the period amounted to TSEK 94 (-674).

DEVELOPMENT PER QUARTER

TSEK	Q 3 2019	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020
Net sales	165	867	64	25	5
Operating profit/loss (EBIT)	-6,985	-10,941	-9,158	-8,169	-7,964
Cash flow from operating activities	-12,427	-10,156	-8,958	-10,216	-6,584
Basic earnings per share, SEK	-0.10	-0.16	-0.12	-0.09	-0.11

Other income
Other income in the period totaled TSEK 826 (5,849) primarily consisting of grant from Energy Agency of TSEK 555 regarding the pilot in Berlin. The grant was initially accounted for as debt to a partner but was finally granted to SaltX.

Expenses
Expenses during the period amounted to TSEK -26,211 (-78,064) broken down as cost of goods TSEK – (-116), other external expenses TSEK -9,218 (-20,166), personnel costs TSEK -12,395 (-22,336) and depreciation and impairment of fixed assets of TSEK -4,598 (-35,446). 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 2,708 in increased depreciation from this.

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

Operating profit/loss (EBIT)
Operating profit/loss was TSEK -25,291 (-72,889).

Financial items
Profit/loss from financial items amounted to TSEK -2,266 (-3,323) 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 -735 (-1,507) is included in reduced fair value of shares in Central Development Holdings Ltd.

Profit/loss before tax
Profit/loss before tax was TSEK -27,557 (-76,212).

Earnings per share before and after dilution amounted to SEK -0.32 (-1.06).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity
Cash flow from operating activities in the quarter was TSEK -25,758 (-48,664). Cash outflow includes a repayment of advance payment from EU's Horizon 2020 program of TSEK 2,756).

Investments
During the period, investments were made that impacted cash flow by TSEK -585 (-1,782). These 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 -5,791 (-8,002). The parent company's available liquid funds as per September 30 totaled TSEK 53,202 (16,220).

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.

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

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 SEK 96 million.

Earnings per share
Earnings per share for the period amounted to SEK -0.32 (-1.06) based on an average figure of 87,084,678 (71,969,863) 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.

Uncertainty regarding the 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 find that the impact on the company's internal operation remains limited, but it causes a certain delay in the cooperation with partners.

