



# TC TECH

THERMAL CYCLIC TECHNOLOGIES  
OF SWEDEN

## **TC TECH Sweden AB (publ) Summarized Financial Statements December 31<sup>st</sup>, 2020**

- Net sales amounted to 2 (4 358) TSEK in the fourth quarter of 2020.
- Net profit/loss totalled -3 182 (-6 007) TSEK in the fourth quarter of 2020.
- Cash flow from operating activities was -1 487 (-3 991) TSEK in the fourth quarter of 2020.
- Net sales amounted to 107 (14 193) TSEK in the full year of 2020.
- Net profit/loss totalled -20 763 (-27 640) TSEK in the full year of 2020.
- Cash flow from operating activities was -14 940 (-22 181) TSEK in the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2020.

### **Developments in the fourth quarter of 2020**

- TC TECH Sweden AB (publ) has conducted a directed share issue of 1 540 000 shares based on the authorization granted from the company's annual general meeting on May 14, 2020. The share issue increased the company's share capital with 123 200 SEK, while the company received 10,6 MSEK in cash.

### **Developments after year-end, 2020**

- TC TECH Sweden AB (publ) announced that the company's board of directors has resolved that the company is to establish a subsidiary in Taiwan. This subsidiary will include market and sales resources, as well as a test and evaluation centre with a production system in a cleanroom environment. The establishment includes permanent on-site placement of personnel.

## **Comments from Alexander Luiga, C.E.O.**

---

***TC TECH's business strength lies in the company's patented technology for rapid heating and cooling, which enables manufacturing of nano patterns in advanced plastic components.***

In the fourth quarter, we presented progress in our sales and delivery processes in Asia as the travel restrictions were somewhat eased. Our customer Nicrotek, a Chinese manufacturer of advanced LGPs in the premium segment for both Chinese and international manufacturers of LCD displays, were finally able to receive our personnel on-site in China during the quarter. This enabled us to complete the installation of the production system ordered by the customer. Nicrotek has now given the system its final approval and is using it to manufacture LGPs.

As I mentioned in my CEO comment in our Q3 interim report, we launched a new tool for our production system in September. With this so-called T10 tool, our production system can now be used to produce LGPs for all of the three most popular laptop display sizes: 13, 15 and 17 inches. This upgrade option has been well received by both existing and potential customers, and already after a couple of months, a customer in Taiwan chose to buy and implement an upgrade.

During the fourth quarter, we also carried out a directed share issue which provided TC TECH with 10.6 MSEK. In connection with this we announced that the proceeds will, among other things, be used to scale up our market efforts on-site in Asia and the United States. I am now able to tell you more about how we will implement this strategy. TC TECH's board of directors resolved that the company is to establish a subsidiary in Taiwan. This subsidiary will include market and sales resources, as well as a testing and evaluation centre with a production system in a cleanroom environment. The establishment includes permanent on-site placement of personnel.

This establishment of a permanent presence and testing capacity will enable us to come much closer to our existing and potential customers in Asia. It will also significantly reduce our lead times within testing and evaluation, while also enabling potential customers direct access to our system on a whole new level. This is expected to contribute to more efficient sales processes, including in innovative areas where development is progressing rapidly, such as the segment for diffusers (light-spreaders) to mini-LED based displays. We will present more information on the establishment of this subsidiary in the coming months.

To sum things up, we are now moving past a year when we had to change course from a planned execution of ambitious market activities to further development of our technology platform and a broadening of our offer. It has been frustrating, but at the same time it has increased our possibilities to claim market shares in new and innovative application areas.

I would like to thank all members of the TC TECH team, our shareholders and other stakeholders for your support and confidence in us during a challenging year. It is now time to restart the implementation of our ambitious market plans, which is something that we all have been waiting for.

Spånga in February 2021

*Alexander Luiga, C.E.O*

## **TC TECH - business concept**

---

TC TECH is an innovative technology company that has developed a patented system for production using high-precision inductive heating. This is being done by using a very rapid process of heating and cooling of different materials. The company's business operations are based on 10 years of research and development, and the technology can be used for a large number of applications areas and materials.

TC TECH focuses on the manufacturing industry for advanced plastic details in several application areas, such as Light Guide Plates (LPG) for displays, front lights, optical films, VR, microfluids etc. TC TECH's technology facilitates the creation and use of more advanced patterns in volume production compared to what was previously possible. As the production method also enables a low production cost, it has potential to become a new standard in these application industries.

TC TECH offers complete systems that can be integrated into the customer's manufacturing chain. The sales process is mainly carried out in collaboration with agents and distributors in Taiwan/China, Korea and Japan.

