

SaltX Technology Holding AB (publ)

YEAR-END REPORT 2018

This information is information which SaltX Technology is required to disclose under the EU Market Abuse Regulation. The information has been made public at 08.00 CET on February 21, 2018.



**THE FULL SCALE ENERSTORE
PILOT PLANT IN BERLIN IS SOON
READY FOR PUBLIC DISPLAY**

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YEAR-END REPORT 2018

FINANCIAL EVENTS

Fourth quarter

- ◆ Net sales totalled MSEK 1.7 (2.2)
- ◆ Operating profit/loss (EBIT) amounted to MSEK -79.8 (-8.7)
- ◆ Cash flow from operating activities amounted to MSEK -15.0 (-10.3)
- ◆ Earnings per share before and after dilution were SEK -1.38 (-0.14)

Full year January – December

- ◆ Net sales increased to MSEK 6.5 (5.3)
- ◆ Operating profit/loss (EBIT) amounted to MSEK -121.1 (-28.5)
- ◆ Cash flow from operating activities amounted to MSEK -50.6 (-28.5)
- ◆ Earnings per share before and after dilution were SEK -2.14 (-0.53)

SIGNIFICANT EVENTS

Fourth quarter

- ◆ SaltX is increasing the rate of focus on large-scale energy storage and carried out a new capital issue for MSEK 80.
- ◆ SaltX entered into a strategic partnership to scale up production of nano-coated salt.
- ◆ SaltX achieved the first milestone in its cooperation with Ahlstrom-Munksjö – 2D fab supplies the graphene and is expanding the production capacity.

After the end of the period

- ◆ SaltX's focus on large-scale energy storage – EnerStore – has led to a write-down of the value within the other application fields.
- ◆ Karl Bohman has left his position as CEO – Harald Bauer has taken over as temporary CEO.

KEY FIGURES

| Group, TSEK | Q4 2018 | Q4 2017 | Full year 2018 | Full year 2017 |
|--|---------|---------|----------------|----------------|
| Net sales | 1,671 | 2,220 | 6,464 | 5,300 |
| Operating profit/loss (EBIT) | -79,791 | -8,657 | -121,061 | -28,515 |
| Earnings per share before and after dilution | -1.38 | -0.14 | -2.14 | -0.53 |
| Equity | 143,598 | 161,372 | 143,598 | 161,372 |
| Cash flow from operating activities | -15,002 | -10,260 | -50,557 | -28,490 |
| Equity ratio (equity/balance sheet total) | 70% | 78% | 70% | 78% |

CEO'S COMMENTS

As we close the books for the fourth quarter of 2018, we can conclude that it has been a very eventful year. The year has seen both successes and challenges. Here is a short selection of the most significant events:

- ◆ Strategic cooperation was commenced with Ahlstrom-Munksjö. The two companies shall develop a large-scale production method for paper coated with the super-material graphene, for SaltX's large-scale energy storage solution. This increases the heat conducting ability in the SaltX material up to fivefold.
- ◆ The first milestone was achieved along with Ahlstrom-Munksjö. In six months, the companies, working with the graphene manufacturer 2D fab, have developed an industrial production method to coat the graphene on paper and integrate it with nano-coated salt.
- ◆ Winner of the New Energy Pioneers 2018 award, which was awarded by Bloomberg New Energy Finance. Innovative companies from all over the world were selected based on their achieve-

ments within clean tech.

- ◆ Presentation in Stockholm of a demonstration plant for the large-scale storage of energy.
- ◆ Intensive work on the design, purchase and establishment of a larger pilot plant with Vattenfall in Berlin, which is partly financed by the Swedish Energy Agency.
- ◆ Acceleration of the focus on the EnerStore business vertical based on the project with Vattenfall. Carrying out a pre-emptive rights issue for MSEK 80.6.
- ◆ Strategic partnership with the Finnish company Nordkalk and the German company WACKER-Kemi in order to commence large-scale production of nano-coated salt for the next phase for EnerStore.

It has been an intensive fourth quarter and year as a whole. The most important thing has been the decision to focus on large-scale energy storage. A great deal of focus has been placed on the pilot facility with Vattenfall in Berlin. The plant will be taken into operation in February and after a number of initial tests of the various steps,

an inauguration is planned in about a month's time. The project is receiving great interest from energy companies around Europe.

The focus on large-scale energy storage means that other application areas are being given a lower priority than before. Common to these solutions is that they are based on development with potential customers, which means that SaltX itself does not control the pace of development and the degree of focus. We are supporting these companies to develop solutions where energy is stored in our patented nano-coated salt. This more streamlined focus allows SaltX to create better conditions for unlocking the Company's commercial potential.

Therefore, 2019 has all the prerequisites to become a very interesting year for SaltX - both in terms of development and commercially.

Harald Bauer
CEO

"THEREFORE, 2019 HAS ALL THE PREREQUISITES TO BECOME A VERY INTERESTING YEAR FOR SALT X - BOTH IN TERMS OF DEVELOPMENT AND COMMERCIALITY."

HARALD BAUER
CEO



FOCUS ON ENERSTORE

SaltX's new strategy is to focus on the application area for large-scale energy storage - EnerStore. There are several reasons for the new strategy:

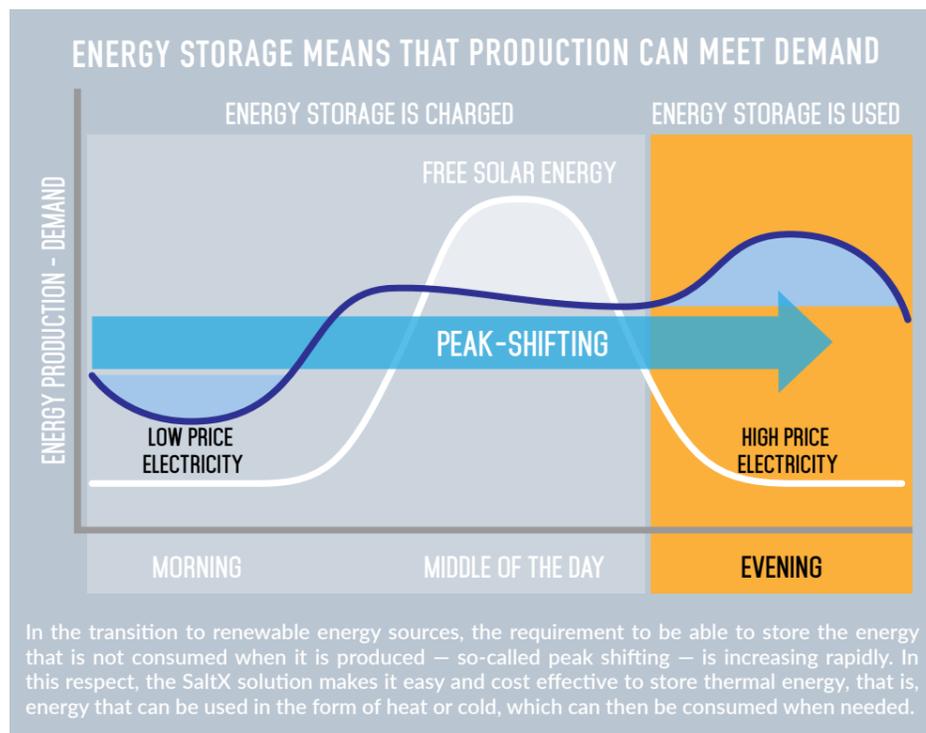
- ◆ **Market Dynamics:** It is estimated that the market for energy storage will see a sixfold increase by 2030. SaltX must build a market position already now in order to be able to compete in this market.
- ◆ **Tested and protected technology:** SaltX has strong patent protection worldwide for its nano-coated salt. The technology has been tested and proven by independent parties such as Stockholm University and the German DLR (the German Aerospace Center).
- ◆ **Reference project soon completed:** The pilot project with Vattenfall is an excellent first reference project that can be used to sell large projects to other energy companies and customers with similar requirements.
- ◆ **Competitive:** Compared to other alternatives for thermal energy storage such as molten salt or concrete, EnerStore is

