SaltX Technology

SaltX Technology Holding AB (publ)

YEAR-END REPORT Q4 2021

This information is information which SaltX Technology is required to disclose under the EU market abuse regulation. The information was submitted for publication on February 18, 2022, at 08:00 am.



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YEAR-END REPORT Q4 2021

FINANCIAL EVENTS

Fourth quarter

- Net sales amounted to MSEK — (—)
- Operating profit/loss (EBIT) totaled MSEK -13.5 (-8.1)
- Cash flow from operating activities amounted to MSEK -13.9 (-6.7)
- Earnings per share before and after dilution amounted to SEK -0.15 (-0.10)

Full year January — December

- Net sales amounted to MSEK 0.2 (0.1)
- Operating profit/loss (EBIT) totaled MSEK -37.6 (-33.4)
- Cash flow from operating activities amounted to MSEK -35.7 (-32.5)
- Earnings per share before and after dilution amounted to SEK -0.39 (-0.41)

SIGNIFICANT EVENTS

Fourth quarter

- SaltX's new pilot plant – a step towards a fossil-free future

After the end of the period

- Successful results for the charging reactor in Bollmora
- SaltX and Alfa Laval in collaboration to make EnerStore more energy efficient
- SaltX's innovation – charging reactor with several areas of use

KEY FIGURES

Group, TSEK	Q 4 2021	Q 4 2020	FY 2021	FY 2020
Net sales	—	—	164	94
Operating profit/loss (EBIT)	-13,544	-8,101	-37,587	-33,392
Earnings per share before and after dilution	-0.15	-0.10	-0.39	-0.41
Equity	112,375	95,434	112,375	95,434
Cash flow from operating activities	-14,339	-6,750	-36,092	-32,508
Equity ratio (equity/balance sheet total)	74%	70%	74%	70%

COST OF CO^2 EMISSIONS AND FOSSIL FUELS IS INCREASING AND THE TREND IS NOW TO REPLACE OLD PROCESSES WITH ELECTRIFIED PROCESSES – THIS IS CALLED "ELECTRIFIED STEAM ON DEMAND 24/7". THIS IS ONE OF SEVERAL GOOD APPLICATIONS FOR ENERSTORE.

READ MORE ON PAGE 4

THE CEO'S ADDRESS
OUR PILOTS LAY THE FOUNDATION FOR FUTURE BUSINESS DEALS

At the time of writing, the coronavirus restrictions are starting to come loose and we are brave enough to start thinking that we can put the pandemic behind us. Besides the pandemic, the year has been characterised by climate issues and, not least, the promises of different countries to become climate neutral by increasing the proportion of renewable energy and reducing emissions from fossil fuels. COP 26 in Glasgow set the global agenda for the climate transition and became the unifying force for all promises and objectives. It is urgent, changes must be made now and not tomorrow!

Furthermore, we have been affected by what is happening in our surrounding world, which contributes to the price picture and long delivery times.

THE NEED FOR ENERSTORE IS CLEARER

We know that when the share of renewable energy increases, the need to store energy will increase as well. SaltX sees great opportunities to be a supplier of energy storage to make the transition to renewable energy possible. The faster the transition, the better for the climate.

We are in a situation today where we have record-high cost levels for oil, electricity, gas, coal and increasing costs for carbon dioxide emission allowances, which is likely to accelerate the transition to renewable energy. We can clearly see that interest in and the need for energy storage is increasing, primarily from industry that uses fossil fuels to create high-value steam for its production. Its cost of CO2 emissions and fossil fuels is increasing and the trend is now to replace old processes with electrified processes – this is called "electrified steam on demand 24/7". This is one of several good applications for EnerStore.

PILOT IN BOLLMORA ON SITE

For SaltX, we have been able to continue working on the pilot at Vattenfall, the Bollmora plant. Despite the pandemic, the entire plant is in place with both a charging principal from Calix (Australia) and a discharge reactor from Sumitomo Foster Wheeler (Finland). First samples have been taken and we will communicate the results for the entire plant when we have carried out continuous runs with both loading and unloading of the material. This facility is an important milestone in our development and it is very valuable and convenient that the facility is close to our office as employees thus have easy access to it.

