



Stockholm, 2020-08-26

Meltron AB (publ), 556988-9834

Year-end report for the period 2019-05-01 – 2020-06-30



Summary of the period

August 2019: Today's Meltron is established through a merger with Meltron Oy.

August 2020: The continued expansion is ensured by a guaranteed rights issue of MSEK 25.

Multi-year overview (Group)

| | 2019/2020 Sept-June | 2019/2020 Sept-Dec | 2019/2020 Sept-Oct |
|--|------------------------|-----------------------|-----------------------|
| kSEK unless stated otherwise | | | |
| Net sales | 3 160 | 1 935 | 1 087 |
| Operating profit | -21 091 | -12 732 | -3 595 |
| Profit after financial items | -23 211 | -14 198 | -3 744 |
| Balance sheet total | 23 036 | 25 530 | 30 698 |
| Equity | 12 926 | 14 714 | -17 |
| Earnings per share, SEK | -0,3 | -0,3 | -0,1 |
| Solidity % | 56,1% | 57,6% | -0,1% |
| Number of shares at the end of the period | 160 111 553 | 132 587 175 | 93 951 086 |
| Ongoing registration of shares | - | - | - |
| Average number of shares | 83 993 399 | 44 861 866 | 26 697 914 |
| Share price at balance sheet date, SEK | 0,35 | 0,60 | 0,91 |
| Number of employees, annual average | 11 | 11 | 11 |
| Number of employees at the end of the period | 11 | 11 | 11 |

Definitions of indicators:

Meltron OY was acquired on 2019-08-31. Consolidated accounts are thus presented for the period September 2019 to June 2020.

Earnings per share

Profit/loss for the period in relation to average number of shares during the period

Solidity

Equity at the end of the period as percentage of total assets

Average number of shares

Average of number of shares at the end of the period

Accounting principles

Accounting principles in this report has been prepared in accordance with the Annual Accounts Act and the Accounting Board's general advice. Applied accounting principles are in accordance with the K3 rules.

In connection with the acquisition of and merger with Oy Mtg Meltron (now Meltron Oy) on 2019-09-01, the financial year for Meltron AB was changed to July-June; as a consequence, the last financial year was extended to comprise the period 2019-05-01—2020-06-30. The acquired Finnish company is consolidated for the period 2019-09-01—2020-06-30. The accounts therefore represent

- For the Parent Company: 2019-05-01 – 2020-06-30 (14 months)
- For the Group: 2019-09-01 – 2020-06-30 (10 months)

Comparative amounts refer to interim reports as of 2019-10-31 and 2020-12-31 respectively, and previous full years.

Significant events during the period

- Following the approval of the Annual General Meeting of Meltron AB (A Uni-Light LED AB at the time) which was held on 2019-08-20, the acquisition of Meltron Oy was carried out on 2019-08-31, thus turning Meltron Oy into a wholly-owned subsidiary of Meltron AB.
- In conjunction with the acquisition of Meltron Oy, a rights issue of more than MSEK 15 and with additional over-allotment of approximately MSEK 5 was carried out. The issue was carried out during November and as it was met with great interest, the Board of Directors resolved to increase the issue to MSEK 24.
- In February, the Company entered into an agreement with its largest owner, Megabond Tallinn OU, which granted a convertible loan of approximately MSEK 7. On June 1, the debt was converted into approximately 27 million shares.
- The total number of shares was 160 111 553 at the end of the financial year, and the share capital amounted to SEK 40 027 888.25. There are no warrants outstanding.
- During the period, an important cooperation and joint venture agreement was signed with Industrial Security Alliance Partners in the US, which is active in surveillance and security and with innovations including advanced high-resolution camera systems. ISAP has integrated its surveillance systems into Meltron's lighting systems, particularly in street lights, for the US as well as other markets. The cooperation is progressing well and MeltronUSA recently launched its own website. Unfortunately, the corona pandemic has effectively shut down all marketing activities in 2020 thus far.
- ISAP is operating in the Middle East as well, now also in Oman where a closer and broader cooperation with Meltron and a local partner is under development. Meltron has successfully completed its first installation in a riding stadium in Oman.
- Meltron AB's and Meltron Oy's operations are fully integrated and are conducted in a common organization, which over the year has been further integrated and strengthened. At the end of the year, two marketing directors were recruited. A number of strategic orders have been received, several of them pilot orders and some involving specific customer adaptations which have proven to be a substantial competitive advantage for Meltron.
 - o Forestry industry (Stora, Metso)
 - o Gas (AGA, Gasum)
 - o Finnish nuclear power plant
 - o Pharmaceuticals in Finland (in addition, a major international pharmaceutical company has selected Meltron as its preferred supplier for an initial modernization project, in fierce competition with others)