ENERSTORE COMPARED WITH OTHER ALTERNATIVES... IS CONSIDERABLY CHEAPER AND REQUIRES SIGNIFICANTLY LESS VOLUME

- ◆ **Complement to batteries:** SaltX solution should not be seen as a direct competitor to batteries that store electrical energy. Instead, it is a complement because the heat from SaltX can be converted to steam, which drives a common steam turbine which in turn generates electricity.
- ◆ **Supply chain in place:** With the agreements with Nordkalk and Wacker, SaltX has se-

considerably cheaper and requires significantly less volume. cured the partners needed for large-scale production and to meet expected and greater demand in years to come.

As solar and wind power is being expanded, more and more cheap electricity is generated at certain times of the day. Unfortunately, this does not happen when demand is high. Therefore, the demand is growing rapidly for so-called peak-shifting, which makes it possible to store electricity in a way that makes it easy to consume when



demand is greater.

The new strategy is to focus on two segments within peak shifting, which is also based on the same solution and principle as the pilot project being carried out in conjunction with Vattenfall:

- 1. Wind power for district heating:** The target customers here are often energy companies such as Vattenfall. District heating companies in Europe, especially in Germany, have expressed great interest in EnerStore and are following the pilot project with Vattenfall closely.
- 2. Renewable electricity for steam:** The target customers here are often large companies and industries that consume large amounts of steam in their industrial processes. In many cases, they have already installed solar or wind power that generates surplus energy.

SaltX sees that considerable investment is being made in Germany, the United States and China in the above-mentioned areas. Renewable energy is developing rapidly and governments often provide support and invest significantly in energy storage, mostly in batteries. Therefore, it is natural that SaltX focuses primarily on these markets.



LATEST NEWS FROM BERLIN

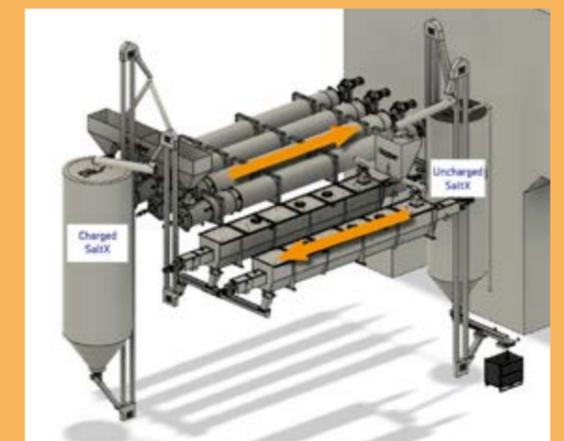
During the autumn and winter, SaltX has focused on completing the pilot plant at Vattenfall's plant in Berlin. The large charging units, with associated silos, have been delivered and installed. 25 tonnes of nano-coated salt have been produced by our suppliers, Nordkalk and Wacker. The next step is to fill the plant with this, so that the project can be run under large-scale conditions.

It is an impressive facility which is 15 meters high at the highest point.

The final test run is an important step for

SaltX and for the interested parties with whom we are in contact. As soon as the trial period is over, important partners and stakeholders will be invited to an exciting opening ceremony.

The plant in Berlin will soon be filled with the nano-coated salt and will demonstrate EnerStore's advantages for large-scale energy storage.



BUSINESS MODEL FOR ENERSTORE

THEREFORE CUSTOMERS WILL BUY

SaltX Technology is focusing heavily on the large-scale storage of thermal energy. The Company's solution, EnerStore, can handle several of the challenges that the transition to renewable energy sources entails. By storing thermal energy in the company's patented nano-coated salt, SaltX can help solve the big challenge with storage, which is one of the keys to managing a fast and necessary transition. This is a development that the

energy companies around the world are aware of, but which they have not been able to solve yet. This is why SaltX is experiencing great interest in EnerStore.

ENERGY STORAGE - THE KEY TO THE TRANSITION

The background is essentially that a change in energy production from oil, gas, coal and nuclear power creates new and major challenges if energy is to be consumed in the same manner as before -



SaltX patented nano-coated salt is capable of being charged with thermal energy an almost unlimited number of times thus making it very cost-effective.

and in the way on which modern societies are based. Common to these non-renewable energy sources is that they have a steady production rate. Unlike the production of energy from renewable sources such as solar and wind power which instead have an uneven production rate, for example, when the sun is shining or when the wind is blowing. This is a situation that requires the energy to be stored in order to be able to consume it whenever you want. In turn this is necessary if the switch to renewable energy sources is not to be too painful. It must be possible to manage the fluctuations in the network and this is where large-scale storage becomes a necessity.

CURRENT OPTIONS - EXPENSIVE AND COMPLICATED

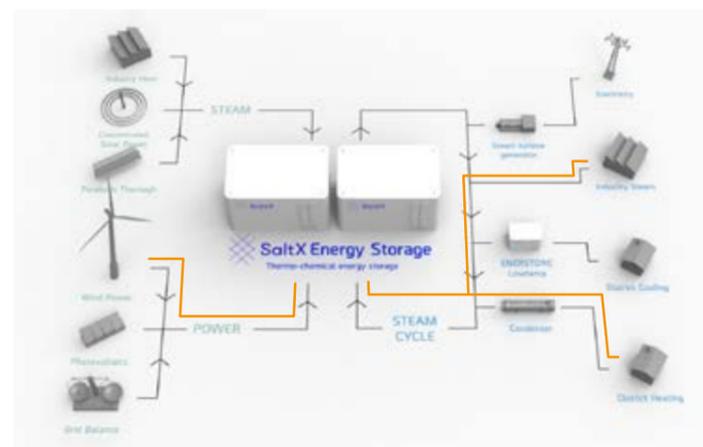
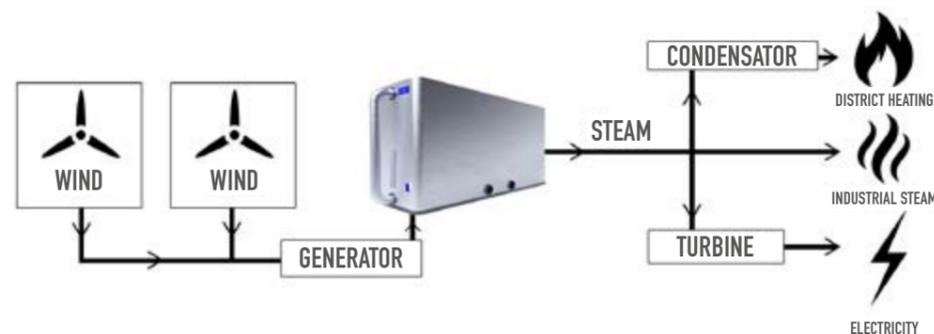
Large-scale storage is complex and no one has yet found a complete solution to this difficult challenge. Common to large-scale storage solutions that exist today is that they are expensive and complicated. Another solution that

has been tested is called "pumped hydro", which in slightly simplified terms means that water is pumped up to a great height and stored in reservoirs and then hydropower is subsequently generated by releasing water. This is an option that relies on the fact that there are both mountains and room for reservoirs in the region. There are some other solutions, but what they have in common is that they are seen at best as complementary forms of storage.