WE CAN CLEARLY SEE THAT INTEREST IN AND THE NEED FOR ENERGY STORAGE IS INCREASING, PRIMARILY FROM INDUSTRY THAT USES FOSSIL FUELS TO CREATE HIGH-VALUE STEAM FOR ITS PRODUCTION.

ALL-NEW CHARGING REACTOR

We have recently announced that in parallel with the construction of the Bollmora pilot we have also conducted the development of another type of charging reactor. The purpose of the development project is to prepare the energy storage to be able to handle even higher powers and temperatures.

This technological innovation is the subject of an application to the Swedish Patent Office, which will be an important protection for us in the future. The reactor is intended to charge calcium hydroxide in our energy store EnerStore, but there may also be other possible applications in the future.

PARTNERSHIP DEVELOPS

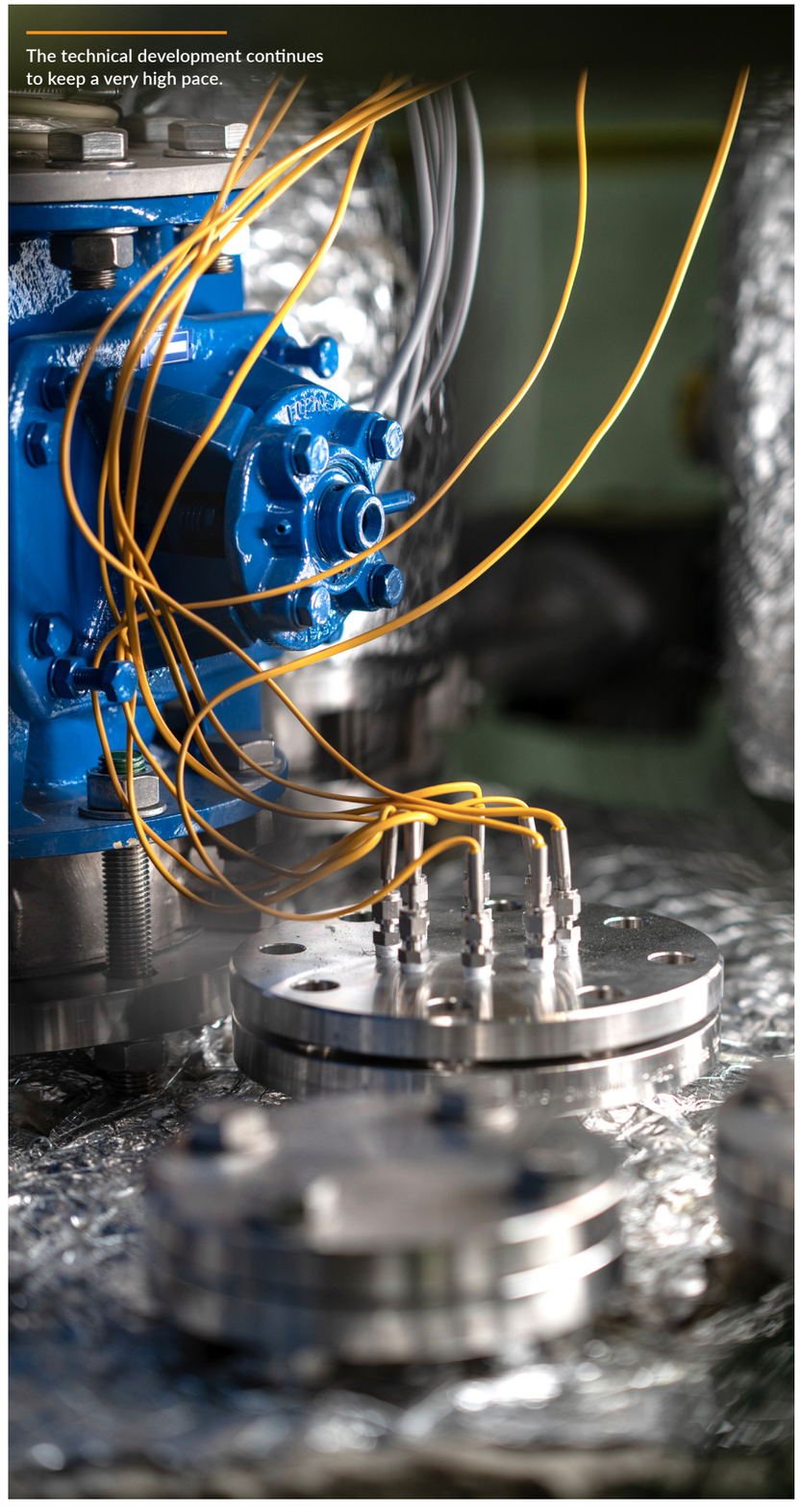
I have talked several times about the importance of partnerships so that together we can move forward as quickly and as efficiently as possible. We are delighted to have recently signed a partnership agreement with Alfa-Laval, which brings in considerable experience and knowledge. Again, we benefit from Bollmora to evaluate possible integrations of effective products.