Impact of the coronavirus

During the first half of 2020, many marketing activities came to a halt due to the corona pandemic, including exhibitions and fairs. The dialogue with customers has been dragging on, and it is clear that many customers have postponed their investment decisions in these uncertain times. All of this has had a negative impact on sales, even though the Company has tried to make use of the time to engage in customer dialogue when possible. Some supplies, from China for example, have also been delayed.

Financial comments

This year's result for the Group (MSEK -23) is impacted, among other things, by acquisition and issuance costs (MSEK 6), cost of development, patents etc. (MSEK 2.2), purchases of components and stock building (MSEK 1.5), amortization on patents etc. (MSEK 3.5) and personnel costs (MSEK 4).

A significant amount of the added funds have been used to cover the day-to-day operation, repay certain loans and other liabilities and make investments in machinery and componentry. Out of these funds, MSEK 19 were added to Meltron Oy, increasing the equity. The book value of the subsidiary Meltron Oy has thus increased from MSEK 52 at the time of the acquisition to MSEK 71 at the end of the financial year. The major part of Meltron's future revenue is expected to be generated from Meltron Oy's product portfolio, regardless of how the sales are conducted.

Expected future development and key uncertainty factors

Meltron is currently focusing on sales and marketing, both directly as in Finland and in close cooperation with the existing distributors, particularly in Scandinavia and Germany/Austria, which gradually are forging closer ties with the company, and, not least, in cooperation with partners in the US and in the Middle East. The orientation in a number of niche markets is as follows:

- Industry, which the product portfolio of Meltron Oy expands considerably, will be concentrated in Finland, Sweden and Germany and via the aforementioned partners in the US and the Middle East:
 - o industrial lighting in demanding environments, such as maintenance workshops;
 - o powerful lighting of large outdoor areas, such as ports, industrial courtyards, parking stands; this lighting can also be used for sports facilities, where the company's lighting optimization technology is of particular interest;
 - o additional niches for the high-quality, gas-tight and explosion-proof lighting (EX) with applications mainly in the oil and gas industry, the pharmaceutical industry, etc., where the customers have high requirements and the environments are demanding; these areas have great potential and are not restricted geographically.
- Road lighting and lighting for other public places, where the company has a sophisticated product which employs a special optical technology to provide a superior distribution of light across the road surface.
- Livestock buildings, which have been the company's main area for a long time, will be concentrated in Sweden and Germany/Austria. The latter market is approximately 12

times greater than the Swedish market.

The total sales in 2021 are projected to amount to approximately MSEK 20, and they are expected to grow rapidly in the following years. The competition is intense, but the company's choice of niche markets facilitates the sales effort.

Efforts are also underway to develop the the technology and products further and, no less importantly, to maintain patents and certifications. The company's know-how in light calculations and lighting optimization is of great value.

Corona: The future development of the corona pandemic and the restart of the economic activity remains an uncertainty with regard to how the marketing operations will develop in the near future.