ENERSTORE SOLVES MANY PROBLEMS

Large-scale storage of thermal energy of the type offered by EnerStore solves some of the major problems with the other storage formats, as it does not require huge investment and its ongoing use is cost-effective. The solution can also be implemented quicker.

The major energy companies around Europe and the rest of the Western world are currently struggling with this storage problem because they rely on energy production from coal, oil and gas. Sweden is something of an exception, as the problems are relatively limited because we have significant production of energy from water and nuclear power. There is also a large supply of biofuels from Sweden's extensive forests.



In the future, SaltX energy storage will offer the opportunity to store several different energy types and produce several different types of energy.

THE MARKET FOR HEAT STORAGE IS GROWING

In the transition to renewable energy, the energy storage market has emerged as a very important element. It is clear that many different types of storage forms are needed to cover the different requirements.

SaltX has focused on the heating area, where major changes are taking place around the world.

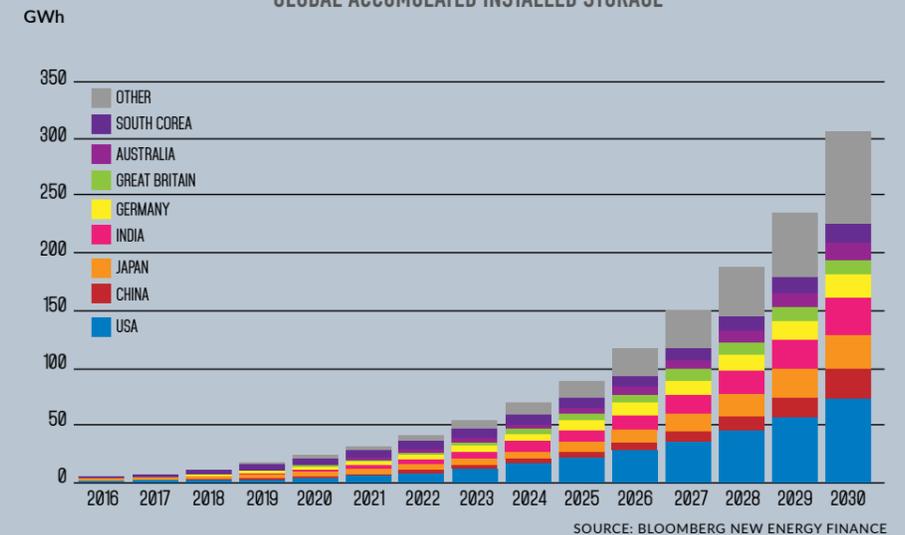
Municipalities, energy companies and, above all, power plant owners are all looking for new solutions now that it is clear that the coal power plants in the country will be closed.

SaltX primarily processes this customer group in order to best utilise the energy storage technology developed for Vattenfall and apply it commercially.

GERMANY IS LEADING THE WAY

This is particularly evident in Germany.

SIGNIFICANT INCREASE IN ENERGY STORAGE GLOBAL ACCUMULATED INSTALLED STORAGE



According to Bloomberg, it is expected that large amounts of energy storage will be installed, and some of the top-rated countries for this are the US, China and Germany.

SALT X LABS

What is SaltX Labs?

SaltX Labs is the company's collaboration platform for development projects run by customers. It is also at SaltX Labs that open innovation is driven forward. The Company's primary long-term vision all is to deliver the patented nano-coated salt and the knowledge around it. Customer projects, such as SunCool, VerdAcc and Heatboost, are part of the SaltX Labs structure.

How do you support the companies that are part

of Labs?

SaltX's focus is primarily on helping companies to understand our technology and how they can best utilise it. They also have the opportunity to buy the nano-coated salt.

Within SunCool, HeatBoost and VerdAcc, work is progressing roughly as before with the difference that it is becoming more evident and pronounced that it is the customer, not SaltX, who is driving development to commercialisation and beyond.

What is the relationship

between EnerStore and SaltX Labs?

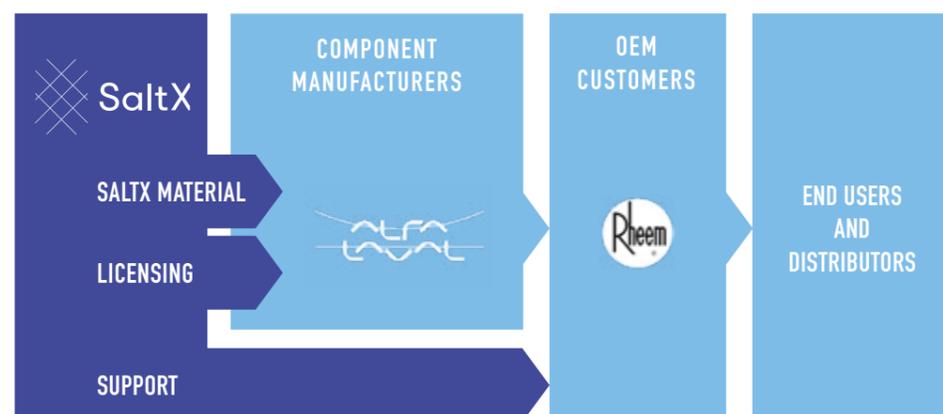
EnerStore is the Company's major focus. The idea behind Labs is to utilise SaltX's resources and knowledge in the best and most efficient way. Within Labs, it is our customers and partners who ultimately determine the rate of development, which is different to EnerStore. Innovation and development is something that will always be part of SaltX's core business.

Why do your other applications fit in here?

SunCool, HeatBoost and VerdAcc are good examples of customer-driven projects. Partners such as Rheem (HeatBoost) and MCC (VerdAcc) are the ones demanding product development.

THIS IS SALT X LABS

SaltX Labs is the Company's collaboration platform where both customer-driven development projects and open innovation are carried on.



SaltX's business model consists of sales in three parts; SaltX material, licenses and service. The largest future source of revenue is the patented SaltX material, and the license to use this.

WHAT'S HAPPENING WITH SUNCOOL?

There has not been much communication about SunCool during the last quarter, and there are several reasons for this:

SaltX started commercialisation of SunCool just over a year ago. The view then was that this phase would go faster and smoother than it actually did.

Since then, the price levels of renewable energy, especially from solar cells, have fallen sharply, but above all faster than the forecast prices. This has meant that we ended up in a situation where the potential customers were demanding a lower price for SunCool units than the prices budgeted for, which in turn meant that marketing became more challenging.

In order to attain profitable production in the way that NSECT (SaltX's partner in China) requires, production has been halted until the first major order has been received. SaltX is now looking for a partner who can take a greater overall responsibility.

With the focus now placed on EnerStore and large-scale energy storage, the SunCool area has become part of Labs, where the customer (in this case NSECT) is the driving partner.

Who is responsible for selling the panels?