We continue the dialogue with partners in China (Shuangliang) and in Spain (INERCO). Today, the dialogue is more focused on SaltX's complete solution instead of them conducting their own development.

Finally, with an expected significant increase in costs for fossil fuels, the need for energy storage increases significantly in the future!

Thank you for the opportunity to address you and for your trust!

Carl-Johan Linér, CEO
Stockholm, February 18, 2022



The technical development continues to keep a very high pace.

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 for energy companies and industry. The company cooperates with various 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 to meet requirements on continuous energy supply. SaltX's innovation, EnerStore, is a circular storage solution that provides energy when needed to various energy players and industrial customers.

SALTX THERMOCHEMICAL ENERGY STORAGE: ENERSTORE

SaltX's system is based on scalable industrial components and technology used in the energy, process, and chemical industries since long. SaltX has adjusted and optimized this technology and uses it in a new 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 degrees C. In simple terms, the salt is dried, and as the salt is dry, it contains a stored potential energy. To release the energy, water vapor is added to the salt, a strong chemical reaction occurs, and all the energy used to dry the salt returns in the form of 450-degree steam. The salt can be loaded with heat, electricity and gas depending on the area of application.

The energy can be stored without losses for hours, days or weeks and then used when needed.

THREE AREAS OF APPLICATION

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

HEAT TO HEAT

ENERSTORE IS A CIRCULAR STORAGE SOLUTION THAT PROVIDES ENERGY WHEN NEEDED TO VARIOUS ENERGY PLAYERS AND INDUSTRIAL CUSTOMERS.

Recharge with heat and release 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 the waste heat. SaltX' energy storage material is also movable 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 thermochemical energy storage can be used and act 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

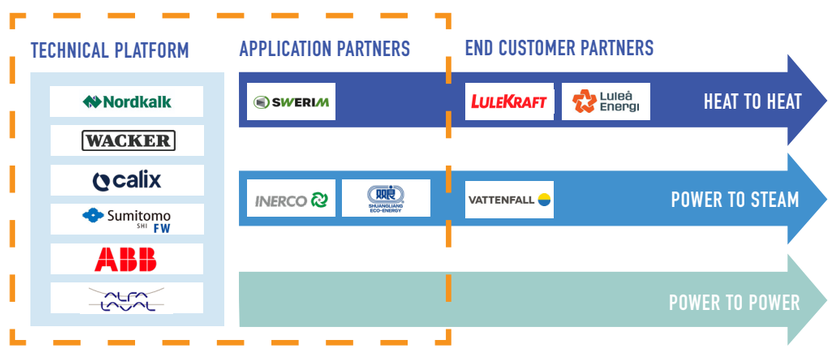
SaltX collaborates with partners in the development of technology, materials, and applications. Depending on the market and end use, these partners may differ, but mainly have four different functions. They are material partners that prepare and process the material in the form of nanocoated salt, OEMs (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 precommercial 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





SIGNIFICANT EVENTS

...IN THE FOURTH QUARTER

SALTX'S NEW PILOT PLANT – A STEP TOWARDS A FOSSIL FREE FUTURE

During 2021, SaltX Technology has built a pilot plant at Vattenfall's premise in Stockholm to optimize and further develop its technology since the pilot installation in Berlin 2019. SaltX has been given the opportunity to build a test plant at Vattenfall's heating plant in Bollmora, Stockholm. The pilot plant has been under construction for a year and enables storage of renewable energy with both a charging reactor and a discharging reactor. Both reactors are of a previously known technology that has been adapted to SaltX's nanocoated salt and enables both economic and technical scalability.



The pilot plant in Bollmora makes it possible to refine different technical solutions for EnerStore.