Significant events after the end of the period

Continued funding secured: At the end of the financial year, the Board of Directors resolved, as mandated by the Annual General Meeting and in line with the provisions in the Articles of Association, to make preparations to carry out a rights issue of MSEK 25 to ensure going concern. G&W Fondkommission was tasked to manage the rights issue and syndicate a guarantee of approximately 80 percent in combination with subscription undertakings amounting to about MSEK 1.7 that were provided by the main owners, the Board of Directors and the executive management.

There has been significant interest in the Company, and on 2020-08-25 it was announced that the issue was fully guaranteed (through a bottom and a top guarantee). At the same time, the terms of the issue were published. The rights issue will be carried out between September 28 and October 13, 2020. This will allow the Company to finance the sharply intensified marketing and sales efforts according to plan and to lay down the basis for a rapid expansion.

Appropriation of profit, disclosure, etc.

The Board of Directors proposes that non-restricted equity of SEK 35 821 805 be retained.

The annual report is planned to be published on 2020-09-02 together with the auditor's report. It will be made available on the Company's website, www.meltron.com and www.investor.meltron.com.

The Annual General Meeting will be held on 2020-09-25 in Stockholm, Sweden.

The next financial report is planned to be published on 2021-02-25.

This year-end report has not been reviewed by the Company's auditors.

About Meltron – “More than Just Light”

Meltron AB designs, manufactures and sells LED lighting solutions which are based on interdisciplinary application of electronics, optics, thermodynamics and nano-structures. “More Than Just Light” translates into energy savings, superior light quality, product life-time savings, increased productivity, safety and wellbeing. Meltron provides high quality solutions for the most demanding environments in infrastructure, industry, logistics and agriculture.

LED lighting is one of the fastest growing major industries of the world. The annual growth of the industrial sector currently amounts to 47 percent, and the entire market is projected to generate turnover of USD 100 billion in 2020, according to Edison Research.

*Meltron's share is traded on NGM Nordic MTF under the ticker **MLTR**.*

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Multi-year overview (Group)

| | 2019/2020 | 2019/2020 | 2019/2020 |
|--|-----------|-----------|-----------|
| kSEK unless stated otherwise | Sept-June | Sept-Dec | Sept-Oct |
| Net sales | 3 160 | 1 935 | 1 087 |
| Operating profit | -21 091 | -12 732 | -3 595 |
| Profit after financial items | -23 211 | -14 198 | -3 744 |
| Balance sheet total | 23 036 | 25 530 | 30 698 |
| Equity | 12 926 | 14 714 | -17 |
| Solidity % | 56,1% | 57,6% | -0,1% |
| Number of employees, annual average | 11 | 11 | 11 |
| Number of employees at the end of the period | 11 | 11 | 11 |

Multi-year overview (Parent Company)

| | 2019/2020 | 2019/2020 | 2019/2020 | 2018/2019 |
|--|-------------|-------------|------------|------------|
| kSEK unless stated otherwise | Sept-June | Sept-Dec | Sept-Oct | May-April |
| Net sales | 1 113 | 460 | 314 | 1 073 |
| Operating profit | -13 655 | -9 565 | -3 777 | -6 638 |
| Profit after financial items | -14 308 | -9 614 | -3 793 | -6 640 |
| Balance sheet total | 84 448 | 81 530 | 79 403 | 12 293 |
| Equity | 82 709 | 80 055 | 60 762 | 10 357 |
| Earnings per share, SEK | -0,2 | -0,3 | -0,1 | -0,2 |
| Solidity % | 97,9% | 98,2% | 76,5% | 84,3% |
| Number of shares at the end of the period | 160 111 553 | 132 587 175 | 93 951 086 | 13 071 455 |
| Ongoing registration of shares | - | - | - | - |
| Average number of shares | 83 993 399 | 44 861 866 | 26 697 914 | 26 697 914 |
| Share price at balance sheet date, SEK | 0,35 | 0,60 | 0,91 | 0,35 |
| Number of employees, annual average | 1 | 1 | 1 | 1 |
| Number of employees at the end of the period | 1 | 1 | 1 | 1 |

Definitions of indicators:

Meltron OY was acquired on 2019-08-31. Consolidated accounts are thus presented for the period September 2019 to June 2020.

