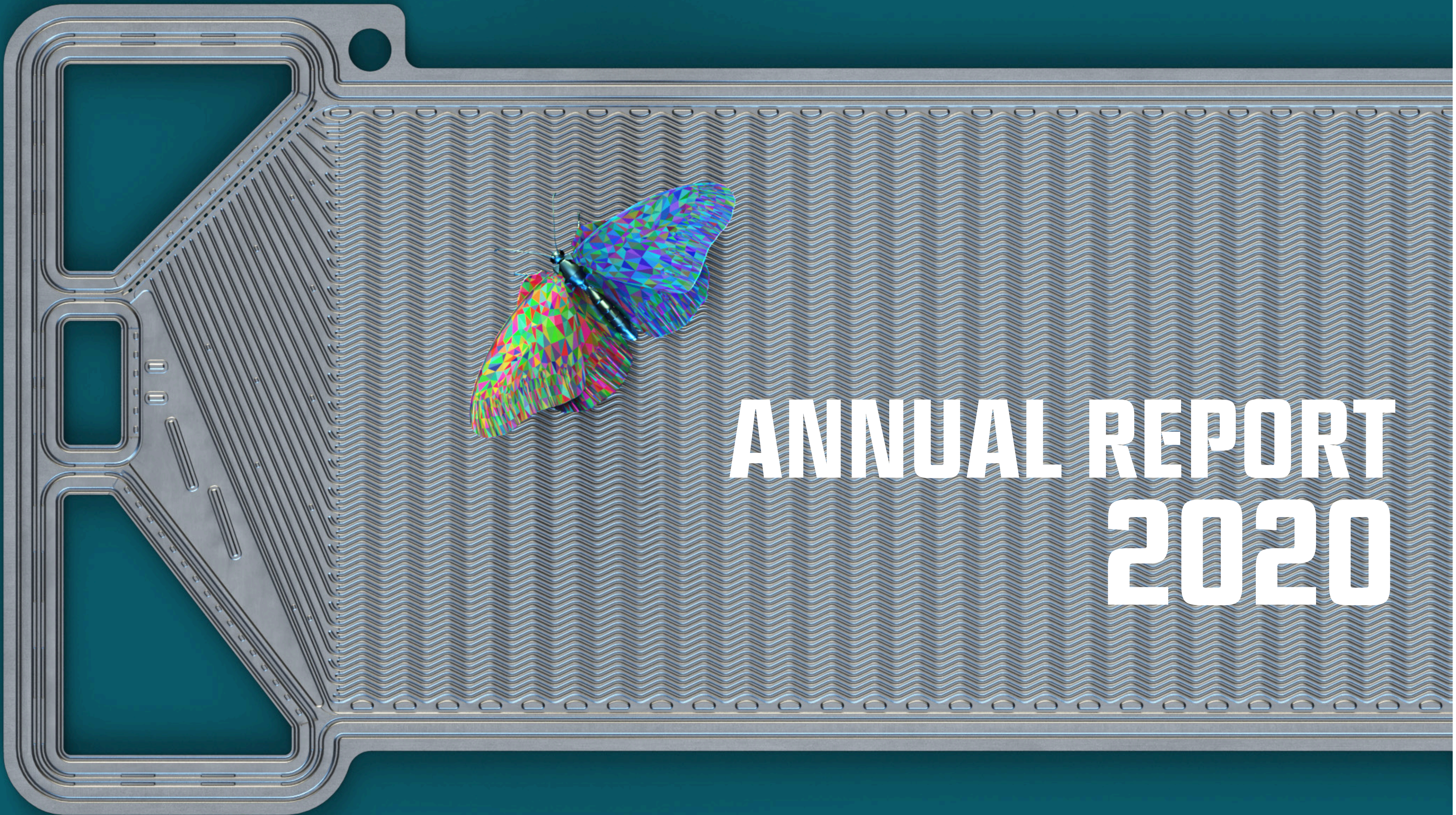
CELLIMPACT



ANNUAL REPORT 2020

This is an unofficial translation of the original Swedish Annual Report 2020. In the event of any discrepancy between the versions, the Swedish version shall prevail.

CONTENTS

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on April 22, 2021. Due to the Covid-19 pandemic, the Board has decided that the Annual General Meeting shall be held remotely and that shareholders shall have the opportunity to exercise their voting rights only through voting in advance (postal voting) in accordance with the Swedish Act (2020:198) regarding Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations.

Only shareholders whose shares are registered in the share register kept by Euroclear Sweden on Wednesday, April 14, 2020, and who no later than Wednesday, April 21, have cast their vote in accordance with the instructions that apply to the meeting have the right to participate in the meeting.

Shareholders whose shares are nominee-registered must temporarily register the shares in their own names (voting right registration) to be able to participate in the meeting. Such shareholders should thus inform the nominees well in advance to arrange such registration.

Postal voting and registration

No separate notification is required; a submitted postal voting form is considered to be notification. The completed form must be received by the company no later than Wednesday, April 21, 2021.

The complete notice to attend the meeting including detailed instructions, a postal voting form and forms for power of attorney will be available at *cellimpact.com.*

Registration of voting rights made by the nominee no later than Friday, April 16, 2021 will be taken into account when compiling the share register.

FINANCIAL CALENDAR

Annual General Meeting	April 22, 2021
Interim report for Q1 2021	May 7, 2021
Interim report for Q2 2021	August 25, 2021
Interim report for Q3 2021	November 5, 2021
Year-end report 2021	February 18, 2022

2020 IN BRIEF

Q1

- **January 17 |** Cell Impact receives SEK 1.8 million order for production tests from Nakanishi Metal Works Co. Ltd (NKC) in Japan
- **January 20 |** Cell Impact receives SEK 2.6 million order for production tests from Nakanishi Metal Works Co. Ltd (NKC) in Japan
- **March 23 |** Stefan Axellie starts as new CFO

Q2

- **April 16 |** Cell Impact's AGM elects three new Board members: Robert Sobocki, Börje Vernet and Anna Frick
- **April 17 |** Cell Impact receives SEK 2.9 million order for tools and prototype series of flow plates from Nakanishi Metal Works Co. in Japan
- **June 8 |** Cell Impact announces company's main patent now granted in all countries where protection sought
- **June 22 |** Cell Impact receives SEK 38.4 million before transaction costs through redemption of warrants

Q3

- **July 15 |** Cell Impact receives SEK 4.6 million order from North American customer for production tools for series production
- **July 31 |** Cell Impact receives additional SEK 6.9 million order from North American customer for production tools for series production
- **August 4 |** Positive final results from high-volume testing
- **September 2 |** Nowogen Technology places SEK 1.5 million order for production of flow plates

»On October 13, 2020, Cell Impact inaugurated its new factory for flow plates in Karlskoga.«

Q4

- **October 6 |** Cell Impact carries out a directed share issue of SEK 175 million before transaction costs
- **October 13 |** Cell Impact opens new Karlskoga factory for production of flow plates
- **December 3 |** Cell Impact announces new strategy in Japan

The year in figures (amounts in SEK million)	**2020**	2019
Revenue	29.3	11.9
Operating loss	-43.1	-47.4
Loss after financial items	-44.3	-48.4
Profit/loss after tax, attributable to the shareholders of the Parent Company	-44.3	-48.4
Cash flows from operating activities	-47.6	-41.0
Earnings per share attributable to the shareholders of the Parent Company (in SEK)	-0.88	-1.45

THIS IS CELL IMPACT

At Cell Impact, we develop and manufacture customized metal flow plates for hydrogen-powered fuel cells. Our proprietary Cell Impact Forming™ technology makes it possible to produce flow plates in large volumes in a cost-efficient way, which is often a prerequisite for environmentally friendly fuel cell technology in many applications. We operate in a global market and our new production facility is located in Karlskoga.

Fuel cell technology is an environmentally friendly way to produce energy where, heat and electricity can be produced through an electrochemical reaction between hydrogen and oxygen. The only byproduct is clean water. Around the world, a major shift from fossil fuels to renewable energy sources is now taking place and Cell Impact is part of this development.

CELL IMPACT FORMING™

For the past 10 years, Cell Impact has been developing a method for shaping very thin metallic plates with high precision. This method relies on a hydraulic impact unit that very quickly, and with incredible accuracy, forms a metallic substance between two precision tools. The high energy levels make it possible to utilize special physical properties in the metal to form the exact patterns required for high efficiency in a modern flow plate.

ADVANTAGES

Cell Impact Forming™ offers many advantages over conventional forming technology. The method is 5–10 times faster than progressive pressing, consumes less energy, needs no lubricant or water-intensive cleaning, reduces tool costs by up to 50 percent and requires minimal maintenance.

OFFERING

Cell Impact's offering includes highly specialized design services for flow plates, tool design, prototype series and production of larger volumes. We manufacture both single-sided flow plates and mounted plates, or bipolar flow plates.

MARKET

Cell Impact's market comprises mainly vehicle and fuel cell manufacturers that use hydrogen-powered fuel cells as an energy source in electric vehicles such as forklifts, cars and trucks. Another market segment is fuel cells for reserve power used, for example, in mobile networks, hospitals and data centers.

CUSTOMERS

Cell Impact's customers are primarily in North America, China and Japan, areas that are now investing substantially in environmentally friendly hydrogen technology. In the EU, there is also increased interest in hydrogen fuel, particularly following the large hydrogen investments announced within the framework of the EU Green Deal.

HIGH-VOLUME PRODUCTION OF CUSTOMIZED FLOW PLATES FOR FUEL CELLS

Company
About 40 employees.

Locations
New head office and production facility in Karlskoga, Sweden. Local presence in Germany, China and Japan. Global customers.

Cell Impact Forming™
Unique production technology protected by global patents.

Offering
Development and production of cost and energy-efficient flow plates for fuel cells.
- DFM (Design for Manufacturing) services
- Prototype series
- High-volume production

Business model
- Project revenues
- Sales of flow plates

2020 – THE YEAR MANY THINGS FELL INTO PLACE

In 2020, we continued to focus on a number of key customers and on scaling up Cell Impact's production and operations in line with the growth opportunities they represent. This has been a guiding star since we presented our new strategy in 2018 and essentially, it involves a building a brand new manufacturing company.