In China, it is NSECT who has the licence to sell the panels. In the rest of Europe, it is SaltX.

Will we see that the order from Ghana will

THEREFORE, WE ARE NOW SEARCHING FOR A PARTNER WHO CAN TAKE A GREATER OVERALL RESPONSIBILITY.

be realised?

Ghana was the first major deal of the type needed by SaltX in order to get SunCool out into the world market. Unfortunately, the Ghanaian partner has not been able to secure the funding they were relying on due to the current banking crisis in the country. The Company notified uncertainty about this in October 2018 and the status is the same today.



SIGNIFICANT EVENTS

... DURING Q4

SALT X IS INCREASING THE RATE OF FOCUS ON LARGE-SCALE ENERGY STORAGE AND CARRIED OUT A NEW CAPITAL ISSUE FOR MSEK 80.

The interest for large-scale energy storage is growing significantly. SaltX Technology therefore has accelerated the focus on the EnerStore business vertical based on the project with Vattenfall. A pre-emptive rights issue has been completed, which provided the company with MSEK 73, after deduction of issue costs, primarily guarantee commission.

SALT X ACHIEVED THE FIRST MILESTONE IN ITS COOPERATION WITH AHLSTROM-MUNKSJÖ – 2D FAB SUPPLIES THE GRAPHENE AND IS EXPANDING THE PRODUCTION CAPACITY

The first milestone in the strategic development project with Ahlstrom-Munksjö, a global manufacturer of fiber-based materials, has been attained. In six months, the companies, with the graphene manufacturer 2D fab, have succeeded in developing an industrial production method for coating the graphene on paper and integrating it with SaltX-patented nano-coated salt for

its large-scale energy storage solution. It will take some more time before there is a product is ready to be sold.

STRATEGIC COOPERATION IN ORDER SCALE UP PRODUCTION OF NANO-COATED SALT

A letter of intent has been signed with the Finnish company Nordkalk, a leading supplier of lime-based products, as well as a strategic delivery agreement with the German company WACKER-Chemie, a global supplier of silica-based coating materials. The goal is to commence large-scale production of SaltX nano-coated salt when SaltX has started the commercial phase for EnerStore.

... AFTER END OF THE PERIOD

SALT X'S FOCUS ON LARGE-SCALE ENERGY STORAGE - ENERSTORE - HAS RESULTED IN THE IMPAIRMENT OF ASSETS WITHIN OTHER APPLICATION AREAS

SaltX has carried out impairment testing of intangible assets and made impairments totalling MSEK 63 on assets in other areas of application due to the focus on large-scale energy storage (EnerStore). This is a

natural effect of the Company's more intensive focus on EnerStore which was implemented in autumn 2018. The Company will not carry on the development and commercialisation within other application areas itself; partners will do this instead. The Company believes that the values of the application areas do not have the same potential and is therefore making a write-down of capitalised expenditure for development and other intangible assets. The remaining book value of intangible assets amounts to MSEK 110, including patents and trademarks, and is primarily motivated by the potential within EnerStore but also values within other applications, albeit to a lesser extent than before. As this is an impairment of assets in the balance sheet, the expense has not had any effect on cash flow.

KARL BOHMAN HAS LEFT HIS POSITION AS CEO – HARALD BAUER HAS TAKEN OVER AS TEMPORARY CEO

Karl Bohman left his position as CEO on February 14, and CFO Harald Bauer took over then as temporary CEO. The recruitment process to appoint a new CEO has commenced.

NEWS

SALT X PITCHES TO LEADING EU REPRESENTATIVES



Eric Jacobson, SaltX Head of Growth, pitched SaltX to Lowri Evans, *Director-General Internal Market, Industry, Entrepreneurship and SMEs*, and to Julien Guerrier, *Director of the EU commission*, at the EU Industry Days Conference.



YAOU WU, VP CHINA SALT X SPOKE AT THE CHINESE CONFERENCE ON DISTRICT COOLING IN SHENZHEN



THE SALT X VATTENFALL PROJECT IS PRESENTED IN GERMAN TV AND MEDIA

Vattenfall invited the press and media to its CHP plant *Reuter C* in Berlin and the German TV channel *RBB* reported from the event. Marcus Witt, Vattenfall's Head of VP Asset Management held a press conference and presented the project onsite.



ENERGIFORSK VISITED SALT X'S HEAD OFFICE

A delegation comprising representatives from more than ten energy companies and other interested parties within the energy sector visited SaltX's head office in Stockholm on February 18. In addition, 20 persons from the Thermal Energy Storage R&D program took part in *Energiforsk*, the research network of the Swedish energy industry.



SALT X TOOK PART IN THE "E-WORLD ENERGY & WATER 2019" CONFERENCE IN ESSEN, GERMANY

– Germany is an important market for SaltX. “The country's ambitious change in energy production, aiming at reducing the dependence on coal and gas, is creating a large market for renewable energy production,” says Simon Ahlin, Head of Sales at SaltX Technology.

Now that Germany has taken the so-called energy mix decision, this creates good business opportunities for companies like SaltX.

FINANCIAL OVERVIEW

OCTOBER-DECEMBER - QUARTER 4

INCOME, EXPENSES AND EARNINGS

Net sales

Net sales for the quarter totalled TSEK 1,671 (2,220). During Q4, the first milestone of the project with Ahlstrom-Munksjö has been achieved in that a second licencing fee has been received.

Other income

Other income in the quarter consists of EU grants for development of the HeatBoost project.

Expenses

Expenses during the quarter totalled TSEK -85,185 (-17,712) broken down as cost of goods for resale TSEK -1,396 (-), other external expenses TSEK -10,181 (-9,884), personnel costs TSEK -9,359 (-7,580) and depreciation and impairment of fixed assets of TSEK -64,249 (-248). An impairment loss test of intangible assets has resulted in impairment totalling MSEK 63. As this is an impairment of assets in the balance sheet, the expense does not have any effect on cash flow.

Impairment loss testing

Impairment loss testing is

carried out at the end of each reporting period. In connection with the 2018 year-end financial statements, an in-depth review of intangible assets has been carried out, primarily regarding license rights for SunCool in China and capitalised expenses for development and associated expected future cash flows.

In 2018, the Company has chosen a clearer focus on large-scale energy storage, EnerStore, which at the same time leads to a reduced focus on other applications. The work has resulted in an impairment totalling MSEK 63 of the assets of SunCool, HeatBoost and VerdAcc applications. The remaining book value totalling MSEK 107 consists of expenses for SaltX basic technology, nano-coated salt, expenses within EnerStore, which mainly relate to the plant in Berlin, as well as remaining lower values for other applications.

These values are based on an estimate of future cash flows that are discounted at an interest rate of 25 per cent and an assumption of perpetual growth of 2 per cent to a present value.

An estimation has been made for the Company as a whole and also for parts of the asset mass. The estimated present value exceeds the remaining

book value of the assets, even with a sensitivity analysis regarding future cash flows and discount rates.

Operating profit/loss (EBIT)

The operating profit/loss was TSEK -79,791 (-8,657). The increased loss is explained primarily by the impairment of assets

Financial items

Profit/loss from financial items totalled TSEK 418 (-1,144)

Earnings

Earnings before tax amounted to TSEK -79,373 (-7,513).

Earnings per share before and after dilution were SEK -1.38 (-0.14).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity

Cash flow from operating activities in the quarter was TSEK -15,002 (-10,260).

