



metacon
PURE ENERGY

QUARTERLY REPORT
Q3 2022

Quarterly report

1 JULY – 30 SEPTEMBER 2022

ÖREBRO 2022-11-17

CONSOLIDATED GROUP 1 JULY – 30 SEPTEMBER 2022

- Net sales amounted to kSEK 20 466 (700)
- Operating profit/loss amounted to kSEK -21 213 (-8 147)
- Loss after financial items amounted to kSEK -21 289 (-8 158)
- Earnings per share amounted to SEK -0.06

PARENT COMPANY 1 JULY – 30 SEPTEMBER 2022

- Net sales amounted to kSEK 20 113 (83)
- Operating profit/loss amounted to kSEK -7 548 (-2 438)
- Loss after financial items amounted to kSEK -7 596 (-2 488)

SIGNIFICANT EVENTS DURING THE QUARTER

1 JULY – 30 SEPTEMBER 2022

- On July 1, Metacon announces the outcome of this summer's rights issue. The company will receive SEK 139 million before issue costs.
- On September 9, Metacon receives a conditional decision to delist its shares from NGM Nordic SME.
- On September 14, Metacon announces that the company has received approval for listing on Nasdaq First North Growth Market.
- September 26. The company announces that the division of Metacon AB (publ) will commence on Nasdaq First North Growth Market under the ticker META.

COMMENTS FROM THE CEO

Continued external turbulence with unique opportunities for hydrogen

I am pleased to be able to present another quarter with strongly growing revenues compared to the corresponding period last year. With the third quarter, we so far this year have sales of approximately SEK 53 million compared with SEK 0.8 million during the corresponding period last year. It shows that Metacon has seriously entered the commercial phase. The great work we have done to rebuild the company's corporate structure, take control of important future technologies and build a competent organization is beginning to yield results. At the same time, we have raised new capital and listed on Nasdaq First North Growth Market.

The market for green, non-fossil energy and vehicle fuel strengthened significantly during the year. Green hydrogen has sailed up the global political agenda as a result of initiatives driven by the demands for a sustainable transition. Geopolitical developments are leading to an increased demand for large-scale electrolysis projects. An example of a policy initiative can be found in the United States that, with the Inflation Reduction Act, launches the largest climate and energy invest-

ment in American history with an investment package of \$ 369 billion.

Over the past year, we have clarified the picture of where we have the greatest business opportunities and our development areas. We adapt quickly and actively to the external situation with unique opportunities for green hydrogen.

A future market for Metacon

Few can have escaped the major investments that are now taking place in the field of industrial green hydrogen, for example in the steel industry, the fertilizer industry and the food industry. These investments require facilities with high production capacity. Today, it is primarily electrolyzers that are relevant, and you need access to green electric power. But the opportunities for our reforming technology for alternative and non-electricity-dependent production of large amounts of green hydrogen from other renewable energy sources is becoming clearer every day.

In parallel, the transport sector is also moving forward very rapidly in the field of hydrogen. Truck manufacturers are beginning to realize that propulsion of heavier transport vehicles for longer transports will best be done with hydrogen as fuel. Very fast refueling, long driving distances, no range reduction during winter and that it is 100 percent climate-friendly are strong arguments. Recently, several major players in the passenger car industry such as Toyota, Hyundai, Renault, VW and BMW have also begun to realize the potential. We also see great interest from the rail, aviation and shipping sectors, all of which face major challenges in order to meet their climate goals. In order to realize this development, filling stations and local production of hydrogen will be needed. The European Parliament proposed as recently as October 2022 that by 2028 there should be at least one hydrogen refueling point every 100 km along the EU's main roads. In Sweden, about fifty filling stations will be built in the next three years, which means a breakthrough for hydrogen in the transport sector.

In 2021, we acquired the opportunity to offer electrolyzers and complete filling stations, which so far resulted in three concrete deals in Sweden. A local hydrogen station powered by electricity from wind power is under construction in Småland and is expected to be operational during the first half of 2023. Two additional local hydrogen stations have been ordered for delivery to northern Sweden during the summer of 2023.

Our pipeline of potential deals has increased

significantly over the past year. It now consists of a balanced mix of both large and small projects. However, most of the projects are still dependent on subsidies from national donors such as the Swedish Klimatklivet and various EU grants. The grant process often takes a long time and can lead to a situation where customers who do not need support still apply and prefer to wait for grant decisions.

A clearer picture of Metacon's "product-market-fit"

We are working intensively with our wholly owned reforming-based hydrogen generators (HHG) that will have the capacity to produce 10 – 250 normal cubic meters of green hydrogen per hour. The hydrogen can be produced without external electricity and preferably from biogas, which then yields non-fossil green hydrogen of vehicle fuel quality. Our development organisation at our subsidiary Helbio in Greece is working very intensively in this area and we now want to direct more of our resources to accelerate this development.