SUMMARY OF 2020

- The company had its highest sales performance ever.
- Production increased significantly.
- The company received several important tool orders.
- The Covid-19 pandemic had a negative impact but the company carried out many customer-driven activities with good results.
- New capital raised (SEK 213.4 million) to finance additional development and marketing.
- Cell Impact moved to new, larger premises where the company can grow.
- The company also received several large tool orders that lay the foundation for increased activity in 2021.
- A further developed second-generation high velocity forming unit was put into use. Together with related equipment, it improves on an already efficient production method and offers even lower maintenance costs.
- Cell Impact's patented forming technology Cell Impact Forming™ was registered as a trademark.

SALES

Our customers have strong and often leading market positions and are generally experiencing high growth. We are also growing alongside our customers in their respective markets and 2020 started strong. Sales increased sharply and for the first time consisted largely of flow plate production.

From the first quarter and part way into the second quarter, Cell Impact's production was continuous, utilizing a significant share of available capacity. During the second quarter, however, the Covid-19 pandemic began to have a negative impact on customers and the company's order book. Cell Impact's production decreased and only during the final quarter of the year did production and sales recover to satisfactory levels. All in all, 2020 is the year when flow plate production really took off.

Financial development

Despite a year in part characterized by uncertainty, we are now hopefully moving toward a much more stable future. The large national subsidies for hydrogen technology that have now been communicated by several countries are contributing to continued strong growth in the sector.

"In addition to the fact that the production method itself is environmentally friendly, Cell Impact Forming™ contributes to making fuel cell manufacturers more competitive, thus accelerating the transition to a greener society."

Tool orders driving production

A number of important tool orders for both prototype and series production contributed positively to Cell Impact's sales development.

An extensive order from a leading North American company, which has involved both design improvements and prototype series, was delivered after two years of development work. Learnings from this and similar projects will provide the basis for a new, improved design and more efficient production of flow plates.

Tool orders are the foundation for future sales since a tool is synonymous with a flow plate. And a number of tool orders aimed to verify Cell Impact's ability to form advanced flow plate patterns, our forming process and the tool life cycle.

COVID-19 PANDEMIC

The Covid-19 pandemic has made it particularly difficult to make forecasts, but all around us, we can see adjustments that are making it possible for society and companies, including our customers, to function, which gives us hope that the trend will remain positive as we return to a more normal way of life.

CELL IMPACT FORMING™

Cell Impact Forming™ is the new name for Cell Impact's patented high velocity forming and the foundation of Cell Impact's offering. Earlier, we called our forming technology "high velocity adiabatic forming". We now call it Cell Impact Forming™ because it is unique and the name makes it easier to communicate the experience-based benefits of our forming technology. We are building Cell Impact with Cell Impact Forming™ as a base. That Cell Impact Forming™ provides such high-quality and effective flow plates is partly due to the fact that the forming process takes place at a higher speed than with conventional methods. Cell Impact Forming™ is also an example of green technology since the amount of energy required for forming is relatively small and the method also does not require lubrication that needs to be washed away using large amounts of water.

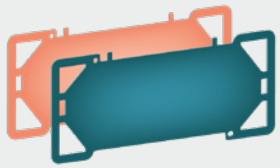
In addition to environmentally friendly production, Cell Impact Forming™ helps make fuel cell manufacturers more competitive, thus accelerating the transition to a greener society.

Cell Impact's customers have often done the math and concluded that Cell Impact Forming™ is the most scalable and accessible technology on the market. As a company, we have developed to such an extent that now is the time to start working with even more customers by offering Cell Impact's expertise and Cell Impact Forming™.

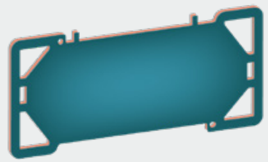
Areas of expertise

Within the framework of Cell Impact Forming™, in connection with tool development, Cell Impact also offers services for optimizing and adapting production to the advanced design of modern flow plates. Our knowledge and experience enable us to offer customers additional benefits thanks to the unique properties of our manufacturing technology.

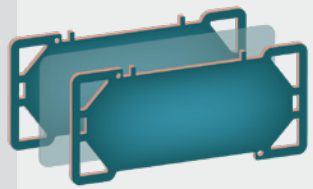
FLOW PLATES AND HOW THEY ARE USED



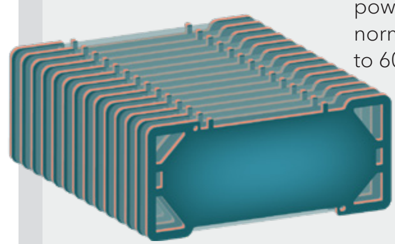
Flow plate
A flow plate is made of thin metal (0.1 mm) and there are two types of plates: an anode and a cathode. These conduct electricity and help disperse the gas.



Bipolar flow plate
An anode and a cathode plate are welded together to create a bipolar flow plate. Between the plates there are cooling ducts.



Cell
A membrane called a proton exchange membrane (PEM) is placed between two bipolar flow plates to create a cell. Each cell generates approximately 0.7 volts.



Stack
Several cells are connected in a series to build a powerful fuel cell stack. A normal stack can hold up to 600 flow plates.

Chairman of the Board of Directors Robert Sobocki inaugurating Cell Impact's new factory in Karlskoga.

EXPANDING IN ASIA

In December 2020, Shigeru Nakagawa was recruited as President to set up a new sales office in Tokyo. Shigeru Nakagawa, who previously worked as New Business Development Director for NKC Japan, is now tasked with developing Cell Impact's operations in Japan, building on the activities initiated with NKC during 2019.

In connection with taking over responsibility for Cell Impact's business development in Japan ourselves, NKC and Cell Impact decided to end their sales collaboration that began in 2019.

At the beginning of 2021, Forrest Zhang was recruited as Country Manager for the Chinese market. For Cell Impact, Asia is a key market, particularly Japan, China and South Korea.

In 2020, the company ran a number of technical projects aimed at validating various aspects of its production technology. These activities are important for Cell Impact's long-term growth and additionally have been, and continue to be, intensive projects that require high focus and commitment from staff.

Long-term tests

One of the technical projects included a long-term test of the tool and forming process, which was carried out with excellent results. The test showed that Cell Impact's production machinery and tools work well during long-term operation. Long lifetimes for tools is of great financial importance to customers since this reduces the need for multiple tool purchases, leading to lower production costs. The result of the long-term test is a significant competitive advantage for Cell Impact when different forming methods and lifetimes of tools for high-volume production are evaluated.

Such projects give the company important information that makes Cell Impact more confident in the value of its offering and reinforces that the company's strategy to become a leading manufacturer of flow plates is realistic.

Next generation production equipment

In 2020, we launched a next generation forming machine under the working name Gen2. The machinery is significantly more compact as well as even easier and less resource-intensive to maintain compared with the previous model. Together with a newly developed feeding unit, Gen2 can produce flow plates with even shorter cycle times. Cycle time and simplicity in scalability are important parameters for the fuel cell industry, which in the long run will demand huge numbers of flow plates.

At the same time, the company began recruiting to manage the increase in production as well as in technology development where a number of interesting process and automation projects have started. The purpose of these projects is to strengthen the company's competitiveness over time. Significant external automation experts and hardware suppliers are engaged in these activities, which will increase in intensity and scope during 2021 and are expected to start having an effect in 2022.

NEW FACTORY

During the fall, Cell Impact finished developing its new production facility for flow plates in the Brickegården area of Karlskoga. Bigger and better adapted premises will enable Cell Impact to expand production capacity at the same time as helping to build trust among customers and prospects. The new premises will also make it possible for Cell Impact to

Concept image of a hydrogen-powered electric commuter train. No live rails or wires are needed when trains are powered by fuel cells.

grow for several years to come and the idea is that the factory will eventually be one of the world's most efficient centers for producing flow plates.

NEW ISSUE OF SEK 175 MILLION

In October, together with Carnegie Investment Bank and Stockholm Corporate Finance, Cell Impact carried out a directed new share issue of SEK 175 million. Many Swedish and international institutional investors participated, including BNP Paribas Energy Transition Fund, DNB Asset Management through the DNB Miljøinvest, DNB Renewable Energy and DNB Disruptive Opportunities funds, and Cicero Fonder.

Proceeds from the issue will be used to finance Cell Impact's continued expansion with larger premises, increased production capacity and advanced projects to create even more competitive series production and also lay the foundation for broader marketing of the company and its unique forming technology. The positive result of the issue is proof that investors have great faith in Cell Impact's technology and offering at the same time as the company gained the opportunity to attract even more expertise.

HYDROGEN – THE ENERGY CARRIER FOR THE CLIMATE

The great potential of hydrogen as an energy source has been known for almost 200 years. Despite this, hydrogen has never really had its breakthrough. Critics have argued that it is too expensive to produce, store and transport and that most hydrogen is made from natural gas using methods that are not environmentally friendly.

"Hydrogen is already being used today in many sectors and it can make a major contribution to the green transition, both in the transport sector and cement and steel production as well as in heating."

This criticism has to some extent been justified but today, it is somewhat outdated. 2020 was the year that a number of very important events took place that dramatically changed the conditions for using both fuel cells and hydrogen in transport and industry.

Hydrogen is already being used today in many sectors and it can make a major contribution to the green transition, both in the transport sector and cement and steel production as well as in heating. Furthermore, it can also play a major role in renewable energy systems by balancing intermittent wind and solar energy and for storing surplus energy.

Green hydrogen fuel

One problem has been that hydrogen has been produced from fossil fuels, making it part of the problem. The solution is to produce hydrogen using clean energy sources such as wind, solar and hydroelectric power and to split water molecules to form hydrogen through electrolysis. This means hydrogen can be produced in an environmentally friendly way and can play an important role in a more sustainable energy system.

Hydrogen significant for Paris Agreement

Under the 2015 Paris Agreement, which aims to avoid a planetary crisis, it is now possible to capitalize on the full potential of fuel cell technology. This means that the signatories of the Paris Agreement can greatly improve their chances of actually delivering on the set targets.

"When the Paris Agreement was signed, hydrogen was not considered an obvious choice for reducing greenhouse gases. Now, the situation is completely different. Hydrogen is about to become a major part of the green transition."