The Group's cash and cash equivalents at the end of the quarter amounted to TSEK 71,672 (71,837) and have been boosted during the quarter from the conversion of warrants as per October 31, but primarily from a preferential issue of shares and options in December.

Long-term liabilities

Long-term liabilities totalled TSEK 29,758 (31,093) and consisted of loans from the Swedish Energy Agency for TSEK 24,488, less short-term elements, and from Almi Förtagspartner for TSEK 6,000. Repayment of the loan from the Swedish Energy Authority has commenced in 2018 based on the criteria for commercialisation being fulfilled through revenues in 2017 and will continue based on revenue per year. The loan from Almi has a credit period of 8 years with a three-year amortisation-free period and will begin to be amortised in July 2019 on a monthly basis over 5 years.

Investments

Investments made that affected cash flow during the quarter amounted to TSEK -17,358 (-7,177). This was mainly capitalised development.

The ongoing new facility, which in previous interim reports has been reported as a tangible fixed asset, refers to a pilot plant that is to be used to test and verify that the EnerStore technology works. The plant is not constructed with the purpose of being used permanently, instead the purpose is to show the technology's function and that the facility can be a reference for future projects.

DEVELOPMENT PER QUARTER

| TSEK | Q4 2017 | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Net revenue | 2,220 | 1,527 | 1,794 | 1,472 | 1,671 |
| Operating profit/loss (EBIT) | -8,657 | -13,797 | -15,863 | -11,610 | -79,791 |
| Cash flow from operating activities | -10,260 | -12,232 | -16,911 | -6,412 | -15,002 |
| Earnings per share, SEK | -0.14 | -0.25 | -0.25 | -0.23 | -1.38 |

The pilot plant is capitalised as part of the intangible asset attributable to the development of the EnerStore technology and is therefore transferred from tangible to intangible assets.

Equity

Equity at year-end totalled TSEK 143,598 (161,372) or SEK 1.83 (2.94) per share and has increased as a result of the aforementioned capital issue. However, this has since fallen with the negative primarily from impairment. The equity ratio on the same date was 70 per cent.

JANUARY-DECEMBER - FULL YEAR

INCOME, EXPENSES AND EARNINGS

Net sales

Net sales for the period totalled TSEK 6,464 (5,300). The increase is due to license revenues from Ahlstrom-Munksjö.

Other income

Other income consists of EU grants for development that has not been capitalised and relates to older solar collector projects, and projects within the HeatBoost project.

Expenses

Expenses during the quarter totalled TSEK -146,221 (-51,316)

broken down as cost of goods for resale TSEK -2,070 (-), other external expenses TSEK -42,709 (-25,419), personnel costs TSEK -34,063 (-24,995) and depreciation and impairment of fixed assets of TSEK -67,379 (-902). The costs have increased in order to take advantage of increasing opportunities in the market. It is mainly costs for consultants, within development and business development that have increased. The increase in expenses has been checked in Q4 through a reduction of personnel and the use of external consultants.

An impairment loss test of intangible assets has resulted in impairments totalling MSEK 63, with no effect on cash flow.

Operating profit/loss (EBIT)

Operating profit/loss was TSEK -121,061 (-28,515). The increased loss is explained primarily by the impairment of assets.

Financial items

Profit/loss from financial items amounted to TSEK -1,225 (1,736).

Earnings

Earnings before tax amounted to TSEK -122,286 (-26,779).

Earnings per share before and after dilution were SEK -2.14 (-0.53).

CHANGE IN SHARE CAPITAL IN 2018

| | Change in share capital | Accumulated share capital | Change no. of shares | Accumulated no. of shares |
|------------------------------------|-------------------------|---------------------------|----------------------|---------------------------|
| Opening balance 2018 | | 4,397,484.24 | | 54,968,553 |
| Capital issue for merger | 58,655.44 | 4,456,139.68 | 733,193 | 55,701,746 |
| Capital issue through warrants TO2 | 170,965.20 | 4,627,104.88 | 2,137,065 | 57,838,811 |
| Issue for non-cash consideration | 51.12 | 4,627,156.00 | 639 | 57,839,450 |
| Capital issue, part of | 283,987.20 | 4,911,143.20 | 3,549,840 | 61,389,290 |

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

Cash flow and liquidity

Cash flow from operating activities during the year was TSEK -50,557 (-28,590). An advance of TSEK 9,321 from the European Union's funding for development in the Horizon 2020 program was received in June. The amount is reported as an inflow from financial operations and is booked under current liabilities. The funding related to projects within the HeatBoost field.

In addition, capital issues have resulted in significant strengthening of liquid funds and improvement of the Company's financial position.

Investments

Investments made that affected cash flow during the period totalled TSEK -41,479 (-20,319). This was mainly capitalised development.

PARENT COMPANY

The operations of the parent company, SaltX Technology Holding AB (publ), consist of company-wide services and management of its SaltX Technology AB subsidiary and in maintaining the Company's listing on Nasdaq First North Premier.

Profit/loss before tax

amounted to TSEK -3,656 (-2,019). The parent company's available liquid funds at year-end totalled TSEK 64,581 (70,250).

SHARE CAPITAL

Parent company

SaltX Technology Holding

Share capital at year-end totalled SEK 4,911,143.20 consisting of 61,389,290 shares at a nominal value of SEK 0.08. New capital issues have taken place at year-end and registered in January 2019, which means that the share capital at the publication of this report has increased and totalled MSEK 5,807,635.44 consisting of 72,595,443 shares.

SHARES

Shares in SaltX are listed on Nasdaq First North Premier.

Capital issues

En extra bolagsstämma den An Extraordinary General Meeting was held on November 14, 2018 at which it was decided to authorise the Board to carry out a pre-emptive rights issue and a directed placement in regard to compensation to guarantors. The subscription period ended on December 7. In total, 14.8 million shares were issued and

the company received MSEK 72 after the deduction of issue costs. The issue is partly registered in December 2018 and partly in January 2019.

The issue was carried out in the form of units consisting of one share, for four old ones, and one share warrant. Two share warrants are required to subscribe for one share for the exercise price of SEK 13 during the period January 1, 2020 to October 31, 2021. With full subscription of these warrants, the number of shares will increase by 7.4 million, corresponding to a 9 per cent dilution, and the company will receive MSEK 96.

Share warrants

In connection with capital issues in 2016, warrants were also issued where shares and warrants were issued as "units". During the vesting period, which expired on October 31, 2018, a total of 3 403 869 shares have been subscribed for, which brought in MSEK 16.0.

Incentive programs

The Annual General Meeting in April 2017 decided to authorise the Board to issue 750,000 warrants to be offered to management and other staff, primarily new employees, in

the Group. This program was launched in September 2017. One option equates to one (1.009) share, the subscription period is in June 2020, and the strike price will be set on the day of issue as 150 per cent of the current share price, which was SEK 48.36 (after a minor adjustment for the capital issue in 2018). Employees have acquired 725,000 options, of which the company repurchased 150,000 options, all at market value, leaving a net figure of 575,000 outstanding options. With full exercise of the warrants, the Company would receive MSEK 28.1. These shares correspond to a potential dilution of 0.7 per cent.