....AFTER THE END OF THE PERIOD

SUCCESSFUL RESULTS FOR THE CHARGING REACTOR IN BOLLMORA

SaltX has successfully installed and commissioned a charging reactor from the Australian company Calix Limited at SaltX's pilot plant in Bollmora, Stockholm. Tests from the pilot plant's charging reactor show good results.´

SALTX AND ALFA LAVAL IN COLLABORATION TO MAKE ENERSTORE MORE ENERGY EFFICIENT

Alfa Laval's technology will make SaltX's energy storage even more energy efficient. The company has focused on proving function and scalability in the large parts of the system. SaltX is now taking the next step in developing EnerStore by streamlining the entire system, including subsystems. The collaboration can lead to future business between the parties if the experiments with Alfa Laval's equipment in SaltX's process lead to good results.

SALTX'S TECHNOLOGY'S INNOVATION – CHARGING REACTOR WITH SEVERAL AREAS OF USE

In 2021, SaltX Technology developed a new technology for charging its energy storage material. The purpose of the development project is to prepare the energy storage to be able to handle even higher powers and temperatures. The trials are showing promising results, and the development of the technology will continue in 2022.

FINANCIAL OVERVIEW

OCTOBER – DECEMBER – QUARTER 4 2021

REVENUE, EXPENSES AND EARNINGS

Net sales
Net sales for the quarter amounted to TSEK – (–).

Capitalized expenditure for development work
Balanced development expenses amounted to TSEK 2,010 (2,863) in the quarter and relate to the last phase of the construction of a pilot with new reactor technology based on fluidization.

Other income
Other income in the quarter totaled TSEK 20 (58).

Expenses
Expenses during the quarter amounted to TSEK 15,574 (11,022), broken down as other external expenses TSEK 10,144 (5,332), personnel costs TSEK 3,866 (3,935) , and depreciation of fixed assets TSEK 1,564 (1,755). The increase in external costs is attributable to increased project costs for the above-mentioned pilot plant but also for development of a new alternative reactor technology.

Operating profit/loss (EBIT)
Operating profit/loss was TSEK -13,544 (-8,101).

Financial items
Profit/loss from financial items amounted to TSEK -1,842 (-517) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was negative in the quarter at TSEK -1,375 (-27).

Profit/loss before tax
Profit/loss before tax was TSEK -15,386 (-8,618).

Earnings per share before and after dilution amounted to SEK -0.15 (-0.10).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity
Cash flow from operating activities during the quarter was TSEK -14,339 (-6,750).

Group cash equivalents at the end of the quarter amounted to TSEK 51,160 (45,649).

Long-term liabilities
Long-term liabilities amounted to TSEK 27,177 (30,005) and consisted of loans from the Swedish Energy Agency of TSEK 24,386 and from Almi Företagspartner of TSEK 1,800, as well as long-term leasing liabilities of TSEK 991.

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 -1,524 (-3,031). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor. Capitalized expenditures have been reduced in the quarter with the grant from Swedish Energy Agency with TSEK 563. Cash flow also includes ongoing investments in new patents, including patent applications in additional markets.

Equity
At the end of the quarter equity amounted to TSEK 112,375 (95,434) or SEK 1.09 (1.09) per share and has increased through an issue of shares in May 2021. The equity ratio on the same date was 74 (70) percent.

DEVELOPMENT PER QUARTER

TSEK	Q 4 2020	Q 1 2020	Q 2 2021	Q 3 2021	Q 4 2021
Net sales	—	9	52	103	—
Operating profit/loss (EBIT)	-8,101	-8,121	-7,923	-7,999	-13,544
Cash flow from operating activities	-6,750	-7,778	-10,317	-3,658	-13,935
Basic earnings per share, SEK	-0.10	-0.11	-0.08	-0.05	-0.15

JANUARY – DECEMBER 2021 FULL YEAR

REVENUE, EXPENSES AND EARNINGS

Net sales
Net sales for the year amounted to TSEK 164 (94).

Capitalized expenditure for development work
Balanced development expenses amounted to TSEK 18,155 (2,863) in the year and relate to the development and construction of a pilot with new reactor technology based on fluidization.

Other income
Other income in the year totaled TSEK 1,200 (884) and included the SaltX share of the reward from Helsinki Energy Challenge..