Typical customers include manufacturers of the products mentioned above, and they are usually providers to large companies in segments such as consumer electronics, instrument panels, biotechnology etc.

## **Sales and earnings**

---

### **October - December 2020**

Net sales amounted to 2 (4 358) TSEK in the fourth quarter of 2020, mainly due to travelling restrictions and customers investment limitations due to Covid-19. Operating loss totalled -3 162 (-5 988) TSEK, where the result improvement mainly is the result of cost reductions from personnel, consultants and other external expenses. Net financial items -20 (-18) TSEK, and net loss -3 182 (-6 007) TSEK.

### **January - December 2020**

Net sales amounted to 107 (14 193) TSEK in the twelve months of 2020, mainly due to travelling restrictions and customers investment limitations due to Covid-19. Operating loss totalled -20 657 (-27 534) TSEK, where the result improvement mainly is the result of cost reductions from personnel, consultants and other external expenses. Net financial items -106 (-106) TSEK, and net loss -20 763 (-27 640) TSEK.

### **Financial position**

In the fourth quarter of the year, cash flow from operating activities amounted to -1 487 (-3 991) TSEK, of which 250 (-297) TSEK from changes in working capital. Cash flow from investing activities amounted to -392 (-538) TSEK, of which 13 (0) TSEK attributable to fixed assets and -379 (-538) TSEK to IPR and capitalized expenditure for R&D. Financial assets amounted to 0 (0) TSEK. Cash flow from financing activities totalled 10 552 (18 898) TSEK of which 0 (0) TSEK attributable to amortization of long-term debt and 10 552 (18 898) TSEK to directed equity issue. Total cash flow for the period October to December amounted to 8 673 (14 369) TSEK.

In the period January - December, cash flow from operating activities amounted to -14 940 (-22 181) TSEK, of which -2 401 (-4 377) TSEK from changes in working capital. Cash flow from investing activities amounted to -1 481 (-3 662) TSEK, of which -50 (-917) TSEK attributable to fixed assets and -1 331 (-2 745) TSEK to IPR and capitalized expenditure for R&D. Financial assets amounted to -100 (0) TSEK. Cash flow from financing activities totalled 10 587 (17 366) TSEK of which 0 (0) TSEK attributable to amortization of long-term debt and 10 587 (17 366) TSEK to directed equity issue. Total cash flow for the twelve months of 2020 amounted to -5 834 (-8 477) TSEK.

The company's total liabilities amounted to 7 366 (10 829) TSEK on December 31<sup>st</sup> 2020, of which 4 600 (4 600) TSEK interest bearing. The major creditor was TC TECH's largest shareholder, CIMON Enterprise AB. This liability is to be repaid only when the company's cash flow so allows.

The company's net liquid assets on December 31<sup>st</sup> 2020 amounted to 15 723 TSEK, of which 20 323 TSEK were cash and cash equivalents. On December 31<sup>st</sup> 2019, the company had net liquid assets amounting to 21 557 TSEK of which 26 157 TSEK were cash and cash equivalents.

The company's shareholders' equity amounted to 36 770 (46 946) TSEK on December 31<sup>st</sup> 2020, and its equity ratio was 83% (81%).

## **Human resources**

---

As of December 31<sup>st</sup> 2020, the company had a total number of 10 staff members, of whom 10 were employees.

As of December 31<sup>st</sup> 2019, the company had a total number of 15 staff members, of whom 14 were employees.

## **Risks and uncertainties**

---

TC TECH's operations are exposed to the following major risks:

- Market risks – TC TECH's potential sales volumes are closely linked to investments made in the display industry, and are thus exposed to the trade cycles of this industry.
- The ongoing Covid-19 pandemic affects TC TECH by severely limiting the possibilities to conduct physical customer meetings.
- Customers – The number of display and LGP producers is limited, which entails an obvious concentration risk.
- Product quality – Should TC TECH's systems fail to fulfil customer requirements, there is a risk of declining demand for the company's products.
- Competitors – TC TECH operates on a competitive market, where most market actors have financial strengths surpassing those of TC TECH's.
- Other technologies – TC TECH's market potential may be hampered by developments in favour of other types of displays – displays that do not rely on LGP.
- Human resources – TC TECH is a small-scale company, with a limited number of employees. A number of those are key persons, essential for the continued development of TC TECH.
- IPR – Most of TC TECH's IPR are protected by patents or similar rights. Nevertheless, there will always be a risk of competitors trying to copy TC TECH's technology.