The AGM in April 2016 decided to issue 1,500,000 warrants to be offered to senior management and all employees in the Group, partly to replace existing programs. In May 2017, and in December 2018, a rights issue was implemented which affected the terms of the share warrants. One warrant equates to 1.07 shares, the subscription period is in June 2019, and the strike price is SEK 4.68 per share. Employees have acquired 483,000 warrants, at market value. With full exercise of the warrants, the Company would receive MSEK 2.4. These shares correspond to a potential dilution of 0.8 per cent.

Earnings per share

Earnings per share for the quarter were SEK -0.26 (-0.15) based on an average figure of 55,986,868 (54,191,290) shares. The number of shares has been based on the number of shares from the acquisition

of SaltX Technology (formerly ClimateWell), the additional shares that existed in SaltX on the date of acquisition, and additional shares that have been added through cash issues. When calculating the number of shares after full dilution, the additional outstanding shares from warrant programs issued have been taken into account, although this has not had any effect because the result is negative.

As of 31 December 2018, 81 shares, representing less than 0.01 of total share, had not been subscribed for from the merger between the Company and SaltX Technology.

Significant risks and uncertainties

All business activity and share ownership is 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 the website.

Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, RFR 1 Supplementary accounting regulations for groups, and the Swedish Annual Accounts Act. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting and valuation policies have been applied as in the most

recent annual report, with the exception of the introduction of IFRS 9 and IFRS 15. However, the transition to IFRS 9 and IFRS 15 has not had any effect on the Group's earnings and financial position.

The parent company 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 as far as possible applies all of the IFRS and statements adopted by the EU within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with consideration to 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. From January 1, 2018, the parent company also applies IFRS 9 and IFRS 15 as specified in RFR 2. The transition has not entailed any effect on the parent company's earnings and financial position.

AS OF JANUARY 1, 2018, THE GROUP APPLIES THE FOLLOWING STANDARDS:

IFRS 9

IFRS 9 Financial Instruments concerns the classification, valuation and reporting of financial assets and liabilities and introduces new rules for hedge accounting. It replaces the parts of IAS 39 that deal with the

classification and valuation of financial instruments and introduces a new impairment model. In accordance with the transitional rules of the standard, the comparative figures for 2017 are not recalculated.

SaltX does not apply hedge accounting at present and thus the new rules for hedge accounting have not had any affect on the Group's financial position.

Furthermore, it has been found that the new impairment model based on expected loan losses instead of credit losses has no significant impact on the Group's loan losses, as the loan losses, based on remaining maturity, are very low in SaltX. The introduction of IFRS 9 thus has had no impact on the Group's earnings and financial position.

IFRS 15

IFRS 15 Revenue from contracts with customers regulates how revenue shall be recognized. IFRS 15 supersedes IAS 18 Revenue and IAS 11 Construction Contracts and the associated SIC and IFRIC. The principles on which IFRS 15 is based shall give users of financial statements more usable information about the company's revenues. The expanded disclosure requirements mean that information must be provided about the type of revenue, the date of settlement, uncertainties related to revenue recognition and cash flow attributable to the company's customer contracts. According to IFRS 15, a revenue shall be recognized when the customer obtains control over the sold goods or services and has the

opportunity to use and receive the benefits of the product or service.

The final assessment after carrying out the evaluation and analysis of the Group's contracts with customers is that IFRS 15 does not have any material impact on the Group's earnings and financial position.

IFRS 16

The Group applies IFRS 16 from January 1, 2019, and the implementation of the standard will mean that almost all leases will be reported in the lessee's balance sheet, since no distinction is made between operational and financial leases. According to the new standard, a non-current asset (the right to use a leased asset) and a financial liability (long and short-term) regarding the obligation to pay leasing payments must be reported in the balance sheet. In the statement of comprehensive income, depreciation and interest expenses are reported instead of expenses for operational leasing agreements, which have been reported in the operating result in their entirety. IFRS 16 will affect cash flow in that leasing payments affect cash flow from operating activities (e.g. interest and leasing agreements for which the underlying asset has a lesser value, and short-term leases), and cash flow from financing activities (repayment of the leasing debt).

The Group will apply the simplified transition method, which means that rights of use are valued at an amount corresponding to the leasing debt as of January 1, 2019 (adjusted

for prepaid and accrued leasing payments). The transition to IFRS 16 therefore will not have any impact on equity for the Group. The comparative figures for 2018 will not be recalculated when the simplified transition method is applied.

The Group has chosen to apply the exemption and not to report short-term lease agreements and lease agreements for which the underlying asset has a lesser value as a part of the right to use the asset and the leasing liability in the balance sheet. Payments attributable to these leases will be reported instead as a cost on a straight-line basis over the term of the lease. Remaining leasing commitments consist essentially of office premises.

SUPPLEMENTARY ACCOUNTING POLICIES

LICENSING

The Group licenses IP rights (technology, manufacturing and exclusivity licenses) for parts of the SaltX technology to enable the manufacture of components and materials that the Group then purchases from the licensee. In addition to the license, the amount payable includes, to varying extents, consulting services, technology transfer and know-how linked to the SaltX technology. The amount payable by the customer for the license (the transaction price) is usually broken down into a part paid at the conclusion of the agreement and the remaining parts of the transaction price depend on future events such as achieving a target or order-

ing a certain quantity of goods from the licensee. These future payments which are dependent on future events are treated in the income statement as variable and are only expensed when SaltX considers that it is highly probable that the payments will be received and the performances for receiving the benefits will be made.

The Group assesses whether the license is distinct from the consultancy services to be performed and thus constitutes a separate performance commitment in the contract. The license is deemed to be a separate performance commitment in circumstances where the license can be used without additional consulting services from SaltX. If the license is regarded as distinct, this means that the agreement contains two commitments: the licence and the consulting services. These are then reported separately.

The transaction price is allocated to the license and the consulting services, respectively, at an amount that reflects the amount payable that the Group expects to be entitled to in exchange for the transfer of the license and the consultancy services respectively to the customer. The transaction price allocated to a commitment is recognized as income either at a particular time or over time.

Licenses identified as separate performance commitments are categorized as either right of access or right of use. A right of access license means the right to access SaltX IP rights in their existing state during the license period, i.e. the IP right

is changed and SaltX carries on activities that significantly affect the value of the intangible asset to which the customer is entitled. A right of use license means the right to use SaltX IP rights in their current state at the time the license is granted. Right to access licenses are recognized over time, i.e. over the time the customer is entitled to use the license, while the right to use licenses are recognized at a given time, i.e. at the time when the customer gains control of the license. Control of an asset is the ability to control the use of, and obtain virtually all remaining benefits from, the asset. Control includes the ability to prevent other companies from controlling the use of, and obtaining the benefits from, an asset. The benefits of an asset are the potential cash flows that can be obtained, directly or indirectly.

If consultancy services are regarded as a separate distinct commitment, the services are recognized as income over time in accordance with the accounting policies contained in the 2017 Annual Report.

If the license is not distinct from the consultancy services that the customer shall receive, the license and consulting services are combined as one performance commitment. An assessment is made if revenue for the combined performance commitment is to be recognized at a particular time or over time, depending on when control of both the license and the consulting services is transferred to the customer.