Expenses
Expenses during the year amounted to TSEK 57,106 (37,233), broken down as other external expenses TSEK 33,015 (14,550), personnel costs TSEK 17,888 (16,330), and depreciation of fixed assets TSEK 6,203 (6,353). The increase in external costs is attributable to increased project costs primarily for the above-mentioned pilot plant for the new reactor technology.

Operating profit/loss (EBIT)
Operating profit/loss was TSEK -37,587 (-33,392).

Financial items
Profit/loss from financial items amounted to TSEK -690 (-2,783) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was positive in the year at TSEK 1,200 (-762).

Profit/loss before tax
Profit/loss before tax was TSEK -38,277 (-36,175).

Earnings per share before and after dilution amounted to SEK -0.39 (-0.41).

CASH FLOW AND INVESTMENTS

Cash flow and liquidity
Cash flow from operating activities during the year was TSEK -36,092 (-32,508).

Investments
During the year, investments were made that impacted cash flow in the amount of TSEK -15,006 (-3,616). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor. Capitalized expenditures have been reduced with the grant from Swedish Energy Agency with TSEK 4,142. Cash flow also included ongoing investments in new patents, including patent applications in additional markets.

PARENT COMPANY

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

CHANGE OF SHARE CAPITAL DURING YEAR 2021

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

Profit/loss before tax for the year was TSEK -7,447 (-7,010). As in the prior year, the parent company reported a Group contribution to boost the equity of its subsidiary SaltX Technology AB. On December 31, the parent company held available liquid assets amounting to TSEK 49,141 (43,828).

SHARE CAPITAL

Share capital at the end of the year amounted to SEK 8,234,958.72 consisting of 102,936,984 shares at a nominal value of SEK 0.08. The share capital increased in May 2021 by SEK 1.2 million and the number of shares by 15 million shares through a directed issue.

SHARES

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

Earnings per share
Earnings per share for the year amounted to SEK -0.39 (-0.41) based on an average of 97,311,984 (87,297,754) shares, before dilution. When calculating the number of shares after full dilution, the additional outstanding shares from warrant programs issued were considered. However, this did not have any effect since the result was negative. During the year outstanding warrants expired without value on October 31, 2021.

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.
The company is still in a development phase and a need for additional financing is expected over the next few years 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.

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

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

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that, in the interim report for the legal entity, the parent company applies all 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT — SUMMARY

TSEK	Q 4 2021	Q 4 2020	F Y 2021	F Y 2020
Net sales	–	–	164	94
Work performed by the Company for its own use and capitalized	2,010	2,863	18,155	2,863
Other operating income	20	58	1,200	884
TOTAL	**2,030**	**2,921**	**19,519**	**3,841**
Other external expenses	-10,144	-5,332	-33,015	-14,550
Personnel expenses	-3,866	-3,935	-17,888	-16,330
Depreciation of fixed assets	-1,564	-1,755	-6,203	-6,353
TOTAL OPERATING EXPENSES	**-15,574**	**-11,022**	**-57,106**	**-37,233**
OPERATING PROFIT/LOSS	**-13,544**	**-8,101**	**-37,587**	**-33,392**
Financial expenses	-1,842	-517	-690	-2,783
FINANCIAL ITEMS - NET	**-1,842**	**-517**	**-690**	**-2,783**
PROFIT/LOSS BEFORE INCOME TAX	**-15,386**	**-8,618**	**-38,277**	**-36,175**
Income tax expense	–	–	–	–
PROFIT/LOSS FOR THE PERIOD	**-15,386**	**-8,618**	**-38,277**	**-36,175**
Earnings per share calculated on earnings attributable to parent company shareholders, SEK				
Basic earnings per share	-0.15	-0.10	-0.39	-0.41
Earnings per share after dilution	-0.15	-0.10	-0.39	-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	Dec 31, 2021	Dec 31, 2020
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditure on development work	84,795	74,392
Patents and trademarks	1,587	1,338
	86,382	**75,730**
Tangible assets		
Equipment, tools, and installations	660	991
Access-rights assets	2,405	3,924
	3,065	**4,915**
Financial fixed assets		
Other long-term securities	6,555	5,355
	6,555	**5,355**
Total fixed assets	**96,002**	**86,000**
Current assets		
Advance payments to suppliers	91	639
Other current assets	2,696	2,024
Prepaid expenses and accrued income	1,300	1,309
Cash and cash equivalents	51,160	45,649
Total current assets	**55,247**	**49,621**
TOTAL ASSETS	**151,249**	**135,621**
EQUITY AND LIABILITIES		
Equity		
Share capital	8,235	7,035
Other contributed capital	719,731	665,713
Accumulated profit or loss including profit/loss for the year	-615,591	-577,314
Total equity	**112,375**	**95,434**
Long-term liabilities		
Other liabilities	26,186	27,388
Leasing liabilities	991	2,617
Total long-term liabilities	**27,177**	**30,005**
Current liabilities		
Accounts payable	3,565	1,950
Leasing liabilities	1,601	1,533
Other liabilities	1,533	1,673
Accrued expensed and deferred income	4,998	5,026
Total current liabilities	**11,697**	**10,182**
TOTAL EQUITY AND LIABILITIES	**151,249**	**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-Dec 2020 equal to total comprehensive income	–	–	–	-36,175	-36,175
Total comprehensive income	**–**	**–**	**–**	**-36,175**	**-36,175**
Transactions with shareholders in their capacity as shareholders:					
Rights issues	1,227	-1,228	–	–	-1
Issue expenses	–	–	-138	–	-138
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-Dec 2021 equal to total comprehensive income	–	–	–	-38,277	-38,277
Total comprehensive income	**–**	**–**	**–**	**-38,277**	**-38,277**
Transactions with shareholders in their capacity as shareholders:					
Share issues	1,200	–	58,800	–	60,000
Issue expenses	–	–	-4,782	–	-4,782
Closing balance Dec 31, 2021	**8,235**	**–**	**719,731**	**-615,591**	**112,375**

