



metacon
PURE ENERGY

QUARTERLY REPORT
Q2 2021

QUARTERLY REPORT

APRIL 1 – JUNE 30, 2021

ÖREBRO 2021-08-26

PARENT COMPANY APRIL 1 – JUNE 30, 2021

- Total revenues amounted to 0 (0) kSEK
- Operating result amounted to -3 136 (-2 154) kSEK
- Result after financial items amounted to 3 188 (-2 214) kSEK

CONSOLIDATED GROUP APRIL 1 – JUNE 30, 2021

- Total revenues amounted to 38 (1 128) kSEK
- Operating result amounted to -7 992 (-3 284) kSEK
- Result after financial items amounted to -8 085 (-3 193) kSEK
- Earnings per share amounted to -0,03 SEK

SIGNIFICANT EVENTS DURING THE PERIOD

APRIL 1 – JUNE 30, 2021

- Metacon had its Annual General Meeting on June 8. Due to the general risk of infection caused by Covid-19, the Annual General Meeting was conducted through mail voting.
- The new President and CEO of Metacon, Christer Wikner, took office after the Annual General Meeting in June.
- During the period, Metacon has agreed with the remaining owners of the by Metacon majority owned associated company Helbio S.A., Patras, Greece on the acquisition of all outstanding shares. Helbio S.A. thereby becomes a wholly owned subsidiary of Metacon AB.
- An incentive program with an offer to purchase warrants to key personnel and senior executives within the Group has been implemented with full support.
- As part of the work to build an internationally profiled group, Metacon has acquired the domain name metacon.com, which will be widely introduced in connection with future brand and IT changes in the group.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- During the period, Metacon's subsidiary Helbio received two patents approved in Canada (corresponding to patents previously approved for the USA).
- Two CHP systems of the type H2PS-5 have been completed and are ready to be shipped to our distributor Notes in Japan and to Brunel University, England within the framework of previously communicated projects.
- Within Helbio's work with CE marking of the product H2PS-5, a major overhaul, including the change of external partner for testing and certification, was made during the summer. The changes aim at finding a way around the various obstacles that have been caused by Covid-19 so far and that continue to create problems. Work on the revised project will begin immediately after the Greek holiday period v.35.
- Metacon signed distribution agreement for H₂PS-5 with Notes Co. in Japan.

CEO COMMENTS

It was with great joy and inspiration that I took over as CEO of Metacon in June. During the first short time in the company, I got to know a team of very competent employees in various important areas so that we can take the next step in the company's industrial and commercial development. Despite continued Covid-related challenges, I have been able to visit the operations in Greece twice and have witnessed with satisfaction that we have a unique technology base in the catalytic steam reforming area and that our ongoing projects are progressing well.

The work in the electrolysis area with our associated company Water2H2 is also developing in a very exciting way. There is no doubt that with the internal expertise available, combined with the partner structure built for electrolysis, we can compete at the highest level both in Sweden and internationally here as well.

Overall, I am strengthened in my belief that Metacon has the potential to grow into a very strong and powerful supplier of hydrogen technology.

As everyone knows by now, the second quarter was strongly affected by world uncertainty due to Covid-19 and continued severe restrictions. This has made it difficult to sell and install our products at customers. However, the things we ourselves control internally within product development of both the CHP and HHG systems have proceeded well.

FOCUS AREAS 2021

At the same time as we have now created a strong foundation with a broad technology base, we are only at the beginning of extensive work to industrialize the company and commercialize our various products. A great deal of work has begun to develop both structure, processes and the organization to meet future needs. One of our important points is the completion of the CE marking process for the H2PS-5 product. There we focus right now. At the same time, it is important to point out that this is not something that fully slows down our roll-out plan for these systems. We are convinced that this will be completed satisfactory and, in the meantime, production of a first parallel-manufactured series of units is now being initiated that will serve as demo products for selected customers in different parts of the world.

Completion and extended testing of our first major unit for hydrogen production (HHG 50) is another milestone that we look forward to during the fall. We see great interest in this compact solution to be able to produce green hydrogen from biogas in large quantities while at the same time freeing up significant capacity in the electrical grids for other important needs within our societies and industries.

The third focus area is about supporting and creating conditions for Water2H2 to win and carry out its first major breakthrough deals in the electrolysis area. Metacon's investment in Water2H2 obviously aims at being able to build our own strong and competitive offering also in the area of green hydrogen from electrolysis and here I feel that we are well on our way.