SALES-BASED ROYALTIES

Revenue for sales-based royalties agreed in exchange for a license for intellectual property is recognized only when the latter of the following occurs:

- ◆ Subsequent sales are made
- ◆ The performance commitment to which the sales-based royalty has been allocated is met

CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT — SUMMARY

| TSEK | Q 4 2018 | Q 4 2017 | FY 2018 | FY 2017 |
|---|----------------|----------------|-----------------|----------------|
| Net sales | 1,671 | 2,220 | 6,464 | 5,300 |
| Work performed by the Company for its own use and capitalized | 896 | 6,640 | 14,673 | 17,229 |
| Other operating income | 2,827 | 195 | 4,023 | 272 |
| TOTAL | 5,394 | 9,055 | 25,160 | 22,801 |
| Cost of products sold | -1,396 | — | -2,070 | — |
| Other external costs | -10,181 | -9,884 | -42,709 | -25,419 |
| Personnel costs | -9,359 | -7,580 | -34,063 | -24,995 |
| Depreciation and impairment of fixed assets | -64,249 | -248 | -67,379 | -902 |
| TOTAL OPERATING COSTS | -85,185 | -17,712 | -146,221 | -51,316 |
| OPERATING PROFIT/LOSS | -79,791 | -8,657 | -121,061 | -28,515 |
| Financial income | 217 | 1,147 | -888 | 1,760 |
| Financial expenses | 201 | -3 | -337 | -24 |
| FINANCIAL ITEMS - NET | 418 | 1,144 | -1,225 | 1,736 |
| PROFIT/LOSS BEFORE INCOME TAX | -79,373 | -7,513 | -122,286 | -26,779 |
| Income tax expense | — | -17 | 2,163 | -64 |
| PROFIT/LOSS FOR THE PERIOD | -79,373 | -7,530 | -120,123 | -26,843 |
| Earnings per share calculated on earnings attributable to parent company shareholders, SEK | | | | |
| Basic earnings per share | -1.38 | -0.14 | -2.14 | -0.53 |
| Earnings per share after dilution | -1.38 | -0.14 | -2.14 | -0.53 |

In the Group there are no items reported in other comprehensive income, so total comprehensive income is consistent with the year's profit. The profit for the year and total comprehensive income are entirely attributable to the parent company's shareholders.

CONSOLIDATED BALANCE SHEET — SUMMARY

| TSEK | Note | Dec 31, 2018 | Dec 31, 2017 |
|---|------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | | | |
| Capitalized expenditure on development work | 5 | 107,366 | 91,300 |
| Patents and trademarks | | 2,633 | 2,038 |
| | | 109,999 | 93,338 |
| Tangible assets | | | |
| Equipment, tools, and installations | | 2,020 | 1,711 |
| | | 2,020 | 1,711 |
| Financial fixed assets | | | |
| Shares | 5 | 7,800 | — |
| Other long-term receivables | 5 | — | 30,210 |
| | | 7,800 | 30,210 |
| Total fixed assets | | 119,819 | 125,259 |
| Current assets | | | |
| Inventory | | — | — |
| Advance payments to suppliers | | 204 | 95 |
| Accounts receivable | | 2,634 | 4,315 |
| Other current assets | | 8,665 | 2,226 |
| Prepaid expenses and accrued income | | 2,352 | 4,364 |
| Cash and cash equivalents | | 71,672 | 71,837 |
| Total current assets | | 85,527 | 82,837 |
| TOTAL ASSETS | | 205,346 | 208,096 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 4,911 | 4,397 |
| Rights issue, to be registered | | 888 | — |
| Other contributed capital | | 591,241 | 490,294 |
| Accumulated profit or loss including profit/loss for the year | | -453,442 | -333,319 |
| Total equity | | 143,598 | 161,372 |
| Long-term liabilities | | | |
| Other liabilities | | 29,758 | 31,000 |
| Deferred tax liability | | — | 93 |
| Total long-term liabilities | | 29,758 | 31,093 |
| Current liabilities | | | |
| Liabilities to minority | | — | 29 |
| Accounts payable | | 12,949 | 4,163 |
| Other liabilities | | 1,443 | 804 |
| Accrued expensed and deferred income | | 17,598 | 10,635 |
| Total current liabilities | | 31,990 | 15,631 |
| TOTAL EQUITY AND LIABILITIES | | 205,346 | 208,096 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| TSEK | Attributable to Parent Company shareholders | | | | Total equity |
|--|---|----------------------------------|---------------------------|--|----------------|
| | Share capital | Rights issues under registration | Other contributed capital | Accumulated profit/loss incl. profit/loss for the year | |
| Opening balance Jan 1, 2017 | 3,579 | | 391,278 | -306,476 | 88,381 |
| Net income/loss for the year equal to total comprehensive income | — | | — | -26,843 | -26,843 |
| Total comprehensive result | — | | — | -26,843 | -26,843 |
| Transactions with shareholders in their capacity as owners: | | | | | |
| Rights issue | 818 | | 105,601 | — | 106,419 |
| Issue expenses | — | | -7,669 | — | -7,669 |
| Warrants sold | — | | 1,084 | — | 1,084 |
| Closing balance Dec 31, 2017 | 4,397 | — | 490,294 | -333,319 | 161,372 |
| Net income/loss for the year equal to total comprehensive income | — | — | — | -120,123 | -120,123 |
| Total comprehensive result | — | — | — | -120,123 | -120,123 |
| Transactions with shareholders in their capacity as owners: | | | | | |
| Rights issues | 514 | — | 48,452 | — | 48,966 |
| Rights issues, under registration | — | 888 | — | — | 61,034 |
| Issue expenses | — | — | -8,238 | — | -8,238 |
| Warrants sold | — | — | 587 | — | 587 |
| Closing balance Sep 30, 2018 | 4,911 | 888 | 591,241 | -453,442 | 143,598 |

CONSOLIDATED CASH FLOW STATEMENT

| TSEK | Q 4 2018 | Q 4 2017 | FY 2018 | FY 2017 |
|---|----------------|----------------|----------------|----------------|
| Cash flow from operating activities | | | | |
| Profit/loss after financial items | -79,373 | -7,513 | -122,286 | -26,779 |
| Adjustments for non-cash items etc. | 63,960 | 248 | 68,379 | 902 |
| | -15,413 | -7,265 | -53,907 | -25,877 |
| Increase/decrease in operating receivables | -3,646 | -4,886 | -1,995 | -7,187 |
| Increase/decrease in operating liabilities | 4,057 | 1,891 | 5,345 | 4,574 |
| Cash flow from change of working capital | 411 | -2,995 | 3,350 | -2,613 |
| Cash flow from operating activities | -15,002 | -10,260 | -50,557 | -28,490 |
| Cash flow from investing activities | | | | |
| Acquisition of intangible assets | -26,370 | -6,228 | -39,517 | -17,073 |
| Acquisition of tangible assets | 9,012 | -500 | -760 | -1,491 |
| Acquisition of financial assets | — | — | -1,000 | — |
| Merger by SunCool AB | — | — | 803 | — |
| Increase/decrease in long-term receivables | — | -449 | -1,005 | -1,755 |
| Cash flow from investing activities | -17,358 | -7,177 | -41,479 | -20,319 |
| Cash flow from financing activities | | | | |
| New capital issue | 80,955 | 1,753 | 83,062 | 99,834 |
| Borrowings | — | — | -512 | 2,000 |
| Financing for development from European Union | — | — | 9,321 | — |
| Cash flow from financing activities | 80,955 | 1,753 | 91,871 | 101,834 |
| Cash flow for the period | 48,595 | -15,684 | -165 | 53,025 |
| Cash equivalents at beginning of period | 23,077 | 87,521 | 71,837 | 18,812 |
| Cash equivalents at end of period | 71,672 | 71,837 | 71,672 | 71,837 |

NOTES

NOTE 1 SIGNIFICANT ESTIMATES AND JUDGMENTS FOR ACCOUNTING PURPOSES

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

- ◆ **Intangible assets:** An impairment test of an intangible asset is based on an estimate and assessment of what the Company's technology may lead to in terms of future income and cash flows.
- ◆ **License revenue:** In 2018, revenues were reported amounting to TSEK 2,624 attributable to licences for IP rights and a joint development project. Part of the license was paid in connection with the signing of the agreement and

future payments will be made when the agreed goals in the cooperation are achieved.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTE 2 REVENUE

The Group has reported the following amounts in the income statement attributable to revenue, see the table below.