## **Visions and goals**

---

- TC TECH's vision is to establish the company's systems as an international standard for the replication of advanced polymer products.
- Our ambition for the next few years is to establish TC TECH as a high-growth, profitable company, profiled as the leading actor within production systems for advanced LGP.
- Our technology will be gradually implemented in new application areas.

## Prospects

---

Advanced displays are becoming increasingly common, and this is positive for TC TECH. The interest in advanced patterns is increasing also in other applications such as optical films, VR equipment, front lit displays, displays in the automotive industry and microfluidic products. The main driver for the development of increasingly advanced displays are the consumer electronics companies that are demanding displays with higher resolution and lower power consumption. They should also be as thin as possible so that they take up minimal space in the final product, and this requires more optically advanced optical films. This is true in the consumer electronics segment as well as in VR equipment, instrumental panels in vehicles and other display types. In the biotechnology segment, advanced microfluidic products are in demand to be able to conduct clinical testing of bodily fluids (such as blood). The market is thus ready for a technological paradigm shift and the new production technology to make this happen. The manufacturing industry, that TC TECH is a part of, is mainly driven by technology advances when implementing new models, and this will require new manufacturing methods. As TC TECH's technology and equipment is already adapted and ready to use in all of the applications mentioned above, the company is able to expand its potential to receive orders in the future.

## Developments after December 31<sup>st</sup> 2020

---

No significant circumstances have occurred since December 31<sup>st</sup>, beside what has already been reported on page 1.

## Accounting principles

---

The company applies the accounting principles of BFNAR 2012:1 (K3), which are also the accounting and reporting principles used in the preparation of the company's most recent annual report.

## Review

---

This Interim report have not been reviewed by the company's auditors. TC TECH's ambition is to adhere, to the extent possible, to the regulations of the Swedish Code of Corporate Governance. Thus, the interim report as of September 30<sup>th</sup> 2021 will be reviewed by the company's auditors.

## Corporate information

---

TC TECH Sweden AB (publ), corporate identity number 556852-1883. The company has its statutory seat in Stockholm, at Domnarvsgatan 4, SE-163 53 SPÅNGA. Where the company also has its operations (mainly R&D).

Tel. +46 (0)8 – 788 08 00

E-mail: [info@tctech.se](mailto:info@tctech.se)

[www.tctech.se](http://www.tctech.se)

TC TECH has appointed Arctic Securities as its Certified Adviser.

## Financial calendar

---

Interim Report as of March 31 <sup>st</sup> 2021	April 29 <sup>th</sup> 2021
Annual report 2020	April 29 <sup>th</sup> 2021
Annual General Meeting	May 20 <sup>th</sup> 2021
Interim Report as of June 30 <sup>th</sup> 2021	August 19 <sup>th</sup> 2021
Interim Report as of September 30 <sup>th</sup> 2021	October 28 <sup>th</sup> 2021

This interim report, other interim reports published since TC TECH's listing in November 2015 and the summarized financial statement as of December 31<sup>st</sup> 2015 are available on TC TECH's website [www.tchtech.se](http://www.tchtech.se). Annual reports are published in Swedish only.

## Affirmation

---

TC TECH's Board of Directors and C.E.O. hereby assure that this interim report gives a true and fair view of the company's operations, financial position and performance, and describes the essential risks and uncertainties that the company may encounter.

Spånga, February 24<sup>th</sup> 2021

TC TECH Sweden AB (publ)

Peter Mattisson  
*Chairman of the Board*

Per-Anders Johansson  
*Director of the Board*

Cecilia Jinert Johansson  
*Director of the Board*

Magnus Lindvall  
*Director of the Board*

Anders Jemail  
*Director of the Board*

Alexander Luiga  
*C.E.O.*

For further information, please contact  
Alexander Luiga, C.E.O., TC TECH Sweden AB, tel +46 (0)8 – 788 08 01, [alexander.luiga@tctech.se](mailto:alexander.luiga@tctech.se)