INDUSTRIALIZATION AND COMMERCIALIZATION OF A UNIQUE TECHNOLOGY BASE

Even though the second quarter was weak in terms of sales as we're just about to start commercialisation, I feel great confidence and inspiration for the future development. We will work systematically to build a strong quality offering and supply capacity with a view to becoming a complete and important contributor to the world of green hydrogen technology. I am very much looking forward to leading the continued development of Metacon.



Christer Wikner
President and CEO, Metacon AB (publ)

COMMENTS ON THE FINANCIAL DEVELOPMENT

OPERATING INCOME

The Group's revenues for the period amounted to 211 (3 800) kSEK.

Last year, a long-term reserve for older EU grants paid was returned after review and analysis in the spring of 2020, where it was determined that there was no obligation to repay. The effect on the result was SEK 2.7 million.

OPERATING EXPENSES

The Group's operating expenses for the period amounted to -8 203 (-7 084) kSEK.

The increase mainly consists of increased personnel costs in connection with continued strengthening of the organization.

OPERATING RESULT

The Group's operating result for the period amounted to -7 992 (-3 284) kSEK.

FINANCIAL STANDING

As of June 30, the Group's equity amounted to 80 205 (27 687) kSEK.

Cash and cash equivalents amounted to 57 145 (8 454) TSEK. The Group's interest-bearing liabilities amounted to 4 456 (5 022) kSEK. The equity-to-asset ratio at the end of the reporting period was 89,1 % (72,3 %).

SIGNIFICANT CHANGES IN FINANCIAL POSITION AFTER THE END OF THE REPORTING PERIOD

No significant changes have taken place since the end of the reporting period.

ACCOUNTING PRINCIPLES

The report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice 2012: 1 Annual Report and consolidated accounts, K3. The principles are unchanged compared with the previous period.

The report has not been subject to review by the company's auditor.

UPCOMING FINANCIAL REPORTS

The company publishes the following reports during the year:

- Report for the third quarter, (July – September) is published Nov 18, 2021
- Year-end report with the fourth quarter, (October – December) is published February 18, 2022

CONSOLIDATED FINANCIAL INFORMATION IN SUMMARY

Amount in kSEK if nothing else is noted	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net sales	38	1 128	117	1 518	4 071
Operating result	-7 992	-3 284	-14 000	-8 789	-19 657
Profit/loss after financial items	-8 085	-3 193	-9 209	-8 797	-19 788
Total assets	91 116	38 272	91 116	38 272	100 466
Equity	81 205	27 687	81 205	27 687	90 545
Operating margin %	-0,48 %	-34 %	-0,84 %	-17%	-483 %
Net debt %	-65 %	-12 %	-65 %	-12 %	-79 %
Solidity %	89,1 %	72,3 %	89,1 %	72,3 %	90,1 %
Number of shares ('000)	233 207	194 339	233 207	194 339	233 207
Average number of shares ('000)	233 207	194 339	233 207	194 339	199 738
Share price on the balance date, SEK	5,55	3,795	5,55	3,795	5,15
Average number of employees	22	15	21	15	17
Number of employees, end of period	23	15	23	15	18

DEFINITIONS OF KEY FIGURES:

Operating income

Result before financial items

Operating margin

Operating profit as a percentage of net sales

Net debt

Long-term and short-term interest-bearing liabilities less cash and cash equivalents as a percentage of equity

Earnings per share

Profit attributable to the parent company's shareholders divided by the weighted average number of shares outstanding during the period

Solidity

Equity as a percentage of total assets

Average number of shares

Average number of shares outstanding during the period

Average number of employees

Average number of employees during the period converted to full-time positions

CONSOLIDATED INCOME STATEMENT

Amount in kSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Revenues					
Net sales	38	1 128	117	1 518	4 071
Other income	173	2 672	835	2 945	8 896
	211	3 800	952	4 463	12 967
Operating expenses					
Other external costs	-2 779	-2 111	-6 378	-5 245	-15 414
Employee benefit expenses	-3 341	-2 052	-4 485	-3 063	-6 796
Depreciation/amortization and impairment of tangible and intangible assets	-1 981	-2 130	-3 954	-4 153	-8 213
Other operating expenses	-102	-791	-135	-791	-2 201
Operating result	-7 992	-3 284	-14 000	-8 789	-19 657
Result from financial items					
Income from other securities and receivables accounted for as non-current assets	-	-	4 963	-	-
Interest income and similar income	45	176	45	181	249
Interest expenses and similar expenses	-138	-85	-217	-189	-380
Profit/loss after financial items	-8 085	-3 193	-9 209	-8 797	-19 788
Earnings before tax	-8 085	-3 193	-9 209	-8 797	-19 788
Net income	-8 085	-3 193	-9 209	-8 797	-19 788
Attributable to					
Shareholders of the parent company	-7 475	-3 326	-7 226	-7 572	-17 583
Non-controlling interest	-610	133	-1 983	-1 225	-2 205