REVENUE

| | Q4 2018 | Q4 2017 | Full year 2018 | Full year 2017 |
|--|--------------|--------------|----------------|----------------|
| Revenue from agreements with customers | 1,671 | 2,220 | 6,464 | 5,300 |
| Other revenue | 2,827 | 195 | 4,023 | 272 |
| Total revenue | 4,498 | 2,415 | 10,487 | 5,572 |

The Group has revenues from customers as specified below:

| | Q4 2018 | Q4 2017 | Full year 2018 | Full year 2017 |
|-----------------------------------|--------------|--------------|----------------|----------------|
| Sales of goods | 8 | — | 500 | — |
| Licencing and royalty revenue | 1,557 | 1,149 | 2,624 | 1,149 |
| Development work | -280 | 430 | 1,200 | 3,242 |
| Consultancy services (technology) | 386 | 641 | 2,140 | 899 |
| Total customer revenue | 1,671 | 2,220 | 6,464 | 5,300 |

Licence revenue relates to the cooperation with Ahlstrom-Munksjö.

Revenue from development cooperation amounts to TSEK 1,200 (3 242). The scope of the project has reduced compared with 2017.

Revenue from sales of consulting and management services relates to technical support for partners (NSECT and Stjernberg).

FAIR VALUE

Swedish Energy Agency

| December 31, 2018 | | December 31, 2017 | |
|-------------------|------------|-------------------|------------|
| Recognised value | Fair value | Recognised value | Fair value |
| 24,488 | 23,830 | 25,000 | 22,973 |

to correspond to the carrying amount, as the discount effect is not material.

NOTE 4 TRANSACTIONS WITH AFFILIATES

No transactions with related parties took place during Q4 2018.

Purchase of services from an affiliate (Post Agency Stockholm AB) TSEK - (-) and accumulated TSEK 347 (-), in regard to marketing.

NOTE 5 MERGER OF SUNCOOL AB

The merger of SunCool AB was completed in January 2018. The merger constitutes an asset acquisition. Net assets of almost SEK 20m were acquired, consisting of intangible assets, the SunCool rights in China that were sold to SunCool in 2015, which amounted to SEK 43m, shares in Zhong Fa Zhan Holdings Ltd (NSECT's parent company) and a debt to SaltX. The debt amounted to SEK 31m and an elimination was made against the corresponding receivable in SaltX. SaltX issued 733,193 shares as the merger payment, representing a 1.3 per cent dilution, to the former shareholders of SunCool in compensation for the company's net assets. SunCool had a royalty agreement with Chinese NSECT and the

merger means that the entire commission accrues to SaltX at the same time as amortization of the rights is borne by SaltX. IP rights and the royalty agreement with NSECT have been transferred to the subsidiary SaltX Technology AB at market value. Rights are included in the item intangible assets in the SaltX balance sheet, but have been written down as at 2018 year-end closing.

PARENT COMPANY INCOME STATEMENT

| TSEK | FY 2018 | FY 2017 |
|-----------------------------------|----------------|---------------|
| NET SALES | 3,528 | 2,400 |
| Cost of goods sold | -162 | – |
| Other external costs | -7,307 | -4,530 |
| Peronnel costs | -6,511 | -1,716 |
| TOTAL OPERATING EXPENSES | -13,980 | -6 246 |
| Financial income | 4,916 | 1,827 |
| Financial expenses | -190 | – |
| FINANCIAL ITEMS - NET | 4,726 | 1,827 |
| PROFIT BEFORE TAX | -5,726 | -2,019 |
| Group Contribution | -20,000 | – |
| Income tax | 2,070 | – |
| PROFIT/LOSS FOR THE PERIOD | -23,656 | -2,019 |

PARENT COMPANY BALANCE SHEET

| TSEK | Dec 31, 2018 | Dec 31, 2017 |
|--|----------------|----------------|
| ASSETS | | |
| FINANCIAL ASSETS | | |
| Participations in subsidiaries | 197,270 | 97,261 |
| Shares | 7,800 | – |
| Total fixed assets | 205,070 | 97,261 |
| Current assets | | |
| Current receivables | | |
| Accounts receivable | – | 1,005 |
| Other receivables | 4,987 | – |
| Accounts receivable from Group companies | 32,552 | 55,734 |
| Prepaid expenses and accrued income | 196 | 604 |
| Cash and bank deposits | 64,581 | 70,250 |
| Total current assets | 102,316 | 127,593 |
| TOTAL ASSETS | 307,386 | 224,854 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Restricted equity | | |
| Share capital | 4,911 | 4,397 |
| Rights issue under registration | 888 | – |
| | 5,799 | 4,397 |
| Non-restricted equity | | |
| Share premium reserve | 372,584 | 272,272 |
| Retained earnings | -54,507 | -52,488 |
| Profit/loss for the year | -23,656 | -2,019 |
| | 294,421 | 217,765 |
| Total equity | 300,220 | 222,162 |
| Current liabilities | | |
| Accounts payable | 3,024 | 704 |
| Other liabilities | 758 | 379 |
| Accrued expenses and deferred income | 3,384 | 1,609 |
| Total current liabilities | 7,166 | 2,692 |
| TOTAL EQUITY AND LIABILITIES | 307,386 | 224,854 |

STATEMENT BY THE BOARD OF DIRECTORS AND THE CEO

The Board and CEO confirm that this year-end report provides a true and fair overview of the parent company and the Group's operations, position and earnings for the period in question..

Stockholm, Februari 21, 2019
Board of Directors

| | | |
|--------------------------------------|--|--------------------------------------|
| Åke Sund <i>chairman</i> | Tony Grimaldi <i>board member</i> | Elin Lydahl <i>board member</i> |
| Tommy Nilsson <i>board member</i> | Johan Nordström <i>board member</i> | Indra Åsander <i>board member</i> |
| | Harald Bauer CEO | |

This year-end report has been reviewed by the Company's auditor.

AUDITOR'S REPORT



Auditor's report

SaltX Technology Holding AB (publ) org nr 556917-6596

Introduction

We have reviewed the condensed interim financial information (interim report) of SaltX Technology Holding AB (publ) as of 31 December 2018 and the 12-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 February 21, 2019

Öhrlings PricewaterhouseCoopers AB

Claes Sjödin
Authorized Public Accountant
Auditor in charge

Leonard Daun
Authorized Public Accountant

OTHER INFORMATION

CALENDAR

| | |
|----------------------------------|--------------------|
| Annual Report 2018 | end of March, 2019 |
| Annual General Meeting | April 25, 2019 |
| Interim report Q1 Jan – Mar 2019 | May 3, 2019 |

ADDRESS

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