## Summarized income statements, TSEK

	3 months Oct - Dec 2020	3 months Oct - Dec 2019	Full Year 2020	Full Year 2019
Net sales	2	4 358	107	14 193
Change in inventories of products in progress, finished goods etc.		135	302	3 857
Capitalized R&D expenses	241	278	988	1 924
Other operating income	1 885	75	3 024	260
<b>Total operating income</b>	<b>2 218</b>	<b>4 846</b>	<b>4 421</b>	<b>20 234</b>
Raw materials and consumables	-164	-2 563	-438	-14 340
Other external costs	-1 072	-2 052	-4 891	-9 156
Personnel costs	-2 700	-3 905	-11 525	-14 436
<b>Total operating costs before depreciation</b>	<b>-3 936</b>	<b>-8 520</b>	<b>-16 854</b>	<b>-37 932</b>
<b>EBIDTA</b>	<b>-1 718</b>	<b>-3 674</b>	<b>-12 433</b>	<b>-17 698</b>
Depreciation	-1 444	-2 314	-8 224	-9 836
<b>Total operating costs</b>	<b>-5 380</b>	<b>-10 834</b>	<b>-25 078</b>	<b>-47 768</b>
<b>Operating profit/loss</b>	<b>-3 162</b>	<b>-5 988</b>	<b>-20 657</b>	<b>-27 534</b>
<i>Operating margin %</i>	<i>Neg</i>	<i>Neg</i>	<i>Neg</i>	<i>Neg</i>
Net financial items	-20	-18	-106	-106
<b>Profit/loss after net financial items</b>	<b>-3 182</b>	<b>-6 007</b>	<b>-20 763</b>	<b>-27 640</b>
Tax	-	-	-	-
<b>Net profit/loss for the period</b>	<b>-3 182</b>	<b>-6 007</b>	<b>-20 763</b>	<b>-27 640</b>

## Summarized balance sheets, TSEK

	2020 Dec 31	2019 Dec 31	2018 Dec 31
<b>Assets</b>			
Intangible fixed assets	10 796	16 022	21 081
Tangible fixed assets	2 183	3 801	4 915
Shareholding	100	-	-
<b>Total fixed assets</b>	<b>13 079</b>	<b>19 823</b>	<b>25 996</b>
Products in progress/for resale	9 316	9 013	5 157
Current receivables	1 418	2 782	2 070
Cash and bank balances	20 323	26 157	34 634
<b>Total current assets</b>	<b>31 057</b>	<b>37 952</b>	<b>41 861</b>
<b>Total assets</b>	<b>44 136</b>	<b>57 775</b>	<b>67 857</b>
<b>Equity and liabilities</b>			
Share capital	1 524	1 401	1 288
Development fund	7 479	9 849	11 034
<b>Total restricted equity</b>	<b>9 003</b>	<b>11 250</b>	<b>12 322</b>
Share premium reserve	171 606	161 141	142 437
Retained earnings	-123 076	-97 805	-66 625
Profit (loss) for the period	-20 763	-27 640	-32 366
<b>Total unrestricted equity</b>	<b>27 767</b>	<b>35 696</b>	<b>43 446</b>
<b>Total equity</b>	<b>36 770</b>	<b>46 946</b>	<b>55 768</b>
Advance payments from customers	-	-	-
Trade accounts payable	263	3 083	3 547
Liabilities to associated companies	4 715	4 715	4 860
Other liabilities	832	905	845
Accrued expenses and prepaid income	1 556	2 126	2 837
<b>Total current liabilities</b>	<b>7 366</b>	<b>10 829</b>	<b>12 089</b>
<b>Total equity and liabilities</b>	<b>44 136</b>	<b>57 775</b>	<b>67 857</b>

## Summarized cash flow analyses, TSEK

	<b>3 months Oct - Dec 2020</b>	<b>3 months Oct - Dec 2019</b>	<b>Full Year 2020</b>	<b>Full Year 2019</b>
Operating income	-3 162	-5 988	-20 656	-27 534
Adjustments for items not included in cash flow	1 444	2 312	8 224	9 836
Interest received	9	10	9	10
Interest paid	-28	-28	-116	-116
<b>Cash flow from operating activities before change in working capital</b>	<b>-1 737</b>	<b>-3 694</b>	<b>-12 539</b>	<b>-17 804</b>
Inventory/work in progress	-90	-135	-302	-3 857
Accounts receivables	-8	3 859	1 364	-712
Accounts Payables	-119	36	-2 821	-464
Other current liabilities	467	-4 057	-642	656
<b>Cash flow from change in working capital</b>	<b>250</b>	<b>-297</b>	<b>-2 401</b>	<b>-4 377</b>
<b>Cash flow from operating activities</b>	<b>-1 487</b>	<b>-3 991</b>	<b>-14 940</b>	<b>-22 181</b>
Investments in patents	-138	-260	-343	-822
Investments in capitalizes development costs	-241	-278	-988	-1 923
Investments in machinery and equipment	-13	-	-50	-917
Investments in financial assets	-	-	-100	-
<b>Cash flow from investing activities</b>	<b>-392</b>	<b>-538</b>	<b>-1 481</b>	<b>-3 662</b>
Borrowings	-	-	-	-
Repayment of debt	-	-	-	-
New share issues and shareholders contribution	10 626	19 001	10 661	19 001
Issue expenses	-74	-103	-74	-1 635
<b>Cash flow from financing activities</b>	<b>10 552</b>	<b>18 898</b>	<b>10 587</b>	<b>17 366</b>
<b>Cash flow for the period</b>	<b>8 673</b>	<b>14 369</b>	<b>-5 834</b>	<b>-8 477</b>
<i>Cash and cash equivalents, opening balance</i>	<i>11 650</i>	<i>11 788</i>	<i>26 157</i>	<i>34 634</i>
<i>Cash and cash equivalents, closing balance</i>	<i>20 323</i>	<i>26 157</i>	<i>20 323</i>	<i>26 157</i>