CONSOLIDATED BALANCE SHEET

Amount in kSEK	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	1 047	392	199
Goodwill	6 586	13 745	10 151
	7 633	14 137	10 350
Tangible assets			
Plant and machinery	1 715	1 403	1 897
Equipment, tools and installations	799	886	848
	2 514	2 289	2 745
Financial assets			
Participations in associated companies	6 000	-	-
Other securities held as non-current assets	4 963	0	0
Other long term receivables	88	89	88
	11 051	89	88
Total fixed assets	21 198	16 515	13 183
Current assets			
Inventories etc.			
Raw materials and consumables	2 699	2 910	2 124
Work in progress	2 953	3 803	2 632
	5 652	6 713	4 756
Current receivables			
Accounts receivable	366	22	232
Other receivables	2 604	2 128	1 446
Prepaid expenses and accrued income	4 151	1 940	4 561
	7 121	4 090	6 239
Investments in securities etc	-	2 500	-
Cash and cash equivalents	57 145	8 454	76 288
Total current assets	69 918	21 757	87 283
TOTAL ASSETS	91 116	38 272	100 466

CONSOLIDATED BALANCE SHEET

Amount in kSEK	2021-06-30	2020-06-30	2020-12-31
EQUITY AND LIABILITIES			
Equity			
Share Capital	2 332	1 943	2 332
Other equity	80 748	24 655	88 105
Equity attributable to the parent company's shareholders	83 080	26 598	90 437
Non-controlling interest	-1 875	1 089	108
Total equity	81 205	27 687	90 545
Non-current liabilities			
Other liabilities to credit institutions	3 428	4 651	3 750
Other long-term liabilities	385	371	336
	3 813	5 022	4 086
Current liabilities			
Other liabilities to credit institutions	643	-	712
Accounts payable	722	646	676
Tax liabilities	58	7	27
Other current liabilities	3 075	3 744	3 079
Accrued expenses and deferred income	1 600	1 166	1 341
	6 098	5 563	5 835
TOTAL EQUITY AND LIABILITIES	91 116	38 272	100 466

CHANGE IN EQUITY IN THE GROUP

Amount in kSEK	2021 Jan-Jun	2020 Jan-Dec
Opening equity		
Attributable to the parent company's shareholders	90 437	34 324
Non-controlling interest	108	2 313
Result of the period	-9 209	-19 788
Proceeds from issuance of shares	-	80 067
Costs from issuance of shares and other items	-131	-6 371
Ending equity	81 205	90 545
Attributable to the parent company's shareholders	83 080	90 437
Non-controlling interest	-1 875	108

THE GROUP'S CASH FLOW ANALYSIS

Amount in kSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Profit/loss after financial items	-8 085	-3 193	-9 209	-8 797	-19 788
Adjustment for non-cash items	1 768	1 732	3 823	4 000	7 455
Operating cash flow	-6 317	-1 461	-5 386	-4 797	-12 333
Change in working capital	-99	756	-1 515	- 2 127	452
Cash flow from operating activities	-6 416	-705	-6 901	-6 924	-11 881
Cash flow from investing activities	-548	-111	-11 970	-177	-904
Cash flow from financing activities	-174	-2 684	-272	-2 181	71 337
Total cash flow	-7 138	-3 500	-19 143	-9 282	58 552
Cash at the beginning of the period	64 283	11 954	76 288	17 736	17 736
Cash at the end of the period	57 145	8 454	57 145	8 454	76 288