Earnings per share

Profit/loss for the period in relation to average number of shares during the period

Solidity

Equity at the end of the period as percentage of total assets

Average number of shares

Average of number of shares at the end of the period

Accounting principles

Accounting principles in this report has been prepared in accordance with the Annual Accounts Act and the Accounting Board's general advice. Applied accounting principles are in accordance with the K3 rules.

Number of shares

| | 2019/2020 | 2019/2020 | 2019/2020 | 2018/2019 |
|--|-------------|-------------|------------|------------|
| | Sept-June | May-Dec | May-Oct | May-April |
| Opening number of shares | 13 071 455 | 13 071 455 | 13 071 455 | 13 071 455 |
| Closing number of shares | 160 111 553 | 132 587 175 | 93 951 085 | 13 071 455 |
| Ongoing registration of shares | - | - | - | - |
| Average number of shares before dilution | 83 993 399 | 44 861 866 | 26 697 914 | 11 151 869 |

Consolidated income statement

| kSEK | 2019/2020 Sept - June | 2019/2020 Sept - Dec | 2019/2020 Sept - Oct |
|---|--------------------------|-------------------------|-------------------------|
| Operating income | | | |
| Net sales | 3 160 | 1 935 | 1 087 |
| Other operating income | 660 | 447 | 131 |
| Total income | 3 820 | 2 382 | 1 218 |
| Operating cost | | | |
| Goods for resale | -4 081 | -2 632 | -603 |
| Other external charges | -13 171 | -8 712 | -1 744 |
| Personnel costs | -4 137 | -2 387 | -1 126 |
| Depreciation/amortization of tangible and Intangible fixed assets | -3 522 | -1 383 | -632 |
| Other operating costs | 0 | 0 | -708 |
| Total operating costs | -24 911 | -15 114 | -4 813 |
| Operating profit/loss | -21 091 | -12 732 | -3 595 |
| Net financial result | -2 120 | -1 466 | -149 |
| Profin/loss after financial items | -23 211 | -14 198 | -3 744 |
| Profit/loss before tax | -23 211 | -14 198 | -3 744 |
| Tax on profit for the period | 0 | 0 | 0 |
| Profit/loss | -23 211 | -14 198 | -3 744 |
| Profit/loss per share (SEK) | -0,3 | -0,3 | -0,1 |

Consolidated balance sheet

| kSEK | 2020 30-June | 2019 31 Dec | 2019 31 Oct |
|---|-----------------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Capitalized expenditure for research, development work and similar work | 3 482 | 2 520 | 2 773 |
| Patents and rights | 12 826 | 13 555 | 13 958 |
| Equipment, tools, fixtures and fittings | 1 652 | 1 848 | 2 063 |
| Other long-term holdings of securities | 51 | 51 | 52 |
| Long-term receivables | 225 | 224 | 231 |
| Total Fixed assets | 18 236 | 18 198 | 19 077 |
| Current assets | | | |
| Finished goods and merchandise | 2 218 | 2 613 | 3 613 |
| Account receivable | 305 | 264 | 433 |
| Other short-term receivables | 2 044 | 2 946 | 2 806 |
| Cash and cash equivalents | 233 | 1 509 | 4 769 |
| Total current assets | 4 800 | 7 332 | 11 621 |
| Total assets | 23 036 | 25 530 | 30 698 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 40 027 | 33 146 | 23 488 |
| Other equity incl. The result of the period | -27 101 | -18 432 | -23 505 |
| Total Equity | 12 926 | 14 714 | -17 |
| Provisions | | | |
| Other provisions | 319 | 300 | 296 |
| Total provisions | 319 | 300 | 296 |
| Non-current liabilities | | | |
| Liabilities to credit institutions | 3 293 | 3 954 | 4 326 |
| Total non-current liabilities | 3 293 | 3 954 | 4 326 |
| Current liabilities | | | |
| Liabilities to credit institutions | 917 | 266 | 1 813 |
| Accounts payable | 2 526 | 4 036 | 4 536 |
| Other current liabilities | 3 055 | 2 260 | 19 744 |
| Total current liabilities | 6 498 | 6 562 | 26 093 |
| Total equity and liabilities | 23 036 | 25 530 | 30 698 |