## Data per share

	<b>3 months Oct - Dec 2020</b>	<b>3 months Oct - Dec 2019</b>	<b>Full Year 2020</b>	<b>Full Year 2019</b>
Earnings per share, SEK <sup>1)</sup>	-0,17	-0,36	-1,17	-1,70
Earnings per share, SEK, diluted <sup>2)</sup>	-0,17	-0,36	-1,17	-1,70
Equity per share <sup>1)</sup>	1,93	2,68	1,93	2,68
Cash flow from operating activities per share, SEK <sup>1)</sup>	-0,08	-0,24	-0,84	-1,37
Share price on closing day, SEK	7,96	10,95	7,96	10,95
Number of shares on balance sheet day	19 048 047	17 508 047	19 048 047	17 508 047
Number of shares on balance sheet day, diluted <sup>2)</sup>	19 268 047	17 508 047	19 268 047	17 508 047
Number of shares, weighted average	18 328 264	16 755 631	17 714 222	16 228 878
Number of shares, weighted average, diluted <sup>2)</sup>	18 548 264	16 755 631	17 794 768	16 228 878

<sup>1)</sup> Earnings and cash flow per share are based on the weighted average number of shares in the period. Equity per share is based on the total number of issued shares on balance sheet day.



<sup>2)</sup> In August 2020, TC TECH issued 220 000 share warrants giving the right to subscribe for a maximum of 220 000 shares. The exercise period runs from 2020-08-20 to 2022-12-01, the exercise price corresponding to SEK 15,43 per share. The warrants have been acquired at market value by persons deemed to be essential for the continued development and success of the company. None of these warrants were exercised in the third or fourth quarter of 2020.

## Changes in equity, TSEK

	Share capital	Share premium reserve	Retained earnings - P/L for the period	Total equity
<b>January 1 2019</b>	<b>12 322</b>	<b>142 437</b>	<b>-98 991</b>	<b>55 768</b>
Issue expenses	-	-80	-	-80
Transfer to development fund	-656	-	656	-
Loss for the period	-	-	-21 633	-21 633
<b>September 30 2019</b>	<b>11 666</b>	<b>142 357</b>	<b>-119 968</b>	<b>34 055</b>
New share issues*	113	18 888	-	19 001
Issue expenses	-	-103	-	-103
Transfer to development fund	- 529	-	529	-
Loss for the period	-	-	-6 007	-6 007
<b>December 31 2019</b>	<b>11 250</b>	<b>161 142</b>	<b>-125 446</b>	<b>46 946</b>
Change in development fund	-1 753	-	1 753	-
Warrant premium	-	35	-	35
Loss for the period	-	-	-17 581	-17 581
<b>September 30 2020</b>	<b>9 497</b>	<b>161 177</b>	<b>-141 274</b>	<b>29 400</b>
New share issues*	123	10 503	-	10 626
Issue expenses	-	-74	-	-74
Transfer to development fund	- 617	-	617	-
Loss for the period	-	-	-3 182	-3 182
<b>December 31 2020</b>	<b>9 003</b>	<b>171 606</b>	<b>-143 839</b>	<b>36 770</b>

\*During the year 2019, the company has made one new share issue. It was made in the fourth quarter and was a directed equity issue of 1 412 700 shares. During the year 2020, the company has made one new share issue. It was made in the fourth quarter and was a directed equity issue of 1 540 000 shares.

## Key ratios

	3 months Oct - Dec 2020	3 months Oct - Dec 2019	Full Year 2020	Full Year 2019
Operating margin, %	Neg	Neg	Neg	Neg
EBITDA	-1 718	-3 674	-12 433	-17 698
Equity/assets ratio, %	83 %	81 %	83 %	81 %
Liquid assets, net (TSEK)	15 723	21 557	15 723	21 557
Market cap, at end of period, TSEK	151 622	191 713	151 622	191 713