We see that our HHG systems are in demand by the market and can make a very big difference for energy-independent and local green fuel production in Europe. With an HHG, green hydrogen can be produced from biogas from, for example, a wastewater treatment plant, residual products from grain, livestock or from the fishing industry. The raw material is often free of charge for the producer and the hydrogen can then be sold to, among other users,

filling stations. In Germany alone, there are over 10,000 producers of biogas who, with our technology, could process the biogas into valuable green hydrogen. The process of terminating import of oil from Russia and other countries can begin.

Unfortunately, the Covid pandemic and component shortages caused delays in our development work and certification of our smaller cogeneration product H2PS-5. We also must face the fact that we have previously been too optimistic in our view of how quickly a certification process for this type of product could be completed. The planability of a complex certification project like this has basically been non-existent with everything that has occurred. In the second half of 2021, we restarted the process with a new Greek and German certification body after our pre-



vious certification body did not have the right experience. The product has to some extent had to be redesigned during the certification process when new governing directives have been identified. Germany has turned out to have many specific national directives and regulations. Through the broadening of our product range and current market conditions, smaller CHP systems are currently not in focus of our strategy, but the certification process is being completed.

Increased focus on larger hydrogen systems and B2B

Advanced consumer-oriented products such as H2PS-5 require large separate resources and conflict with our other product areas where the by far greatest opportunities exist. We perceive that we are currently much closer to the market with our HHG systems and with our electrolyzers and filling stations where each product sold gives us a better margin with less requirements for investments in production capacity, organisation and aftermarket.

All in all, we have taken great steps forward and are now intensifying the work to realize our vision of a large and profitable company in one of the world's most important industries of the future.

Christer Wikner

President & CEO, Metacon AB (publ)

Comments on the financial development

Operating income

The Group's revenues for the period amounted to kSEK 21 854 (1 040). The income comes mainly from the business within electrolysis.

Operating expenses

The Group's operating expenses for the period amounted to kSEK -43 067 (-9 187).

Operating result

The Group's operating result for the period amounted to kSEK -21 213 (-8 147). The margin in the electrolysis business has decreased somewhat due to unforeseen cost increases and currency changes which are deemed to be specific to this business and not generally in the future.

Financial standing

As of September 30, the Group's equity amounted to kSEK 291 582 (204 576). This amount includes a completed issue of net SEK 118.8 million.

Cash and cash equivalents amounted to kSEK 87 634 (52 001). The group's interest-bearing liabilities amounted to kSEK 3 442 (4 269). The equity ratio at the end of the reporting period was 95.1% (95.6%).

Significant changes in financial position after the end of the reporting period

No significant changes in financial position after 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:

- Year End Report Q4 will be published on February 16, 2023
- Annual General Meeting will be held on June 8, 2023

Consolidated financial information in summary

Amount in kSEK if nothing else is noted	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net sales	20 466	700	52 868	817	10 186
Operating result	-21 213	-8 147	-52 946	-22 146	-39 105
Profit/loss after financial items	-21 289	-8 158	-53 168	-17 367	-34 397
Total assets	306 541	213 959	306 541	213 959	246 566
Equity	291 582	204 576	291 582	204 576	230 775
Operating margin %	-104 %	-1 164 %	-100 %	-2 711%	-384 %
Net debt %	-29 %	-23 %	-29 %	-23 %	-17 %
Solidity %	95,1 %	95,6 %	95,1 %	95,6 %	93,6 %
Number of shares ('000)	342 586	233 207	342 586	233 207	265 380
Number of shares at the end of the period, after dilution ('000)	351 586	242 207	351 586	242 207	265 380
Average number of shares ('000)	334 194	233 207	288 570	233 207	240 556
Number of shares at the end of the period, after dilution ('000)	343 194	242 207	297 570	236 207	245 056
Earnings per share (SEK)	-0,06				
Earnings per share after dilution (SEK)	-0,06				
Share price on the balance date, SEK	1,37	3,985	1,37	3,985	3,04
Average number of employees	29	23	29	21	22
Number of employees, end of period	31	23	31	21	24