Consolidated changes in equity

| kSEK | 2019/2020 Sept-June | 2019/2020 Sept - Dec | 2019/2020 Sept - Oct |
|--------------------------------------|------------------------|-------------------------|-------------------------|
| Opening balance equity | -5 021 | -5 021 | -5 021 |
| Reverse acquisition value | 8 929 | 8 929 | 8 929 |
| New share issue | 32 462 | 25 260 | - |
| Other equity | - | - | - |
| Translation differences for the year | -233 | -256 | -181 |
| Net profit for the period | -23 211 | -14 198 | -3 744 |
| Closing balance equity | 12 926 | 14 714 | -17 |

Consolidated condensed cash flow statement

| kSEK | 2019/2020 Sept-June | 2019/2020 Sept - Dec | 2019/2020 Sept - Oct |
|---|------------------------|-------------------------|-------------------------|
| Profit after financial items | -21 091 | -14 198 | -3 744 |
| Adjustments for items not included in cash flow | 1 503 | 1 383 | 632 |
| Other non-cash items | 0 | 25 | 10 |
| Cash flow from operating activities, before changes in working capital | -19 588 | -12 790 | -3 102 |
| Cash flow from changes in working capital | -9 025 | 10 307 | 9 821 |
| Cash flow from operating activities | -28 613 | -2 483 | 6 719 |
| Cash flow from investing activities | -2 362 | -1 714 | -1 714 |
| Cash flow from financing activities | 31 207 | 5 705 | -237 |
| Cash flow for the period | 232 | 1 508 | 4 768 |
| Cash and cash equivalents at the beginning of the period | 1 | 1 | 1 |
| Cash and cash equivalents at the end of the period | 233 | 1 509 | 4 769 |

The Parent Company's income statement

| kSEK | 2019/2020 May-June | 2019/2020 May-Dec | 2019/2020 May-April | 2018/2019 May-Oct |
|---|-----------------------|----------------------|------------------------|----------------------|
| Operating income | | | | |
| Net sales | 1 113 | 460 | 314 | 1 073 |
| Other operating income | 66 | 3 | 2 | 1 021 |
| Total income | 1 179 | 463 | 316 | 2 094 |
| Operating costs | | | | |
| Goods for resale | -1 237 | -1 376 | -720 | -1 862 |
| Other external charges | -9 722 | -6 363 | -1 747 | -4 089 |
| Personnel costs | -1 563 | -907 | -569 | -717 |
| Depreciation/amortization of tangible and Intangible fixed assets | -2 283 | -1 332 | -999 | -1 999 |
| Other operating costs | -29 | -50 | -58 | -65 |
| Total operating costs | -14 834 | -10 028 | -4 093 | -8 732 |
| Operating profit | -13 655 | -9 565 | -3 777 | -6 638 |
| Net financial result | -653 | -49 | -16 | -2 |
| Profit after financial items | -14 308 | -9 614 | -3 793 | -6 640 |
| Profit before tax | -14 308 | -9 614 | -3 793 | -6 640 |
| Tax on profit for the period | 0 | 0 | 0 | 0 |
| NET PROFIT FOR THE PERIOD | -14 308 | -9 614 | -3 793 | -6 640 |