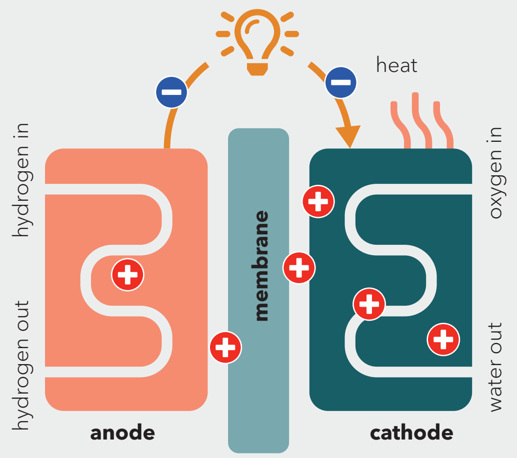
These targets include requirements to reduce greenhouse gas emissions by 50 percent by 2030 and a further 50 percent by 2050. When the agreement was signed, hydrogen was not considered an obvious choice for reducing greenhouse gases. Now, the situation is completely different. Hydrogen is about to become a major part of the green transition.

EU Green Deal
As part of the recovery from the Covid-19 pandemic and lessons learned from it, governments are introducing more green stimulus programs than ever before. The goal is to avoid repeating earlier economic emissions-intensive recoveries and truly start the green transition. Additionally, there are industrial policies in place in certain European countries that wanted to gain a strategic lead in the hydrogen market and not risk falling behind, something that was close to happening in battery technology.

Germany was first to launch a program valued at EUR 9 billion in the summer of 2020 to start large-scale green hydrogen production quickly. The EU followed with an investment of close to EUR 430 billion that extends until 2030. The EU has also identified hydrogen as a strategic energy source that will make Europe competitive while contributing to the green transition. Japan and China followed suit by announcing major ambitions in their climate initiatives, promising updated strategies for producing hydrogen. In the US, Joe Biden won the presidential election and returned the country to the Paris Agreement. He also announced ambitious plans for electrification that include increased support for hydrogen production and the use of fuel cells. This means that major greenhouse gas emitting countries are now sharpening their plans to reduce their emissions. Green hydrogen production and increased fuel cells use are included as a viable alternative in all cases.

Net zero – toward climate-neutral operations
More and more global companies are now also reviewing their greenhouse gas emissions and developing strategies to operate more environmentally friendly. Many have devised "net zero plans" for 2050 in line with the goals of the Paris Agreement. This means that the conditions for using fuel cells in transport and energy systems have never been better. The combined effect of planned investments in green hydrogen production and fuel cells around the world will greatly strengthen our growth opportunities in the long term. Against this backdrop, Cell Impact is well positioned with our new, larger factory in place that will allow us to scale up production capacity to meet the expected increase in demand for flow plates.

An enormous market
At Cell Impact, we have seen an increase in inquiries since the EU announced its Green Deal. The investment has been a catalyst for a variety of initiatives among companies and countries and it will accelerate both the hydrogen and fuel cell markets. Some analysts, such as Bank of America Merryl Lynch, estimate that the hydrogen market is worth up to USD 2,500 billion in sales over the long term and that it



HOW DOES A FUEL CELL WORK?

Hydrogen atoms enter on the anode side.

Each hydrogen atom is divided into a proton and an electron.

The positively charged protons can pass through the proton exchange membrane (PEM) to the cathode.

The negatively charged electrons are forced to travel through a circuit, creating electricity.

In the cathode, the electrons reunite with protons and create the fuel cell's only by-products – water and heat.

“Our generation has lived through two major new types of energy in a short time: solar and wind power. Now it’s time for the third: hydrogen.”

Through the HYBRIT project, LKAB, SSAB and Vattenfall are collaborating to develop fossil-free steel.

will attract USD 11,000 billion in investment by 2050. So what is happening in the extension of the EU Green Deal is big – perhaps so big that when we look back at 2020 and the 10 years that followed, the EU Green Deal may well be what set the world on the path to environmentally friendly and sustainable development.

Sweden and hydrogen

As a country, Sweden has thus far not been one of the driving forces for increasing the use of hydrogen. But industries such as SSAB, LKAB and Vattenfall are making significant investments in the joint HYBRIT project, a collaboration that aims toward fossil-free steel production. The same applies to H2 Green Steel, which is planning a completely new factory that will be in operation in as early as 2024. If the project is successful, it will be a significant breakthrough for the steel industry as a whole. There are a number of other major industrial projects that are putting Sweden on the map, but in the transport sector and other related areas, investments are absent or underwhelming, and they cannot be compared with development in the rest of Europe.

Growing with customers

Our generation has lived through two major new types of energy in a short time: solar and wind power. Now it’s time for the third: hydrogen. Cell Impact is growing alongside customers who in turn are evolving with an expanding market that demands fuel cells – and green hydrogen. These are customers who will continue to grow with the market and gradually broaden their offerings to include new applications. We are continuing to focus on our key customers while ramping up activities to create a pipeline of interesting new projects that can bear fruit with time.

A new market

In view of the substantial investments planned and implemented for green hydrogen production, the demand for electrolytic technology, which splits water molecules to produce green hydrogen, will increase. One technology track among electrolysis processes is a variant of the PEM process (proton exchange membrane) used in today’s fuel cells. This represents a smaller share of the process techniques that exist, but many observers believe that the share of PEM electrolysis will increase gradually in the long run since it seems to be the most cost-efficient. This would broaden the market for Cell Impact to be represented with both fuel cells and electrolysis equipment. For this reason, in 2021, we will start exploring business opportunities in this area.

"There has never been as much political and private support for green hydrogen and fuel cells as there is today."

WE CONTRIBUTE TO A CLEANER WORLD

There has never been as much political and private support for green hydrogen and fuel cells as there is today. It feels extremely positive, both on a personal level and for the company, that with our knowledge, technology and product, we can make a major contribution to the growth of the hydrogen and fuel cell industry. Hydrogen technology has the potential to have a very large positive impact on our efforts to sharply reduce emissions of both pollutants and greenhouse gases – so large that it may well be the single biggest contribution to the green transition.

Pär Teike, President & CEO
Karlskoga, March 2021

HYDROGEN FACTS

WHAT COLOR IS HYDROGEN?

There are three "colors" of hydrogen based on the way it is produced. These are:

Gray hydrogen – Hydrogen produced from natural gas. Today, this is the most common method of producing hydrogen, but it emits large amounts of carbon dioxide into the atmosphere.

Blue hydrogen – Hydrogen produced using natural gas where carbon dioxide is captured and stored or reused. This is a more climate-friendly process than gray hydrogen.

Green hydrogen – Hydrogen produced directly from water through electrolysis using renewable energy sources such as wind, solar or hydroelectric power. Green hydrogen constitutes highly environmentally friendly technology.

More is better.

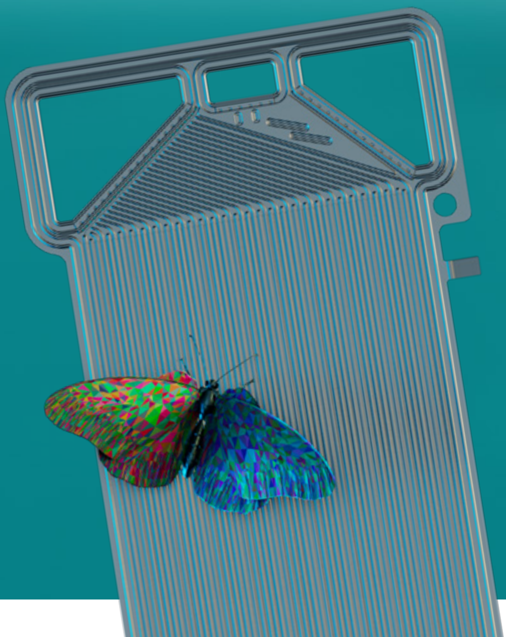
The hydrogen revolution will require millions of flow plates which is why Cell Impact has developed a completely new method of producing customized metal flow plates for fuel cells.

Our innovative Cell Impact Forming™ method uses high velocity forming to minimize the risk of material thinning. With a single tool and in one step, we form flow plates in large volumes with the highest quality.

This makes Cell Impact Forming™ both faster and more cost-efficient than conventional forming methods.

Let us manufacture your hydrogen flow plates with:
- advanced channel patterns
- uniform material thickness
- fine surface quality with both coated or uncoated metal

One of a million,
yet one in a million



CELLIMPACT
FORMING™

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FOUNDED IN SWEDEN 1999
cellimpact.com

THE SHARE

SHARES AND SHARE CAPITAL

According to Cell Impact's Articles of Association, the share capital shall be no less than SEK 4,440,000 and no more than SEK 17,760,000, divided into no fewer than 37,000,000 shares and no more than 148,000,000 shares. The company may issue shares in two classes: Class A shares and Class B shares (see "voting rights" below). No more than 4,440,000 Class A shares may be issued and no more than 143,560,000 Class B shares may be issued.

At year-end, the registered share capital of Cell Impact was SEK 6,811,362 divided into 58,842,334 shares, of which 217,800 are Class A shares and 58,624,524 are Class B shares. Each share has a quota value of approximately SEK 0.12. Each share confers an equal right to the company's assets and profit. There are no restrictions on the transferability of the shares. The company's shares are not subject to any offer made due to an obligation to launch a bid, a redemption right or a buy-out obligation. The company's shares have not been subject to a public takeover bid during the current or previous financial year.

VOTING RIGHTS

Every Class A share confers the right to one vote and every Class B share confers the right to one tenth of a vote. At a general meeting, each person entitled to vote may vote for all shares held and represented by him or her.

PREFERENTIAL RIGHTS TO NEW SHARES, ETC.