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	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Revenues					
Net sales	20 466	700	52 868	817	10 186
Other income	1 388	340	2 027	1 175	3 547
	21 854	1 040	54 895	1 992	13 733
Operating expenses					
Raw materials and consumables	-19 920		-46 325		-9 901
Other external costs	-9 167	-4 127	-17 884	-10 505	-14 635
Employee benefit expenses	-4 952	-3 027	-12 826	-7 511	-11 244
Depreciation/amortization and impairment of tangible and intangible assets	-8 530	-2 013	-29 946	-5 967	-16 722
Other operating expenses	-498	-20	-860	-155	-336
Operating result	-21 213	-8 147	-52 946	-22 146	-39 105
Result from financial items					
Income from other securities and receivables accounted for as non-current assets	-	-	-	4 963	4 963
Interest income and similar income	-	1	-	46	47
Interest expenses and similar expenses	-76	-12	-222	-230	-302
Profit/loss after financial items	-21 289	-8 158	-53 168	-17 367	-34 397
Earnings before tax	-21 289	-8 158	-53 168	-17 367	-34 397
Net income	-21 289	-8 158	-53 168	-17 367	-34 397
Attributable to					
Shareholders of the parent company	-21 289	-6 292	-53 168	-13 518	-30 548
Non-controlling interest	-	-1 866	-	-3 849	-3 849

Consolidated balance sheet

Amount in kSEK	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	1 223	1 000	1 078
Goodwill	138 760	4 803	169 001
	139 983	5 803	170 079
Tangible assets			
Plant and machinery	5 854	1 795	4 209
Equipment, tools and installations	845	837	888
	6 699	2 632	5 097
Financial assets			
Participations in associated companies	6 223	6 000	-
Other securities held as non-current assets	4 963	4 963	4 963
Other long term receivables	113	89	89
	11 299	11 052	5 052
Total fixed assets	157 981	19 487	180 228
Current assets			
Inventories etc.			
Raw materials and consumables	8 852	2 878	4 760
Work in progress	23 878	2 970	5 580
	32 730	5 848	10 340
Current receivables			
Accounts receivable	25 688	509	936
Other receivables	2 048	132 752	1 446
Prepaid expenses and accrued income	460	3 362	5 640
	28 196	136 623	8 022
Short-term investments	-	-	-
Cash and cash equivalents	87 634	52 001	42 940
Total current assets	148 560	194 472	61 302
TOTAL ASSETS	306 541	213 959	241 530

Consolidated balance sheet

Amount in kSEK	2022-09-30	2021-09-30	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Share Capital	3 426	2 332	2 654
Other equity	288 156	205 984	228 121
Equity attributable to the parent company's share-holders	291 582	208 316	230 775
Non-controlling interest	-	-3 740	-
Total equity	291 582	204 576	230 775
Non-current liabilities			
Overdraft facility	-	-	-
Other liabilities to credit institutions	2 625	3 268	3 107
Other long-term liabilities	174	358	335
	2 799	3 626	3 442
Current liabilities			
Other liabilities to credit institutions	643	643	643
Accounts payable	1 203	423	738
Tax liabilities	229	58	65
Other current liabilities	8 095	3 099	3 686
Accrued expenses and deferred income	1 990	1 534	2 181
	12 160	5 757	7 313
TOTAL EQUITY AND LIABILITIES	306 541	213 959	241 530

Change in equity in the Group

Amount in kSEK	2022 Jan-Sep	2021 Jan-Dec
Opening equity		
Attributable to the parent company's shareholders	230 775	90 437
Non-controlling interest	-	108
Result of the period	-53 068	-34 397
New issue net	118 804	175 008
Changed ownership in subsidiaries	-	-108
Effect of merger in the Helbio group	-5 331	-
Items booked directly against equity	402	-273
Ending equity	291 582	230 775
Attributable to the parent company's shareholders	291 582	230 775
Non-controlling interest	-	-

The Group's cash flow analysis*

Amount in kSEK	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Profit/loss after financial items	-21 289	-8 158	-53 168	-17 367	-34 397
Adjustment for non-cash items	3 235	2 164	29 895	1 025	13 831
Operating cash flow	-18 054	-5 994	-23 273	-16 342	-20 566
Change in working capital	86 765	-130 038	-37 719	-131 554	-5 959
Cash flow from operating activities	68 711	-136 032	-60 992	-147 896	-26 525
Cash flow from investing activities	-6 525	-301	-9 013	-7 308	-178 805
Cash flow from financing activities	1 043	131 189	114 699	130 917	171 982
Total cash flow	63 229	-5 144	44 694	-24 287	-33 348
Cash at the beginning of the period	24 405	57 145	42 940	76 288	76 288
Cash at the end of the period	87 634	52 001	87 634	52 001	42 940

*During the third quarter of 2021, a decision was made to acquire the minority share of Helbio Holding S.A. It took place through a new issue via invoicing. The transaction meant that short-term receivables and equity increased significantly, which also had a major impact on items in the cash flow in the group and the parent company during the period. In October 2021, the transaction was registered by the Swedish Companies Registration Office.