The Parent Company's balance sheet

| kSEK | 2020 30 June | 2019 31 Dec | 2019 31 Oct | 2019 30 April |
|---|-----------------|----------------|----------------|------------------|
| ASSETS | | | | |
| Fixed assets | | | | |
| Capitalized expenditure for research, development work and similar work | 674 | 858 | 936 | 1 171 |
| Patents and rights | 8 120 | 8 881 | 9 134 | 9 893 |
| Equipment, tools, fixtures and fittings | 12 | 17 | 19 | 24 |
| Participations in Group companies | 71 532 | 54 198 | 54 198 | 0 |
| Total fixed assets | 80 338 | 63 954 | 64 287 | 11 088 |
| Current assets | | | | |
| Finished goods and merchandise | 758 | 1 017 | 1 037 | 397 |
| Accounts receivable | 102 | 264 | 422 | 333 |
| Other short-term receivables | 3 018 | 14 787 | 9 000 | 184 |
| Cash and cash equivalents | 232 | 1 508 | 4 657 | 291 |
| Total current assets | 4 110 | 17 576 | 15 116 | 1 205 |
| Total assets | 84 448 | 81 530 | 79 403 | 12 293 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 40 028 | 33 147 | 23 488 | 3 268 |
| Revaluation reserve | 6 185 | 6 768 | 6 958 | 7 530 |
| Fund for development costs | 674 | 859 | 921 | 1 106 |
| Retained earnings including net profit for the period | 35 822 | 39 281 | 29 395 | -1 547 |
| Total equity | 82 709 | 80 055 | 60 762 | 10 357 |
| Provisions | | | | |
| Other provisions | 319 | 300 | 296 | 285 |
| Total provisions | 319 | 300 | 296 | 285 |
| Current liabilities | | | | |
| Accounts payable | 313 | 737 | 1 265 | 812 |
| Other current liabilities | 1 107 | 438 | 17 080 | 839 |
| Total current liabilities | 1 420 | 1 175 | 18 345 | 1 651 |
| Total equity and liabilities | 84 448 | 81 530 | 79 403 | 12 293 |

The Parent Company's changes in equity

| kSEK | 2019/2020 May-June | 2019/2020 May-Dec | 2019/2020 May-Oct | 2018/2019 May-April |
|-------------------------------|-----------------------|----------------------|----------------------|------------------------|
| Opening balance equity | 10 357 | 10 357 | 10 357 | 13 715 |
| Net profit for the period | -14 308 | -9 614 | -3 793 | -6 640 |
| New share issue | 86 659 | 79 312 | 54 198 | 3 282 |
| Closing balance equity | 82 708 | 80 055 | 60 762 | 10 357 |

The Parent Company's condensed cash flow statement

| kSEK | 2019/2020 May-June | 2019/2020 May-Dec | 2019/2020 May-Oct | 2018/2019 May-April |
|---|-----------------------|----------------------|----------------------|------------------------|
| Profit after financial items | -14 308 | -9 614 | -3 793 | -6 640 |
| Adjustments for items not included in cash flow | 2 319 | 1 357 | 1 009 | 2 031 |
| Income tax paid | 0 | 0 | 0 | 0 |
| Cash flow from operating activities, before changes in working capital | -11 989 | -8 257 | -2 784 | -4 609 |
| Cash flow from changes in working capital | -3 197 | -185 | 7 150 | 1 375 |
| Cash flow from operating activities | -15 186 | -8 442 | 4 366 | -3 234 |
| Cash flow from investing activities | -17 334 | 0 | 0 | 20 |
| Cash flow from financing activities | 32 462 | 9 659 | 0 | 3 282 |
| Cash flow for the period | -58 | 1 217 | 4 366 | 68 |
| Cash and cash equivalents at the beginning of the period | 291 | 291 | 291 | 223 |
| Cash and cash equivalents at the end of the period | 233 | 1 508 | 4 657 | 291 |