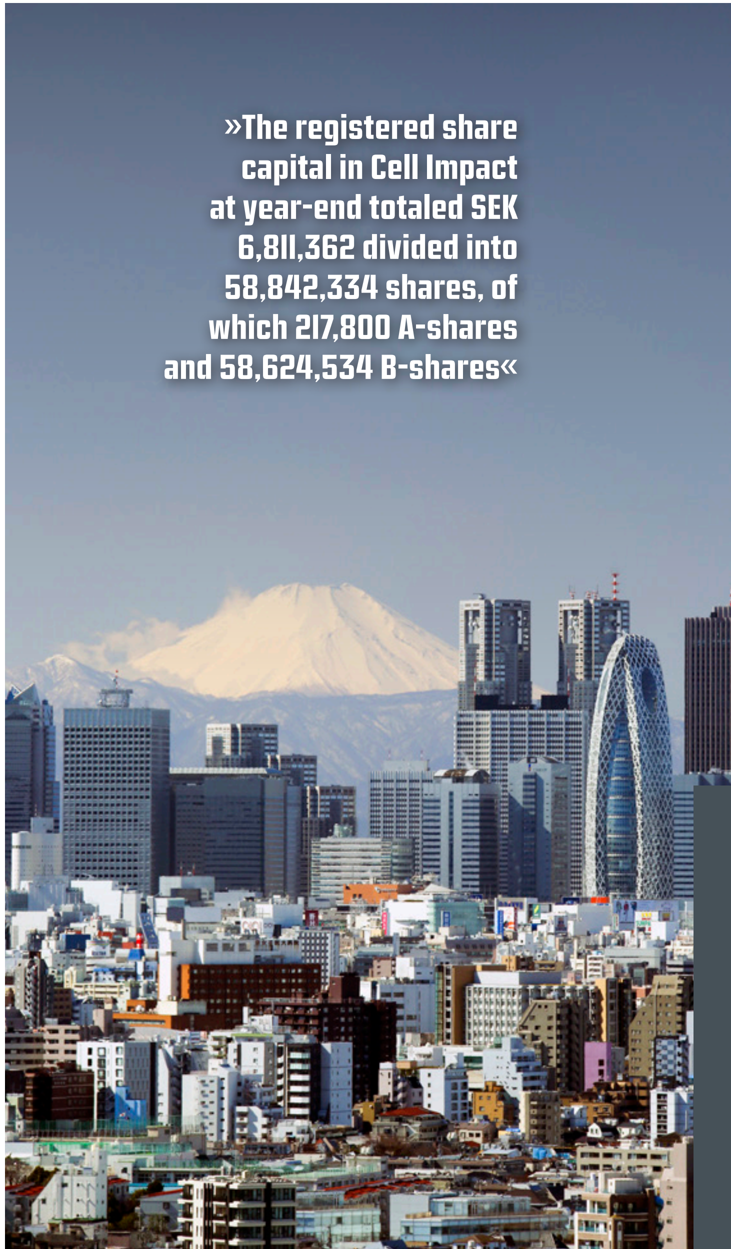
If the company resolves to issue new Class A and Class B shares in a cash issue or set-off share issue, holders of Class A and Class B shares shall have a preferential right to subscribe for new shares in the same class, in proportion to the number of shares previously held by the shareholder (primary preferential right). Shares that are not subscribed for pursuant to a primary preferential right shall be offered to all shareholders (subsidiary preferential right). If the shares offered in this manner are insufficient for the subscriptions made based on subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares previously held by them and insofar as this cannot be done, by the drawing of lots.

If the company resolves to issue new Class A and Class B shares in a cash issue or set-off share issue, regardless of whether they hold Class A or Class B shares, holders of Class A and Class B shares shall have a preferential right to subscribe for new shares in the same class, in proportion to the number of shares previously held by the shareholder.

If the company decides to issue warrants or convertibles by way of a cash issue or a set-off issue, the shareholders shall have a preferential right to subscribe for warrants as if the issue involved the shares that may be subscribed for according to the warrant, or a preferential right to subscribe for convertibles as if the issue involved the shares with which the convertibles may be replaced.

The statements above shall not limit the ability to resolve on a cash issue or a set-off issue that entails a deviation from the shareholders' preferential rights.

If the share capital is increased by way of a bonus issue, new shares in each class shall be issued, in proportion to the number of shares of the same class already in issue. If this occurs, old shares in a certain



share class shall confer a right to new shares in the same share class. The above statement shall not limit the ability to issue a new class of shares in a bonus issue, provided the requisite amendments are first made to the Articles of Association.

TRADING FACILITY

On February 20, 2013, Cell Impact's Class B share was listed on First North, an alternative market operated by the NASDAQ OMX exchanges. First North does not have the same legal status as a regulated market. Companies listed on First North are governed by First North's rules and are not subject to the legal requirements for admission to trading on a regulated market. An investment in a company traded on First North is riskier than an investment in a company listed on a regulated market.

The Class A share, which confers greater voting rights, is unlisted. The Class B share is traded under the ticker symbol CI B and has the ISIN code SE0005003217.

DIVIDEND POLICY

Resolutions regarding dividends are passed by the Annual General Meeting and the payments are processed by Euroclear Sweden. To be entitled to dividends, shareholders must be registered as shareholders in the share register kept by Euroclear Sweden on the record date for the dividend that is determined by the general meeting. Dividends are generally paid by Euroclear Sweden as an amount in cash per share. If a shareholder cannot be reached for the payment of a dividend, the shareholder's claim on the company remains and is only limited by general statutes of limitation. In the event of time barring, the entire amount will fall to the company. Cell Impact does not apply any restrictions or special procedures for dividends in cash to shareholders residing outside Sweden; except for any limitations imposed by the bank and

HISTORICAL DEVELOPMENT OF SHARE CAPITAL

		Change		Number of shares				
Year	Event	A-shares	B-shares	A-shares	B-shares	Total	Quota value	Share capital
1999	New establishment	0	3,800,000	0	3,800,000	3,800,000	1.00	3,800,000
2012	Directed share issue	0	1,200,000	0	5,000,000	5,000,000	0.10	500,000
2012	Reverse split	0	-680,574	0	4,319,426	4,319,426	0.12	500,000
2012	Conversion	72,600	-72,600	72,600	4,246,826	4,319,426	0.12	500,000
2013	Rights issue	72,600	4,246,826	145,200	8,493,652	8,638,852	0.12	1,000,000
2016	Directed share issue	0	526,000	145,200	9,019,652	9,164,852	0.12	1,060,888
2016	Rights issue	72,600	4,509,826	217,800	13,529,478	13,747,278	0.12	1,591,332
2018	Rights issue	0	4,381,218	217,800	17,910,696	18,128,496	0.12	2,098,485
2019	Directed share issue	0	4,666,636	217,800	22,577,332	22,795,132	0.12	2,638,677
2019	Rights issue	0	18,128,496	217,800	40,705,828	40,923,628	0.12	4,737,162
2019	Oversubscribed share issue	0	3,333,332	217,800	44,039,160	44,256,960	0.12	5,123,015
2019	Directed share issue	0	1,191,701	217,800	45,230,861	45,448,661	0.12	5,260,962
2020	Rights issue	0	6,393,673	217,800	51,624,534	51,842,334	0.12	6,001,069
2020	Directed share issue	0	7,000,000	217,800	58,624,534	58,842,334	0.12	6,811,362

SHARE OWNERSHIP STRUCTURE AS AT 2020-12-31

Name	A-shares	B-shares	Total	Ownership, %	Share of votes, %
BNP Paribas	-	3,332,925	3,332,925	5.66	5.48
Försäkringsbolaget, Avanza Pension	-	3,272,324	3,272,324	5.56	5.38
Östersjöstiftelsen	-	2,995,461	2,995,461	5.09	4.93
Clearstream Banking	-	2,171,464	2,171,464	3.69	3.57
Nordnet Pensionsförsäkring	-	1,300,474	1,300,474	2.21	2.14
Nakanishi Metal Works, NKC	-	1,231,647	1,231,647	2.09	2.03
Kjell Östergren	47,691	1,000,010	1,047,701	1.78	2.43
Swedbank Försäkring	-	850,153	850,153	1.44	1.4
Verdipapirfondet DNB Miljöinvest	-	766,376	766,376	1.3	1.26
Kjell-Sonny Eriksson-Påls	-	706,719	706,719	1.2	1.16
Other (approx. 26,500 shares)	170,109	40,996,981	41,167,090	69.98	70.22
TOTAL	217,800	58,624,534	58,842,334	100.00%	100.00%

clearing system, their dividends are paid in the same way as for shareholders residing in Sweden. However, shareholders who do not reside in Sweden for tax purposes are still subject to Swedish withholding tax. Except for dividends, there is no right to receive any part of the company's profits. So far, Cell Impact has not paid any dividends. There are also no guarantees that a dividend will be proposed or resolved on in any given year.

The Board of Directors of Cell Impact does not intend to propose a dividend in the near future. The intention is to reinvest any profit in the operations and use it for continued expansion.

The Board of Directors intends to review the adopted dividend policy on an annual basis.

SHARE BASED INCENTIVE PROGRAMS

Cell Impact has the following three outstanding share-based incentive programs:

1) Program 2019/2022 for senior executives and other employees. The incentive program was adopted by the Annual General Meeting on April 11, 2019 and included 800,000 warrants, of which 658,000 were acquired by senior executives and other employees in the company. Subject to the restatement of the number of shares for which each warrant confers a right to subscribe due to certain events pursuant to the terms and conditions of the warrants, the 658,000 share options confer a right for the participants to subscribe for the corresponding number of Class B shares in the company at a strike price of SEK 14.46 per share in the period from June 20, 2022 to July 18, 2022.

2) Program 2020/2023 for senior executives and other employees. The incentive program was adopted by the Annual General Meeting on April 16, 2020 and included 450,000 warrants, of which 223,200 were acquired by senior executives and other employees in the company. Subject to the restatement of the number of shares for which each warrant confers a right to subscribe due to certain events pursuant to the terms and conditions of the warrants, the 223,200 share options confer a right for the participants to subscribe for the corresponding number of Class B shares in the company at a strike price of SEK 37.19 per share in the period from June 1, 2023 to June 30, 2023.