CONSOLITADED CASH FLOW STATEMENT

TSEK	Q 4 2021	Q 4 2020	FY 2021	FY 2020
Cash flow from operating activities				
Profit/loss after financial items	-15,386	-8,618	-38,277	-36,175
Adjustments for non-cash items etc.	2,939	1,782	5,003	7,257
	-12,447	**-6,836**	**-33,274**	**-28,918**
Increase/decrease in operating receivables	-524	-207	-115	913
Increase/decrease in operating liabilities	-1,369	293	-2,703	-4,503
Cash flow from change of working capital	**-1,492**	**86**	**-2,818**	**-3,590**
Cash flow from operating activities	**-14,339**	**-6,750**	**-36,092**	**-32,508**
Cash flow from investing activities				
Acquisition of intangible assets	-1,468	-3,031	-14,836	-3,586
Acquisition of tangible assets	-56	–	-170	-30
Cash flow from investing activities	**-1,524**	**-3,031**	**-15,006**	**-3,616**
Cash flow from financing activities				
New capital issue, net of issue expenses	–	–	55,218	-282
Change in long term leasing liabilities	-425	-417	-1,688	-1,656
Financing development from public funds	–	1,146	3,079	1,146
Payback financing for development from European Union	–	–	–	-2,756
Cash flow from financing activities	**-425**	**729**	**56,609**	**-3,548**
Cash flow for the period	**-16,288**	**-9,052**	**5,511**	**-39,672**
Cash equivalents at beginning of period	67,448	54,701	45,649	85,321
Cash equivalents at end of period	51,160	45,649	51,160	45,649

NOTES

NOTE 1 SIGNIFICANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

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

- **Earlier received from the Swedish Energy Agency**
  - Long-term liabilities consist largely of loans from the Swedish Energy Agency in the amount of TSEK 24,386. The loan is interest-bearing at approximately 6 per cent per year. A request for remission of most of the loan was sent to the Swedish Energy Agency on two occasions but was rejected. The company does not intend for now to send a request for a new review to the authority.
- **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 to continue operations in the long term.
- **Development**
  The Group assesses when the product or process is technically and commercially viable and whether the Group has sufficient resources to complete development and subsequently use or sell the intangible asset. If these conditions are met, an intangible asset is recognized in the balance sheet. The expenditures in conjunction with the construction of a new pilot plant with new reactor technology have been capitalized.
- **Research and promotional measures**
  During the year, the Group focused on the application for large-scale energy storage, EnerStore. In addition to the pilot plant mentioned above, the activities have consisted of searching for a more efficient process for charging and discharging energy from nanocoated salt. In addition, resources have been put into initial 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 reported the following amounts in the income statement 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.