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 3 2020	Q 3 2019	YTD Sep 2020	YTD Sep 2019	FY 2019
Net sales	5	165	94	-674	193
Other operating income	1	2,427	826	5,849	6,144
TOTAL	**6**	**2,592**	**920**	**5,175**	**6,337**
Cost of products sold	–	-35	–	-116	-126
Other external costs	-2,629	-4,317	-9,218	-20,166	-24,542
Personnel costs	-3,800	-4,468	-12,395	-22,336	-27,860
Depreciation and impairement of fixed assets	-1,541	-757	-4,598	-35,446	-37,639
TOTAL OPERATING COSTS	**-7,970**	**-9,577**	**-26,211**	**-78,064**	**-90,167**
OPERATING PROFIT/LOSS	**-7,964**	**-6,985**	**-25,291**	**-72,889**	**-83,830**
Financial income	–	–	–	–	8
Financial expenses	-1,403	-556	-2,266	-3,323	-3,875
FINANCIAL ITEMS - NET	**-1,403**	**-556**	**-2,266**	**-3,323**	**-3,867**
PROFIT/LOSS BEFORE INCOME TAX	**-9,367**	**-7,541**	**-27,557**	**-76,212**	**-87,697**
Income tax expense	—	—	—	—	—
PROFIT/LOSS FOR THE PERIOD	**-9,367**	**-7,541**	**-27,557**	**-76,212**	**-87,697**
Earnings per share calculated on earnings attributable to parent company shareholders, SEK					
Basic earnings per share	-0.11	-0.10	-0.32	-1.06	-1.22
Earnings per share after dilution	-0.11	-0.10	-0.32	-1.06	-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	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure on development work	72,432	75,132	75,139
Patents and trademarks	1,521	2,745	1,354
	73,953	**77,877**	**76,493**
Tangible assets			
Equipment, tools, and installations	1,112	1,630	1,445
Access-rights assets	4,304	5,823	5,443
	5,416	**7,453**	**6,888**
Financial fixed assets			
Shares	5,382	6,293	6,117
	5,382	**6,293**	**6,117**
Total fixed assets	**84,751**	**91,623**	**89,498**
Current assets			
Accounts receivable	–	188	1,077
Other current assets	2,217	2,252	2,346
Prepaid expenses and accrued income	1,548	1,646	1,462
Cash and cash equivalents	54,701	19,922	85,321
Total current assets	**58,466**	**24,008**	**90,206**
TOTAL ASSETS	**143,217**	**115,631**	**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	590,897	665,851
Accumulated profit or loss including profit/loss for the year	-568,696	-529,654	-541,139
Total equity	**104,052**	**67,051**	**131,748**
Long-term liabilities			
Other liabilities	27,688	28,888	28,588
Leasing liabilities	3,008	4,520	4,150
Total long-term liabilities	**30,696**	**33,408**	**32,738**
Current liabilities			
Accounts payable	900	2,039	2,237
Leasing liabilities	1,511	1,425	1,447
Other liabilities	1,495	1,862	4,954
Accrued expensed and deferred income	4,563	9,846	6,580
Total current liabilities	**8,469**	**15,172**	**15,218**
TOTAL EQUITY AND LIABILITIES	**143,217**	**115,631**	**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 – Sep 2019 equal to total comprehensive income	–	–	–	-76,212	-76,212
Total comprehensive income	**–**	**–**	**–**	**-76,212**	**-76,212**
Transactions with shareholders in their capacity as shareholders:					
Rights issues	897	-888	–	–	9
Issue expenses	–	–	-342	–	-342
Warrants repurchased	–	–	-2	–	-2
Closing balance Sep 30, 2019	**5,808**	**–**	**590,897**	**-529,654**	**67,051**
Net income/loss Oct – Dec 2019 equal to total comprehensive income	–	–	–	-11 485	-11 485
Total comprehensive income	**–**	**–**	**–**	**-11 485**	**-11 485**
Transactions with shareholders in their capacity as shareholders:					
Rights issues, under registration	–	1,228	84,508	–	85,736
Issue expenses	–	–	-9,554	–	-9,554
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 – Sep 2020 equal to total comprehensive income	–	–	–	-27,557	-27,557
Total comprehensive income	**–**	**–**	**–**	**-27,557**	**-27,557**
Transactions with shareholders in their capacity as shareholders:	**1,227**	**-1,228**	**–**	**–**	**-1**
Rights issues	–	–	-138	–	-138
Issue expenses	–	–	-138	–	-138
Closing balance Sep 30, 2020	**7,035**	**–**	**665,713**	**-568,696**	**104,052**

CONSOLITADED CASH FLOW STATEMENT

TSEK	Q 3 2020	Q 3 2019	YTD Sep 2020	YTD Sep 2019	FY 2019
Cash flow from operating activities					
Profit/loss after financial items	-9,367	-7,540	-27,557	-76,212	-87,696
Adjustments for non-cash items etc.	2,441	736	5,475	37,517	39,896
	-6,926	**-6,804**	**-22,082**	**-38,695**	**-47,800**
Increase/decrease in operating receivables	190	911	1,120	9,767	8,968
Increase/decrease in operating liabilities	152	-6,534	-4,796	-19,736	-19,990
Cash flow from change of working capital	**342**	**-5,623**	**-3,676**	**-9,969**	**-11,022**
Cash flow from operating activities	**-6,584**	**-12,427**	**-25,758**	**-48,664**	**-58,822**
Cash flow from investing activities					
Acquisition of intangible assets	-120	-1,050	-555	-1,782	-2,037
Acquisition of tangible assets	–	–	-30	–	–
Cash flow from investing activities	**-120**	**-1,050**	**-585**	**-1,782**	**-2,037**
Cash flow from financing activities					
New capital issue, net of issue expenses	–	-41	-282	-335	75,847
Change in long term leasing liabilities	-415	-107	-1,239	-969	-1,339
Financing for development from European Union	–	–	-2,756	–	–
Cash flow from financing activities	**-415**	**-148**	**-4,277**	**-1,304**	**74,508**
Cash flow for the period	**-7,119**	**-13,625**	**-30,620**	**-51,750**	**13,649**
Cash equivalents at beginning of period	61,820	33,547	85,321	71,672	71,672
Cash equivalents at end of period	54,701	19,922	54,701	19,922	85,321

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. In conjunction with the new pilot being installed with new reactor technology development expenses will be capitalized which is expected as from October 2020.