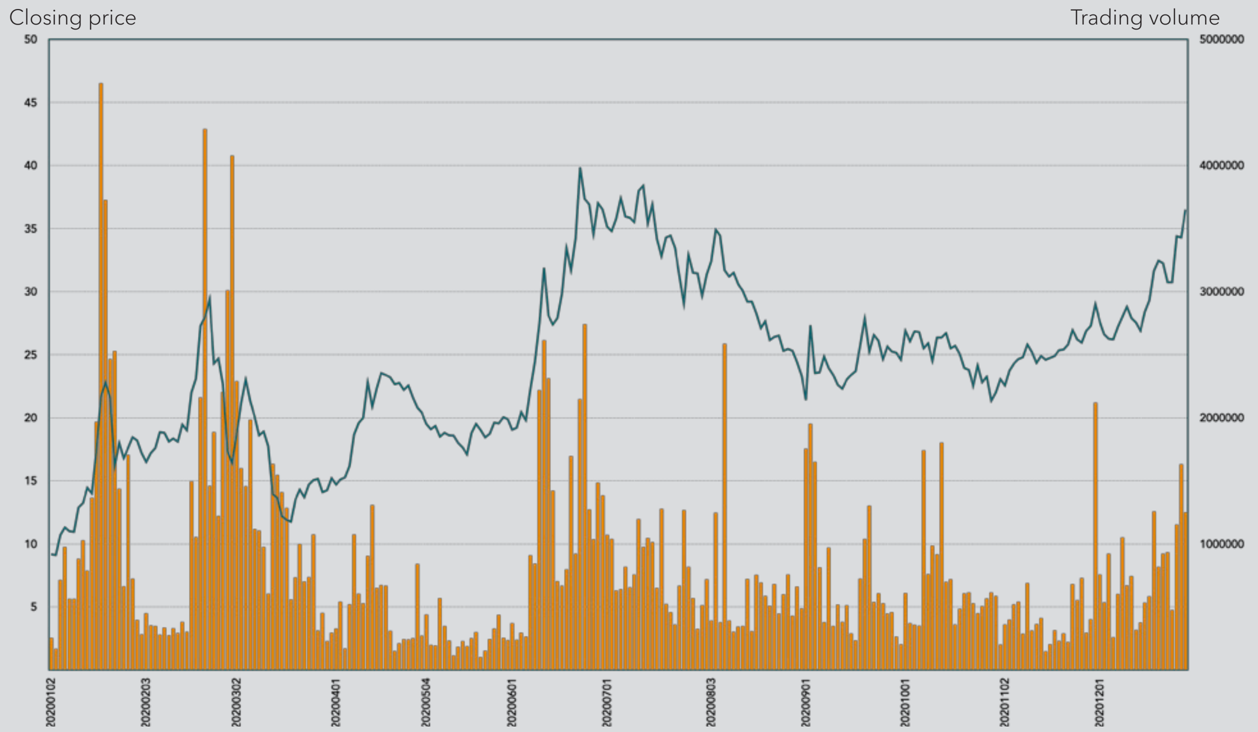
3) Program 2020/2024 for Board members. The incentive program was adopted by the Annual General Meeting on April 16, 2020 and included 450,000 warrants, of which 375,000 were acquired by senior executives and other employees in the company. Subject to the restatement of the number of shares for which each warrant confers a right to subscribe due to certain events pursuant to the terms and conditions of the warrants, the 375,000 share options confer a right for the participants to subscribe for the corresponding number of Class B shares in the company at a strike price of SEK 37.19 per share in the period from June 1, 2024 to June 30, 2024.

Other terms and conditions of the warrants are provided in the terms and conditions of the warrants that were adopted by the Annual General Meeting.

CONVERTIBLE DEBT INSTRUMENTS

Cell Impact has no convertible debt instruments in issue.

Share trend, 2020



BOARD OF DIRECTORS*

BÖRJE VERNET
Member since 2020

Main employment: Chairman of the Board of Llentab Group AB.
Education: Master of Science in Chemical Engineering from the Royal Institute of Technology (KTH).
Other: Born in 1953. Has 40 years of experience from the international manufacturing technology industry including positions such as CEO of Hexagon Automation, Rosti Group and Dacke Industri.

* All members of the Board of Directors are independent in relation to Cell Impact AB and in relation to significant shareholders in the company.

THOMAS CARLSTRÖM
Member since 2017

Main employment: Consulting company, Board positions.
Education: Degree in mining and metallurgical engineering from the Royal Institute of Technology (KTH).
Other: Born in 1951. Previously worked for 20 years as an investment manager at Industrifonden with a large number of investments in companies in their early stages including Arcam AB (3D printing in metal) and Oatly AB (not milk). Before that, 20 years in senior positions in several companies within the manufacturing industry.

ROBERT SOBOCKI
Chairman since 2020

Main employment: Member of the Board of Directors of five companies and Chairman of the Board of four companies.
Education: Master of Science in Engineering from Chalmers University of Technology (CTH) with a focus on production, organization and industrial economics.
Other: Born in 1952. Has more than 40 years of experience from senior positions within the automotive and engine industry, most of which at Scania, a world leader within alternative fuels for heavy vehicles.

ANNA FRICK
Member since 2020

Main employment: Member of the Board of the following publicly listed companies: Fortnox AB, Leo Vegas AB, Frisq Holding AB, Odd Molly International AB and Lohilo Foods AB. Member of the Board of Above Agency AB, Target Aid AB and the War Child Sweden foundation.
Education: Masters degree from the Stockholm School of Economics (HHS) with a specialization in marketing and financing.
Other: Born in 1968. Has over 20 years of experience as a marketing manager and consultant in communication, strategy and digital transformation, both nationally and internationally.

KJELL ÖSTERGREN
Member since 2012

Main employment: Private investor.
Education: Master of International Management, American Graduate School of International Management, Glendale, Arizona, USA and MSc in Economics from Lund University.
Other: Born in 1951. Has an extensive background in international asset management and venture capital. Has previously worked as CEO of Mariegården Investment AB and Director of Union House Ltd. in Singapore.

MANAGEMENT TEAM

STEFAN AXELLIE
CFO since 2020

Education: Bachelor's degree in economics and administration from Örebro University. Controller degree from IHM Business School, Gothenburg.
Other: Born in 1964. Solid experience as controller and CFO from companies such as Frantschach Coating, Atlas Copco and most recently as CFO and Vice President of Würth Svenska AB.

TORD LÄTT
COO since 2019

Education: Master of Science in Mechanical Engineering, Production and Organization from Chalmers University of Technology. Executive MBA, Mgruppen.
Other: Born in 1966. Several leadership positions and board assignments at industrial production companies, including CEO of Spicer Nordiska Kardan.

PÄR TEIKE
CEO since 2017

Education: Bachelor's degree in economics, Karlstad University. Further education at Gustavus Adolphus College, MN, USA and Kansai University of Foreign Studies, Japan.
Other: Born in 1962. Broad and extensive experience from senior positions within SKF, Getinge and Elos Medtech, mainly in Asia.

ANDERS ÖBERG
CTO since 2018

Education: Design and production engineer.
Other: Born in 1965. Previously CTO at Imatra Tooling AB and Bharat Forge Kilsta AB.

ACHIM ZEISS
Area Manager Europe since 2017

Education: Engineer.
Other: Born in 1951. Broad experience from the German automotive industry. CEO of Danly Germany (10 years) and DADCO Europe (22 years).

ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2020 FINANCIAL YEAR

The Board of Directors and the CEO present the following annual accounts and consolidated financial statements.

CONTENTS

Unless otherwise stated, all amounts are in SEK thousands.
Figures in parentheses refer to the previous year.

ADMINISTRATION REPORT

The Board of Directors and the CEO of Cell Impact AB (publ), corporate identity number 556576–6655, hereby present the annual accounts and consolidated financial statements for the 2020 financial year. The following income statements and balance sheets, statements of changes in equity, statements of cash flows and notes are an integrated part of the annual accounts and have been reviewed by the company's auditors.

INFORMATION ON OUR OPERATIONS

Cell Impact AB (publ) is a global supplier that develops and manufactures flow plates, primarily for use within the fuel cell and hydrogen industry. The company has developed and patented a unique method for high-velocity adiabatic forming, which has been trademarked since 2020 as Cell Impact Forming™. This process makes it possible to manufacture flow plates with advanced patterns cost-efficiently, which in turn results in more cost and energy-efficient fuel cells than with conventional forming methods. Cell Impact is listed on Nasdaq First North with FNCA Sweden AB as its Certified Advisor (CA).

GROUP STRUCTURE

The company is the parent company of Finshyttan Hydro Power AB, corporate identity number 556703–5752, which has its registered office in Filipstad. No operations are conducted in Finshyttan Hydro Power AB; all operations are conducted in the Parent Company. In December 2020, Cell Impact decided to incorporate a subsidiary in Japan to support ongoing customer projects and enable sales in the local currency. The company will market Cell Impact's offering to Japanese manufacturers of fuel cells and electrolyzers.

SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

Strengthening the organization and expertise

The work on strengthening the company's organization continued during the financial year when new orders were signed and production activity increased.

During the year, the organization and management were strengthened by appointing Stefan Axellie as CFO. He is responsible for accounting and reporting and for implementing management control and financing processes in the Group. Cell Impact has also used recruitment to strengthen its knowledge base in several areas of expertise, thus contributing to further developing production capacity for future increases in volume.

During the financial year, the company moved to a considerably larger factory in Karlskoga – 6,000 m^2, compared with the previous premises of 1,000 m^2 – which has been adapted to the needs of the operations and equipped with the machinery required to make high quality flow plates based on Cell Impact's patented production method, Cell Impact Forming™.

The company received several significant tool orders, a prerequisite for flow plate production, over the year, including from an existing North American customer.

Over the year, the company strengthened its cash significantly through two issues, including a rights issue of SEK 38.4 million (before issue costs) in the form of shares and free warrants as well as a directed share issue of SEK 175.0 million (before issue costs).

The capital contribution will primarily be used to fund Cell Impact's increase in production capacity in the new factory in Karlskoga (Brickegården) and pave the way for increased serial production and promote sales. Together with existing cash, it is expected that the proceeds from the issue will be sufficient to finance the company's business plan by the beginning of 2022.

Commercial successes

Over the year, Cell Impact secured several significant orders from customers in North America, China and Japan. All orders received are regarded as continued progress in continued long-term cooperation with customers.

These customers are considered to be prominent and established companies in their respective market segments that make major investments in fuel cells and electrolysis. The company has focused its relatively limited resources on a small number of customers and prospective customers to carry out existing projects and achieve great results that satisfy customers while driving the development of Cell Impact's offering.

The fuel cell market is developing well, and Cell Impact's offering is timely and addresses the industry's need for cost efficiencies and scalability. The new orders received prove that Cell Impact is regularly considered an important future supplier of flow plates in this value chain.