PARENT COMPANY INCOME STATEMENT

Amount in kSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Revenues					
Net sales	-	-	78	-	260
Other income	219	-68	835	204	555
	219	-68	913	204	815
Operating expenses					
Other external costs	-1 199	-773	-3 323	-2 108	-6 565
Employee benefit expenses	-1 958	-1 054	-1 989	-861	-1 907
Depreciation/amortization and impairment of tangible and intangible assets	-96	-175	-192	-349	-702
Other operating expenses	-102	-84	-134	-84	-332
Operating result	-3 136	-2 154	-4 725	-3 198	-8 691
Result from financial items					
Income from other securities and receivables accounted for as non-current assets	-	-	4 963	-	-
Interest income and similar income	-	-	-	-	16
Interest expenses and similar expenses	-52	-60	-106	-137	-254
Profit/loss after financial items	-3 188	-2 214	132	-3 335	-8 929
Earnings before tax	-3 188	-2 214	132	-3 335	-8 929
Net income	-3 188	-2 214	132	-3 335	-8 929

PARENT COMPANY BALANCE SHEET

Amount in kSEK	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	0	159	0
	0	159	0
Tangible fixed assets			
Plant and machinery	969	1 355	1 160
	969	1 355	1 160
Financial assets			
Participations in group companies	83 897	68 099	83 872
Participations in associated companies	6 000	-	-
Other securities held as non-current assets	4 963	-	-
Other long-term receivables	7	7	7
	94 867	68 106	83 879
Total fixed assets	95 836	69 620	85 039
Current Assets			
Inventories, etc.			
Work in progress	-	83	-
	-	83	-
Current receivables			
Receivables from group companies	3 973	3 711	3 307
Other receivables	307	272	495
Prepaid expenses and accrued income	266	547	293
	4 546	4 530	4 095
Investments in securities etc	-	2 500	-
Cash and cash equivalents	49 790	4 174	60 723
Total current assets	54 336	11 287	64 818
TOTAL ASSETS	150 172	80 907	149 857

PARENT COMPANY BALANCE SHEET

Amount in kSEK	2021-06-30	2020-06-30	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
<i>Restricted equity</i>			
Share capital	2 332	1 943	2 332
Statutory reserve	10	10	10
Reserve for development expenditure	-	159	-
	2 342	2 112	2 342
<i>Non-restricted equity</i>			
Share premium reserve	212 515	138 450	212 515
Profit or loss brought forward	-70 894	-62 124	-61 965
Net result	132	-3 335	-8 929
Total equity	144 095	75 103	143 963
Non-current liabilities			
Other liabilities to credit institutions	3 429	4 500	3 750
	3 429	4 500	3 750
Current liabilities			
Other liabilities to credit institutions	643	-	643
Accounts payable	722	646	677
Tax liabilities	58	7	27
Other current liabilities	216	65	126
Accrued expenses and deferred income	1 009	586	671
	2 648	1 304	2 144
TOTAL EQUITY AND LIABILITIES	150 172	80 907	149 857

CHANGE IN EQUITY IN THE PARENT COMPANY

Amount in kSEK	2021 Jan-Jun	2020 Jan-Dec
Opening equity	143 963	78 438
Result of the period	132	-8 929
Proceeds from issuance of shares	-	80 067
Costs from issuance of shares	-	-5 613
Ending equity	144 095	143 963

PARENT COMPANY'S CASH FLOW ANALYSIS

Amount in kSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Profit/loss after financial items	-3 188	-2 214	132	-3 335	-8 929
Adjustment for non-cash items	96	175	-4 771	349	702
Operating cash flow	-3 092	-2 039	-4 639	-2 986	-8 227
Changes in working capital	1 118	11	52	-3 600	259
Cash flow from operating activities	-1 974	-2 028	-4 587	-6 586	-7 968
Cash flow from investing activities	-25	-	6 025	-	-15 774
Cash flow from financing activities	-161	-	-321	-	73 705
Total cash flow	-2 160	5 505	-10 933	11 311	49 963
Cash at the beginning of the period	51 950	9 558	60 723	3 752	10 760
Cash at the end of the period	49 790	15 063	49 790	15 063	60 723

For further information, please contact CEO Christer Wikner, christer.wikner@metacon.se, +46 707647389

About Metacon AB (publ)

Metacon AB (publ) develops and manufactures energy systems for the production of hydrogen, heat and electricity. The products are based on a patented technology that produce hydrogen through reforming of biogas or other hydrocarbons. The hydrogen can be used in the transport sector, industry and the real estate sector with a better environment and climate as a result. Through its associated company Water2H2, the market is offered systems and solutions for the production of hydrogen through electrolysis. www.metacon.se.

HEAD OFFICE

Tomtebogatan 2
703 43 Örebro
Sweden

+46 19126800

info@metacon.se