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

NOTE 4 TRANSACTIONS WITH AFFILIATED PARTIES

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

REVENUE

	Q 4 2021	Q 4 2020	FY 2021	FY 2020
Revenue from agreements with customers	–	–	164	94
Other revenue	20	58	1 200	884
Total revenue	**20**	**58**	**1 364**	**978**

The Group has revenues as specified below:

	Q 4 2021	Q 4 2020	FY 2021	FY 2020
Product sale	–	–	61	44
Development work	–	–	–	50
Consultancy services (technology)	–	–	103	–
Total revenue from customers	**–**	**–**	**164**	**94**

STOCK MARKET LISTED SHARES

	Dec 31, 2021	Dec 31, 2020
Central Development Holdings Ltd (previously Zhong Fa Zhan Holdings Ltd)	6,555	5,355

The assets have been valued in level 1 in the true value chain.

CHANGE IN FAIR VALUE OF SHARES

TSEK	Q 4 2021	Q 4 2020	F Y 2021	F Y 2020
Change in fair value of shares	-1,375	-27	1,200	-762

FAIR VALUE

	Dec 31, 2021		Dec 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Statens Energimyndighet	24,386	23,830	24,388	23,830

PARENT COMPANY INCOME STATEMENT

TSEK	F Y 2021	F Y 2020
Net revenue	2,400	2,400
Other operating revenue	34	9
NET REVENUE	**2,434**	**2,409**
Other external expenses	-3,242	-2,988
Peronnel expenses	-6,680	-6,612
TOTAL OPERATING EXPENSES	**-9,922**	**-9,600**
OPERATING RESULT	**-7,488**	**-7,191**
Financial income	2	943
Financial expenses	39	-762
FINANCIAL ITEMS – NET	**41**	**181**
PROFIT BEFORE TAX	**-7,447**	**-7,010**
Group contribution	-50,000	-72,000
Income tax	–	–
PROFIT/LOSS FOR THE PERIOD	**-57 ,447**	**-79,010**

PARENT COMPANY BALANCE SHEET

TSEK	Dec 31, 2021	Dec 31, 2020
ASSETS		
Financial assets		
Participations in subsidiaries	197,270	197,270
Other long-term securities	6,555	5,355
Total fixed assets	**203,825**	**202,625**
Current assets		
Advance payment suppliers	69	–
Current receivables		
Other receivables	321	174
Accounts receivable from Group companies	–	750
Prepaid expenses and accrued income	248	340
Cash and bank deposits	49,141	43,828
Total current assets	**49,779**	**45,092**
TOTAL ASSETS	**253,604**	**247,717**
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	8,235	7,035
	8,235	**7,035**
Non-restricted equity		
Share premium reserve	501,076	447,058
Retained earnings	-249,578	-170,568
Profit/loss for the year	-57,447	-79,010
	194,051	**197,480**
Total equity	**202,286**	**204,515**
Current liabilities		
Accounts payable	499	43
Accounts payables to Group companies	48,663	40,907
Other liabilities	140	290
Accrued expenses and deferred income	2,016	1,962
Total current liabilities	**51,318**	**43,202**
TOTAL EQUITY AND LIABILITIES	**253,604**	**247,717**

DECLARATION BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and CEO confirm that this Year-end 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, February 18, 2022
Board of Directors

Åke Sund *Chairman*	Staffan Andersson *Board member*	Tony Grimaldi *Board member*
Hans Holmström *Board member*	Erica Larson *Board member*	Elin Lydahl *Board member*

Carl-Johan Linér
CEO

AUDITOR'S REPORT

Auditor's report

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

Introduction

We have reviewed the condensed interim financial information (year-end report) of SaltX Technology Holding AB (publ) as of 31 December 2021 and the 12-montth 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, 18 February 2022

Öhrlings PricewaterhouseCoopers AB

Claes Sjödin Authorized Public Accountant Auditor in charge	Leonard Daun Authorized Public Accountant

OTHER INFORMATION

CALENDAR

Annual Shareholders Meeting	April 25, 2022
Interim Report quarter 1 2022	May 4, 2022
Interim Report quarter 2 2022	August 24, 2022
Interim Report quarter 3 2022	November 4, 2022
Year-end Report 2022	February 17, 2023

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

ADDRESS

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