Orders secured over the year include:

- January 2020: Cell Impact and NKC Japan initiated production tests with a SEK 1.8 million order. NKC initiated several production tests to validate the endurance of Cell Impact's production technology for high-volume production.
- January 2020: NKC placed an additional SEK 2.6 million order to supplement the previously announced production tests of Cell Impact's production technology for high-volume production.
- April 2020: NKC in Japan ordered tools and flow plates for a development project. The new SEK 2.9 million order included forming tools and the production of flow plates.
- July 2020: Cell Impact secured an order for production tools. Cell Impact received a SEK 4.6 million order for production tools from an existing customer with a leading position in the North American market. The tool is expected to be ready for production at the beginning of the first quarter 2021.
- July 2020: Cell Impact secured an additional order for production tools for serial production. Cell Impact received a SEK 6.9 million order for production tools from an existing customer with a leading position in the North American market.
- September 2020: Nowogen Technology placed an order for the production of flow plates. Cell Impact received a SEK 1.5 million order from Nowogen Technology for prototype manufacturing of flow plates. The order was received following a previous order for tools and development secured by Cell Impact in November 2018. The delivery was planned to begin in the fourth quarter 2020 and to be completed in the first quarter 2021.

Process and automation development

During the financial year, the company's factory in Karlskoga has largely kept its focus on filling the orders received. Important progress has been made regarding the continued commissioning of new equipment and a production line (Cell Impact Forming™ Generation 2), which is faster, more efficient and takes less space. To achieve production that is competitive and leading in the long term, several process and automation development projects have been defined. These steps mainly address downstream manufacturing processes for the choice of smart technology that fits into a flow-based production system. These projects will result in a production system that allows the production of greater volumes. The projects require additional skills, and the company therefore initiated a recruitment program at the end of 2020 that is expected to run until the first quarter 2021.

SALES AND PERFORMANCE

Cell Impact's revenue was SEK 29.3 (11.9) million in the financial year, which represents a 146percent increase. The rise was due to the execution of the company's major customer projects, which continued throughout 2019, and new orders received in 2020. The operating loss was SEK -43.1 (-47.4) million. The improved performance was mostly due to increased revenue during the year, but the loss was caused by the high activity level, which resulted in higher costs in 2020 compared with 2019. The higher total costs were chiefly due to increased staff costs caused by the reinforcement of the company's organization and preparations for an increased volume capacity for orders expected in 2021. (See the table "Five-year summary of the Group" below.)

CASH AND FINANCIAL POSITION

Equity increased by SEK 156.9 million, from SEK 45.0 million to SEK 201.9 million, after the year-end 2019. This increase was related to the capital contribution from the issues and the recognized loss in 2020 of SEK -44.3 million. The proceeds from the company's issues were SEK 213.4 million (before issue costs).

Cash flows from operating activities before changes in working capital totaled SEK -37.5 during the year, partly due to the loss made. The change in working capital was negative at SEK -10.1 million, and investments of SEK -22.0 million were made during the year.

FIVE-YEAR SUMMARY, GROUP

	2020	2019	2018	2017	2016
Income (SEK thousand)	29,309	11,920	6,564	1,536	1,826
Profit/loss after financial items (SEK thousand)	-44,258	-48,401	-44,532	-18,260	-8,573
Total assets (SEK thousand)	242,875	58,037	-38,111	29,552	52,401
Debt/equity ratio (%)	83.1%	77.6%	49.2%	76.6%	78.1%
Return on total capital (%)	neg	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg	neg

In April 2020, the company was granted another loan of SEK 5.0 million in total from Almi, with a repayment period of 96 months and a forbearance period of 12 months, of which SEK 357 thousand was classified as current. Loan repayments will begin in July 2021. Of the previous Almi loan, SEK 1.5 million was repaid in 2020. The remaining part of the loan is classified as current and will be repaid in full in 2021. The company's cash and cash equivalents rose by SEK 135.0 million during the year, from SEK 16.9 million to SEK 151.9 million as at December 31, 2020.

RESEARCH AND DEVELOPMENT

Cell Impact's research and development activities are focused on further developing the company's forming and downstream manufacturing processes, mainly to develop these processes and adapt them to more automated production. The cost of these kinds of development activities was included in the total costs for the year. No costs were capitalized during the year as intangible assets in the Group's balance sheet.

EMPLOYEE AND INCENTIVE PROGRAMS

Employees

The total number of employees was 36 (39) at the end of the period, of which 21 (18) were women.

Staff costs totaled SEK -28.9 million (-20.7) during the year. The higher staff costs compared with the previous year were primarily due to the higher number of full-time equivalents: 36 (27).

Incentive programs

Cell Impact has an outstanding warrant program, under which employees and others have purchased warrants; see also Note 12.

RISKS AND UNCERTAINTIES

Uncertainty regarding future market developments

The company develops, manufactures and markets flow plates, primarily for use within the fuel cell and hydrogen industry, and pursues compatible activities. The company's innovative technology has many areas of application; at present, the production of flow plates for fuel cells is the foremost of them.

There is a risk that Cell Impact's flow plates and manufacturing methods will not be widely accepted in the market. The market may come to prefer other, more established technologies, and other new technologies may be developed. Also, market segments may develop more slowly or not develop as well as Cell Impact has assumed in its priority of customer segments.

It is unavoidable that assessments of future market developments entail uncertainty regarding factors that Cell Impact cannot control, and it is impossible at this stage to know how large a market share Cell Impact is likely to gain in the market for flow plates for fuel cells. It cannot be precluded that the fuel cell market may develop in a direction that is unfavorable for Cell Impact due to changed behavior among other operators and end customers, technological developments, environmental aspects, structural transactions or other external factors. Such a course of events may undermine Cell Impact's position and have a negative material impact on Cell Impact's future prospects, performance and financial position.

Competition

There is a risk that considerable investments and product development by competitors may have a negative effect on Cell Impact's development and sales. If Cell Impact cannot adapt its operations and products to the performance requirements and demand in the market, there is a risk that Cell Impact cannot be sufficiently competitive to succeed in the market, which in turn may have a negative material impact on Cell Impact's operations, financial position and performance.

Technological development risk

Continued technological development is part of Cell Impact's operations, and the volumes produced by the company so far have been small compared with the expected future production volumes. If the products do not function as intended in customer applications, Cell Impact's production may be delayed or cease, which could result in a drop in sales or no sales at all. There is a risk that technological and performance-related results may not meet future expectations or set goals once high-volume production is initiated. This may, in turn, reduce the opportunities to increase sales and production within a reasonable period, which may have a negative material impact on Cell Impact's operations, financial position and performance.

Suppliers and cooperative partners

Cell Impact can only deliver its products if input goods and services from third parties meet the agreed requirements on quantities, quality and delivery dates. Defective or missing deliveries from suppliers may delay Cell Impact's production, which in a short-term perspective may lead to reduced sales or no sales at all, which may have a negative material impact on Cell Impact's operations, financial position and performance.

Business model risk

As Cell Impact's market is relatively immature, established business models for suppliers may change in the future, and there is a risk that Cell Impact's financial objectives cannot be met, which could have a negative material impact on Cell Impact's performance and financial position.

Customer dependency

At present, Cell Impact has a limited number of customers. Cell Impact's sales and performance may be adversely affected if one or several customers chose to terminate their development efforts, became insolvent or chose a different supplier, which could have a negative material impact on Cell Impact's operations, financial position and performance.

Product risks
Cell Impact's products and services are generally supplied within the scope of customer-specific development in close cooperation with the customer. Any defects or deficiencies in Cell Impact's products may give rise to liability, which could have a negative material impact on Cell Impact's operations, financial position and performance.

Dependency on key people and employees
Cell Impact has a relatively small organization, which makes it relatively dependent on individual employees. The company's (future) ability to identify, recruit and retain relevant talent is important. Cell Impact's ability to recruit and retain such people depends on several factors, some of which are outside Cell Impact's control, e.g. competition in the market. The loss of a senior executive or key person due to a resignation, for example, may lead to a loss of key knowledge, the inability to meet set goals or a negative impact on Cell Impact's business strategy. If existing key people were to leave Cell Impact or if Cell Impact were unable to recruit or retain qualified, experienced senior executives, it could have a negative material impact on Cell Impact's operations, financial position and position.

Ability to manage growth
Cell Impact's operations may grow substantially due to a sudden and unexpected increase in demand for the company's products, which could make heavy demands on the management, operations and financial position. As the number of employees and the operations are growing, Cell Impact must implement efficient planning and management processes to carry out its business plan effectively in a rapidly evolving market. The Board of Directors is aware that a fast and strong market response may make it challenging for Cell Impact to meet demand. If Cell Impact cannot manage this, it could have a negative material impact on the company's operations, financial position and performance.

Patents
Cell Impact is exposed to the risk of patent infringements and plagiarism. There are no guarantees that Cell Impact will be able to protect its patents, trademarks and other intellectual property rights or that submitted applications for registration will be granted. There is a risk that new technologies and products will be developed that circumvent or replace Cell Impact's intangible assets. Cell Impact also cannot guarantee that it will never be considered to infringe someone else's intellectual property rights. Just like disputes in general, infringement disputes may be costly and time-consuming and could therefore have a negative material impact on Cell Impact's operations, financial position and performance.

Earning capacity and future capital requirements
Cell Impact has not yet reported sufficient sales revenue to make a profit and has depended on the contribution of additional capital on several occasions to fund its operating activities. It cannot be said with any certainty when Cell Impact will become profitable.

It cannot be taken for granted that new capital can be raised as and when needed, that it can be raised on favorable terms or that the capital raised would be sufficient to fund the operations according to Cell Impact's requirements, which could have a negative impact on the company's development and investment opportunities. If Cell Impact fails to raise capital when there is a need, there is a risk of a company reorganization or bankruptcy.

Credit risk
Credit risk is defined as the risk that arises if the creditworthiness of an investor's counterparty changes in an unpredictable manner, causing the value of the investment to fall. This is one of the risks associated with investments. In this case, it would mean that Cell Impact's counterparties cannot meet their financial commitments to Cell Impact. Credit risk in financing activities arises when excess liquidity is invested and when long and short-term credit agreements are entered into, which could have a negative material impact on Cell Impact's operations, financial position and performance.

Liquidity risk
Cash flow forecasts are regularly prepared by Cell Impact and these forecasts are carefully monitored to ensure that the company has sufficient cash to meet the needs of the operating activities. Considering the difficulty in forecasting the income stream and the company's somewhat capital-intensive investment plans for the development of production equipment, it is crucial that the company plan in advance for any raising of capital, such as issues, which have until now contributed to the company's positive liquidity over time. It is challenging to attract people to invest in the company, as external factors and, not least, the company's development are crucial to the company's success in raising capital.