- **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.

REVENUES

	Q 3 2020	Q 3 2019	YTD Sep 2020	YTD Sep 2019	FY 2019
Revenue from agreements with customers	5	165	94	-674	193
Other revenue	1	2,427	826	5,849	6,144
Total revenue	**6**	**2,592**	**920**	**5,175**	**6,337**

The Group has revenues as specified below:

	Q 3 2020	Q 3 2019	YTD Sep 2020	YTD Sep 2019	FY 2019
Product sale	5	165	44	381	393
License and royalty revenue	–	–	–	-2,178	-2,067
Development work	–	–	–	1,123	1,867
Total revenue from customers	**5**	**165**	**44**	**-674**	**193**

These activities and efforts have the character of research and sales promotion activities 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.n.

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.

STOCK MARKET LISTED SHARES

	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Central Development Holdings Ltd (previously Zhong Fa Zhan Holdings Ltd)	5,382	6,293	6,117

CHANGE IN FAIR VALUE OF SHARES

TSEK	Q 3 2020	Q 3 2019	YTD Sep 2020	YTD Sep 2019	FY 2019
Change in fair value of shares	-901	–	-735	-1,507	-1,683

FAIR VALUE

	Sep 30, 2020		Sep 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 Sep 2020	YTD Sep 2019	FY 2019
NET SALES	**1,800**	**1,800**	**2,400**
Other external costs	-2,358	-3,786	-4,444
Peronnel costs	-5,049	-6,680	-8,876
TOTAL OPERATING EXPENSES	**-7,407**	**-10,466**	**-13,320**
OPERATING RESULT	**-5,607**	**-8,666**	**-10,920**
Financial income	551	2,171	3,198
Financial expenses	-735	-1,507	-1,683
FINANCIAL ITEMS - NET	**-184**	**664**	**1,515**
PROFIT BEFORE TAX	**-5,791**	**-8,002**	**-9,405**
Group contribution	–	–	-83,000
Income tax	–	–	–
PROFIT/LOSS FOR THE PERIOD	**-5,791**	**-8,002**	**-92,405**

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
ASSETS			
FINANCIAL ASSETS			
Participations in subsidiaries	197,270	197,270	197,270
Shares	5,382	6,293	6,117
Total fixed assets	**202,652**	**203,563**	**203,387**
Current assets			
Current receivables			
Other receivables	289	353	782
Accounts receivable from Group companies	23,451	74,723	750
Prepaid expenses and accrued income	470	361	265
Cash and bank deposits	53,202	16,220	82,458
Total current assets	**77,412**	**91,657**	**84,255**
TOTAL ASSETS	**280,064**	**295,220**	**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	372,242	447,196
Retained earnings	-170,568	-78,163	-78,163
Profit/loss for the year	-5,791	-8,002	-92,405
	270,699	**286,077**	**276,628**
Total equity	**277,734**	**291,885**	**283,664**
Current liabilities			
Accounts payable	245	229	778
Other liabilities	115	392	158
Accrued expenses and deferred income	1,970	2,714	3,042
Total current liabilities	**2,330**	**3,335**	**3,978**
TOTAL EQUITY AND LIABILITIES	**280,064**	**295,220**	**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, November 4, 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

Auditor's report

SaltX Technology Holding AB (publ) corp. reg. no. 556917-6596

Introduction

We have reviewed the condensed interim financial information (interim report) of SaltX Technology Holding AB (publ) as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, November 4, 2020

Öhrlings PricewaterhouseCoopers AB

Claes Sjödin
Authorized Public Accountant
Auditor in charge

Leonard Daun
Authorized Public Accountant

OTHER INFORMATION

CALENDAR

Year-end Report 2020	February 17, 2021

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