Parent company income statement

Amount in kSEK	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Revenues					
Net sales	20 113	83	38 514	162	162
Other income	11	203	142	1 037	1 153
	20 124	286	38 656	1 199	1 315
Operating expenses					
Raw materials and consumables	-19 570	-	-33 437	-	-
Other external costs	-4 868	-1 038	-9 354	-4 361	-5 187
Employee benefit expenses	-2 569	-1 557	-6 554	-3 546	-5 412
Depreciation/amortization and impairment of tangible and intangible assets	-115	-108	-342	-300	-415
Other operating expenses	-551	-21	-875	-155	-156
Operating result	-7 549	-2 438	-11 906	-7 163	-9 855
Result from financial items					
Income from other securities and receivables accounted for as non-current assets	-	-	-	4 963	4 963
Interest income and similar income	-	-	-	-	-
Interest expenses and similar expenses	-47	-50	-139	-156	-204
Profit/loss after financial items	-7 596	-2 488	-12 045	-2 356	-5 096
Earnings before tax	-7 596	-2 488	-12 045	-2 356	-5 096
Net income	-7 596	-2 488	-12 045	-2 356	-5 096

Parent company income statement

Amount in kSEK	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar	0	0	0
	0	0	0
Tangible fixed assets			
Plant and machinery	694	1 136	1 024
Equipment, tools, fixtures and fittings	60	-	72
	754	1 136	1 096
Financial assets			
Participations in group companies	279 187	83 897	270 031
Participations in associated companies	6 223	6 000	-
Other securities held as non-current assets	4 963	4 963	4 963
Other long-term receivables	7	7	7
	290 380	94 867	275 001
Total fixed assets	291 134	96 003	276 097
Current Assets			
Inventories, etc.			
Raw materials and consumables	1 810	-	-
Work in progress	128	-	-
	1 938		
Current receivables			
Accounts receivable	23 165	-	-
Receivables from group companies	29 878	4 373	7 836
Other receivables	196	129 771	255
Prepaid expenses and accrued income	163	256	276
	53 402	134 400	8 367
Short-term investments	-	-	-
Cash and cash equivalents	84 224	48 119	34 799
Total current assets	139 564	182 519	43 166
TOTAL ASSETS	430 698	278 522	319 263

Parent company balance sheet

Amount in kSEK	2022-09-30	2021-09-30	2021-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	3 426	2 332	2 654
Unregistered share capital	-	235	-
Statutory reserve	10	10	10
Reserve for development expenditure	-	-	-
	3 436	2 577	2 664
<i>Non-restricted equity</i>			
Share premium reserve	504 853	212 515	384 819
Ongoing new issue	-	129 141	-
Balanced gain or loss	-75 990	-70 894	-70 894
Year result	-12 045	-2 356	-5 096
Total equity	420 254	270 983	311 493
Non-current liabilities			
Overdraft facility	-	-	-
Other liabilities to credit institutions	2 625	3 268	3 107
	2 625	3 268	3 107
Current liabilities			
Other liabilities to credit institutions	643	643	643
Accounts payable	907	422	444
Liabilities to group companies	-	2 002	2 002
Tax liabilities	229	58	64
Other current liabilities	4 478	216	313
Accrued expenses and deferred income	1 562	930	1 197
	7 820	4 271	4 663
TOTAL EQUITY AND LIABILITIES	430 698	278 522	319 263

Change in equity in the parent company

Amount in kSEK	2022 Jan-Sep	2021 Jan-Dec
Opening equity	311 493	143 963
Result of the period	-12 045	-4 449
Rights issue	118 804	172 626
Reclassification warrants	2 002	-
Ending equity	420 254	311 493

Parent company's cash flow analysis

Amount in kSEK	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Profit/loss after financial items	-7 595	-2 488	-12 045	-2 356	-5 096
Adjustment for non-cash items	115	108	342	-4 663	-4 478
Operating cash flow	-7 480	-2 380	-11 703	-7 019	-9 574
Changes in working capital	81 842	-128 230	-43 818	-128 177	-1 823
Cash flow from operating activities	74 362	-130 610	-55 521	-135 196	-11 397
Cash flow from investing activities	-12 250	-276	-15 378	-6 301	-186 509
Cash flow from financing activities	1 070	129 215	120 324	128 893	171 982
Total cash flow	63 182	-1 671	49 425	-12 604	-25 924
Cash at the beginning of the period	21 042	49 790	34 799	60 723	60 723
Cash at the end of the period	84 224	48 119	84 224	48 119	34 799

This information is information that Metacon AB (publ) is obliged to make public according to the EU's market abuse regulation. The information was submitted, through the care of the contact person below, for publication on November 17, 2022 at 08:00 CET.

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

About Metacon AB (publ)

Metacon is an international energy technology company based in Sweden and headquartered in Örebro, whose overall business idea is to commercialize hydrogen-based energy systems within electrolysis and reforming. Metacon's system has been developed with the goal of adding benefits both for customers, society and our environment. www.metacon.com



HEAD OFFICE

Tomtebogatan 2
703 43 Örebro

+46 19126800
info@metacon.com

www.metacon.com