Foreign exchange risk
Foreign exchange risk refers to the risk that exchange rate fluctuations have a negative material impact on Cell Impact's income statement, balance sheet or

cash flow. Foreign exchange risk arises when flows of foreign currencies are translated into Swedish kronor. Cell Impact is exposed to foreign exchange risk as it has sales and purchases materials and services in foreign currencies. The Parent Company's reporting currency is Swedish kronor (SEK), which means that the company, in its interactions with international operators, is exposed to currency-related transaction risks, which could have a negative impact on the company's performance and financial position.

Disputes
It cannot be precluded that Cell Impact may become involved in a legal dispute or arbitration that could have a material impact on the company's performance or financial position. At present, there is one ongoing matter. In 2019, Nasdaq First North Growth Market in Stockholm reported Cell Impact to Nasdaq's Disciplinary Committee for not naming a customer in its market communication regarding an order. Nasdaq's Disciplinary Committee accepted Cell Impact's explanation of events. Since then, however, the Swedish Financial Supervisory Authority has contacted Cell Impact and informed the company that the authority may investigate the matter in addition to the investigation made by Nasdaq's Disciplinary Committee. It is Cell Impact's assessment that the Swedish Financial Supervisory Authority is awaiting a ruling by the administrative court on a similar matter, for guidance on its own actions.

OWNERSHIP STRUCTURE AND SHARES

At year-end, the registered share capital of Cell Impact was SEK 6,811,362 divided into 58,842,334 shares in total, of which 217,800 were Class A shares and 58,624,534 were Class B shares. Each share has a quota value of approximately SEK 0.12.

PARENT COMPANY

(See the table "Five-year summary of the Group" below)

Remuneration to senior executives
According to the guidelines for remuneration to senior executives, the company shall strive to offer its senior executives remuneration on market levels. Remuneration should comprise the following elements: fixed base salary, variable salary, pension benefits, fringe benefits and severance pay.

Fixed salary
The remuneration should be based on the importance of the duties and the skills, experience and performance required. The fixed salary is subject to an annual review to ensure that the salary is market level and competitive.

Variable salary and pension
Remuneration to the CEO consists of a base salary and the opportunity to receive a bonus of no more than six month's salary per year. The payment of a bonus is determined by the Board of Directors. The CEO is also entitled to pension provisions corresponding to 30 percent of the base salary. The retirement age is 65.

Fringe benefits
Fringe benefits are offered to a limited extent, mostly in the form of company cars and insurance for the Management Team.

Notice periods and severance pay

FIVE-YEAR SUMMARY, PARENT COMPANY

	2020	2019	2018	2017	2016
Net sales (SEK thousand)	29,309	11,919	6,564	1,536	1,826
Profit/loss after financial items (SEK thousand)	-43,372	-48,333	-44,532	-18,260	-8,573
Total assets (SEK thousand)	227,227	57,712	38,111	29,552	52,401
Debt/equity ratio (%)	88.0%	77.1%	49.2%	76.6%	78.1%
Return on total capital (%)	neg	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg	neg

If the company terminates the CEO for any other reason than because the CEO has grossly neglected his duties, the CEO is entitled to severance pay corresponding to six times the base salary (monthly salary), which will be paid over six months. However, severance pay is not payable in case of retirement.

The CEO is bound by a non-compete clause that is applicable for 12 months after the end of employment. If the company invokes the non-compete clause, the CEO shall receive remuneration of no more than 60 percent of the previous monthly salary over the 12-month period (during the period for which the non-compete is invoked). However, no remuneration shall be payable for the period when severance pay is provided.

Investments

Investments of SEK 21,963 million (12,531) were made during the year in both the Parent Company and the Group.

Environmental impact

The company's operations are not subject to an environmental permit (categories A or B). According to the Swedish Environmental Code (SFS 1998:808 and the Ordinance concerning Environmentally Hazardous Activities and the Protection of Public Health, 1998:899), the company's operations are classified in category C, which means that the operations are subject to notification. Consequently, the operations have been notified to the Environment & Public Health Department in Karlskoga as a company that conducts operations as category C. The company complies with all statutes and regulations governing to environmental impact.

SIGNIFICANT EVENTS IN THE NEW YEAR

Covid-19

At the time this Annual Report is presented, based on current knowledge, the Board of Directors of Cell Impact AB (publ) has the following view of the impact of Covid-19 (coronavirus) on the company's operations.

The company currently produces and delivers its products without any major negative impact of Covid-19. To date, none of the company's suppliers have informed the company of any change in their ability to deliver input goods to the company, and none of the company's employees have informed the company that they are affected by Covid-19 to such an extent that they cannot fulfill their duties as employees of the company.

Adaptation to the market

If the volumes that are expected to be purchased by the company's customers drop, the company will adapt its production to the new situation with a slump in demand and adapt its purchasing of input goods to the new situation. The company regularly reviews its costs in relation to the business situation, and in the event of significantly smaller production volumes, adapted working hours and salaries, and ultimately furloughs or redundancies cannot be precluded.

Events after the reporting date

January 12, 2021 | Cell Impact appoints China Country Manager. Cell Impact has appointed Mr. Forrest Zhang as Country Manager in China. Mr. Zhang will be based in Shanghai and will begin his new position on May 3, 2021.

March 13, 2021 | Cell Impact receives SEK 42 million order from Plug Power for new production line and flow plates.

March 16, 2021 | Nowogen Technology places SEK 1.3 million order for serial production of flow plates.

Liquidity

Considering the situation described above, the Board of Directors is of the opinion that the company's operations have sufficient liquidity until the first quarter 2022.

PROPOSED APPROPRIATION OF PROFITS, PARENT COMPANY

The following profits are at the disposal of the Annual General Meeting (SEK)	
Share premium reserve	368,779,106
Retained earnings	-137,446,564
Profit/loss for the year	-43,372,744
	187,959,798

The Board of Directors and the CEO propose that SEK 187,959,798 be carried forward.

DIVIDEND

The Board of Directors proposes no dividend for the 2020 financial year.

PERFORMANCE AND POSITION

The profit/loss of the Group's and the Parent Company's operations and the financial position at year-end are otherwise apparent from the following income statements and balance sheets with accompanying notes.

CONSOLIDATED INCOME STATEMENT

(SEK thousand)	Note	Jan 1, 2020 –Dec 31, 2020	Jan 1, 2019 –Dec 31, 2019
Revenue	6,7,8	29,309	11,919
Other operating income	7	–	83
		29,309	12,002
Operating costs			
Raw materials and consumables		-10,173	-8,783
Other external costs	9,10	-26,399	-25,112
Staff costs	11,12	-28,875	-20,711
Depreciation and amortization	17,18,19, 20,21	-6,721	-4,730
Other operating expenses		-196	-108
Total operating expenses		**-72,364**	**-59,444**
Operating profit/loss		**-43,055**	**-47,442**
Finance income	13	25	-
Finance costs	14	-1,228	-959
Net finance income		**-1,203**	**-959**
Profit/loss before tax		**-44,258**	**-48,401**
Tax on profit/loss for the year	15	-	-
Profit/loss for the year attributable to the Parent Company's shareholders		**-44,258**	**-48,401**
Earnings per share, before and after dilution	16	-0.88	-1.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Note	Jan 1, 2020 –Dec 31, 2020	Jan 1, 2019 –Dec 31, 2019
Profit/loss for the year		-44,258	-48,401
Comprehensive income for the year attributable to Parent Company's shareholders		**-44,258**	**-48,401**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(SEK thousand)	Note	Dec 31, 2020	Dec 31, 2019
ASSETS			
Non-current assets			
Patents	17	76	143
Capitalized development costs	18	5,155	6,139
Land and buildings	19	6,469	–
Plant and machinery	20	24,964	24,652
Equipment, tools, fixtures and fittings	21	2,040	1,959
Right-of-use assets	10	15,904	386
Assets under construction	22	10,972	–
Total non-current assets		65,580	33,279
Current assets	24		
Raw materials and consumables		6,174	2,087
Work in progress		2,177	–
Trade receivables	25	10,137	2,196
Accrued income not yet invoiced	23	682	–
Other current receivables	26	4,811	2,727
Prepaid expenses and accrued income	27	1,385	835
Cash and cash equivalents	28	151,929	16,913
Total current assets		**177,295**	**24,758**
TOTAL ASSETS		**242,875**	**58,037**

(SEK thousand)	Note	Dec 31, 2020	Dec 31, 2019
EQUITY AND LIABILITIES			
Equity	29		
Share capital		6,811	5,261
Other contributed capital		388,476	188,932
Retained earnings including profit for the year		-193,399	-149,140
Equity attributable to the Parent Company's shareholders		201,888	45,053
Non-current liabilities	30		
Liabilities to credit institutions		4,643	-
Lease liabilities	10	13,989	61
Total non-current liabilities		18,632	61
Current liabilities	24		
Liabilities to credit institutions		1,214	1,143
Lease liabilities	10	2,132	136
Trade payables	5	9,582	6,515
Other current liabilities		1,004	715
Invoiced income not yet accrued	31	2,037	-
Accrued expenses and deferred income	32	6,385	4,414
Total current liabilities		**22,355**	**12,923**
TOTAL EQUITY AND LIABILITIES		**242,875**	**58,037**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK thousand)	Note	Share capital	Other contributed capital	Retained earnings including profit for the year	Total
Equity, opening balance, as at Jan 1, 2019		**2,098**	**117,780**	**-100,740**	**19,138**
Profit/loss for the year		-	-	-48,401	-48,401
Other comprehensive income for the year		-	-	-	–
Total comprehensive income for the year		**-**	**-**	**-48,401**	**-48,401**
Owner-related expenses:					
New issue of shares		3,163	80,252	-	83,415
Issue costs		-	-9,322	-	-9,322
Received option premiums	12	-	223	-	223
Total transactions with owners		**3,163**	**71,153**	**0**	**74,316**
Equity, closing balance, as at Dec 31, 2019		**5,261**	**188,933**	**-149,140**	**45,054**
Equity, opening balance, as at Jan 1, 2020		**5,261**	**188,933**	**-149,140**	**45,054**
Profit/loss for the year		-	-	-44,258	-44,258
Other comprehensive income for the year		-	-	-	–
Total comprehensive income for the year		**-**	**-**	**-44,258**	**-44,258**
Transactions with owners:					
New issue of shares		810	174,190	-	175,000
Exercising of share warrants		740	37,622		38,362
Issue costs		-	-14,565	-	-14,565
Received option premiums	12	-	2,295	-	2,295
Total transactions with owners		**1,550**	**199,542**	**0**	**201,092**
Equity, closing balance, as at Dec 31, 2020	29	**6,811**	**388,475**	**-193,398**	**201,888**

Equity is attributable in full to the Parent Company's shareholders.

CONSOLIDATED CASH FLOW STATEMENT

(SEK thousand)	Note	Jan 1, 2020 –Dec 31, 2020	Jan 1, 2019 –Dec 31, 2019
Operating activities			
Operating profit/loss		-43,055	-47,441
Adjustments for non-cash items	28	6,796	4,730
Interest received		25	–
Interest paid		-1,202	-959
Cash flows from operating activities before changes in working capital		**-37,437**	**-43,670**
Cash flows from changes in working capital			
Increase/decrease in inventories		-6,264	-927
Increase/decrease in trade receivables		-7,941	-1,247
Increase/decrease in other current receivables		-3,315	-227
Increase/decrease in trade payables		3,067	3,803
Increase/decrease other operating liabilities		4,296	1,263
Cash flows from operating activities		**-47,594**	**-41,005**
Investing activities			
Investments in property, plant and equipment		-22,043	-12,531
Disposals of property, plant and equipment		80	–
Cash flows from investing activities		**-21,963**	**-12,531**

(continuation)	Note	Jan 1, 2020 –Dec 31, 2020	Jan 1, 2019 –Dec 31, 2019
Financing activities			
New issue of shares		175,000	83,414
Issue costs		-14,564	-9,222
Borrowings		4,974	6,800
Repayment of loans		-1,494	-18,745
Exercising of share warrants		38,362	-
Received option premiums		2,295	200
Cash flows from financing activities		**204,573**	**62,447**
Cash flow for the year		**135,017**	**8,911**
Cash and cash equivalents at the beginning of the year		16,911	8,000
Cash and cash equivalents at end of year	28	**151,929**	**16,911**

THE PARENT COMPANY'S INCOME STATEMENT

(SEK thousand)	Note	Jan 1, 2020 –Dec 31, 2020	Jan 1, 2019 –Dec 31, 2019
Net sales	6, 7, 8	29,309	11,919
Other operating income		–	83
		29,309	**12,002**
Operating costs			
Raw materials and consumables		-10,173	-8,783
Other external costs	9.10	-28,131	-26,016
Staff costs	11.12	-28,875	-20,711
Depreciation and amortization	17, 18, 19, 20, 21	-5,107	-3,819
Other operating expenses		-188	-108
Total operating expenses		**-72,473**	**-59,437**
Operating profit/loss		**-43,164**	**-47,435**
Profit/loss from financial items			
Other interest income and similar profit/loss items	13	25	–
Interest expenses and similar profit/loss items	14	-233	-898
Profit/loss after financial items		**-43,372**	**-48,333**
Tax on profit/loss for the year	15	–	–
Profit/loss for the year		**-43,372**	**-48,333**

THE PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Note	Jan 1, 2020 –Dec 31, 2020	Jan 1, 2019 –Dec 31, 2019
Profit/loss for the year		-43,372	-48,333
Other comprehensive income		-	-
Total comprehensive income for the year		**-43,372**	**-48,333**

THE PARENT COMPANY'S BALANCE SHEET

(SEK thousand)	Note	Dec 31, 2020	Dec 31, 2019
ASSETS			
Non-current assets			
Intangible assets			
Patents	17	76	143
Capitalized development costs	18	5,155	6,139
Total intangible assets		5,231	6,282
Property, plant and equipment			
Land and buildings	19	6,469	–
Plant and machinery	20	24,964	24,652
Equipment, tools, fixtures and fittings	21	2,040	1,959
Assets under construction	22	10,972	–
Total property, plant and equipment		**44,445**	**26,611**
Financial assets			
Participations in Group companies	35	72	72
Total financial assets		**72**	**72**
Total non-current assets		**49,748**	**32,965**
Current assets			
Inventories			
Raw materials and consumables		6,174	2,087
Work in progress		2,177	–
Total inventories		**8,351**	**2,087**
Current receivables			
Trade receivables	25	10,137	2,196
Accrued income not yet invoiced	23	682	–
Other current receivables	26	4,807	2,723
Prepaid expenses and accrued income	27	2,039	1,042
Total current receivables		**17,665**	**5,961**
Cash and bank balances	28	151,463	16,699
Total current assets		177,480	24,747
TOTAL ASSETS		227,227	57,712

(SEK thousand)	Note	Dec 31, 2020	Dec 31, 2019
EQUITY AND LIABILITIES			
Equity	29		
Restricted equity			
Share capital		6,811	5,261
Development expenditure reserve		5,155	6,024
		11,966	**11,285**
Non-restricted equity			
Share premium reserve		368,779	171,531
Retained earnings		-137,447	-89,983
Profit/loss for the year		-43,372	-48,333
		187,960	**33,215**
Total equity		**199,926**	**44,500**
Non-current liabilities	30		
Liabilities to credit institutions		4,643	–
Liabilities to Group companies		2,463	441
Total non-current liabilities		**7,106**	**441**
Current liabilities			
Liabilities to credit institutions	30	1,214	1,143
Trade payables		9,582	6,518
Other current liabilities		1,004	468
Invoiced income not yet accrued	31	2,037	–
Accrued expenses and deferred income	32	6,358	4,642
Total current liabilities		**20,195**	**12,771**
TOTAL EQUITY AND LIABILITIES		**227,227**	**57,712**

THE PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

	RESTRICTED EQUITY		NON-RESTRICTED EQUITY			
(SEK thousand)	Share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	Total
Equity, opening balance, as at Jan 1, 2019	**2,098**	**6,720**	**100,602**	**-46,146**	**-44,532**	**18,741**
Transfer of profit/loss from the previous year	–	–	–	-44,532	44,532	–
Development expenditure reserve	–	-696	–	696	-	–
Profit/loss for the year	–	–	–	–	-48,333	-48,333
Other comprehensive income for the year	–	–	–	–	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-48,333**	**-48,333**
Transactions with owners:						
New issue of shares	3,163	–	80,252	–		83,415
Issue costs	–	–	-9,322	–		-9,322
Total transactions with owners	**3,163**	**-**	**70,930**	**-**		**74,093**
Equity, closing balance, as at Dec 31, 2019	**5,261**	**6,024**	**171,532**	**-89,982**	**-48,333**	**44,502**
Equity, opening balance, as at Jan 1, 2020	5,261	6,024	171,532	-89,982	-48,333	44,502
Transfer of profit/loss from the previous year	–	–	–	-48,333	48,333	–
Development expenditure reserve	–	-869	–	869		–
Profit/loss for the year	–	–	–	–	-43,372	-43,372
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-43,372**	**-43,372**
Transactions with owners:						
New issue of shares	810	–	174,190	–		175,000
Exercising of share warrants	740	–	37,622	–		38,362
Issue costs	–	–	-14,563	–		-14,563
Total transactions with owners	**1,550**	**-**	**197,249**	**-**		**198,799**
Equity, closing balance, as at Dec 31, 2020	**6,811**	**5,155**	**368,779**	**-137,446**	**-43,372**	**199,926**

THE PARENT COMPANY'S STATEMENT OF CASH FLOWS

(SEK thousand)	Note	Jan 1, 2020 -Dec 31, 2020	Jan 1, 2019 -Dec 31, 2019
Operating activities			
Operating profit/loss		-43,164	-47,435
Adjustments for non-cash items	28	5,181	3,819
Interest received		25	-
Interest paid		-186	-898
Cash flows from operating activities before changes in working capital		**-38,145**	**-44,514**
Changes in working capital			
Increase/decrease in inventories		-6,264	-927
Increase/decrease in trade receivables		-7,941	-1,247
Increase/decrease in other current receivables		-3,762	-20
Increase/decrease in trade payables		3,065	3,803
Increase/decrease other operating liabilities		4,288	884
Cash flows from operating activities		**-48,759**	**-42,021**
Investing activities			
Investments in property, plant and equipment		-22,043	-12,531
Proceeds from the sale of property, plant and equipment	21	80	–
Cash flows from investing activities		**-21,963**	**-12,531**
Financing activities			
New issue of shares		175,000	83,415
Issue costs		-14,563	-9,222
Borrowings		6,974	6,800
Repayment of loans		-286	-17,907
Exercising of share warrants		38,362	200
Cash flows from financing activities		**205,488**	**63,286**
Cash flow for the year		**134,765**	**8,734**
Cash and cash equivalents at the beginning of the year		16,698	7,964
Cash and cash equivalents at end of year	28	**151,463**	**16,698**

NOTES TO THE CONSOLIDATED ACCOUNTS AND THE PARENT COMPANY'S FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Cell Impact AB (publ) (the Parent Company, corporate identity number 556576-6655) and its companies (jointly referred to as the "Group") is a Swedish industrial group that is active in flow plates. The Group has an office in Karlskoga. The Parent Company is a Swedish public limited company with its registered office in Karlskoga. The address to the head office is Cell Impact AB, Källmossvägen 7A, 691 52 Karlskoga, Sweden

The Parent Company is listed on First North. The Board of Directors of Cell Impact AB (publ) approved these consolidated accounts for publication on March 26, 2021.The income statement and balance sheet will be submitted to the Annual General Meeting on April 22, 2021 for adoption.

NOTE 2 ACCOUNTING AND VALUATION PRINCIPLES

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations by the IFRS Interpretations Committee, as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, was also applied. The Parent Company applies the same accounting principles as the Group, with the exceptions outlined in Note 3. The differences between the principles applied by the Parent Company and the Group are caused by limitations to the possibility to apply IFRS in the Parent Company due to the Swedish Annual Accounts Act and the connection between accounting and taxation.

The preparation of reports in accordance with IFRS requires the use of certain key accounting estimates. It also requires the Management Team to exercise its judgement in the application of the Group's accounting policies. The areas that involve a high degree of assessments, which are complex or areas where assumptions and estimations are significant for the consolidated accounts are detailed in Note 4.

Unless otherwise stated, the accounting principles shown below have been applied consistently to all periods presented in the Group's financial statements. The Group's accounting principles have been applied consistently by all Group companies.

Consolidated financial statements

Subsidiaries

Subsidiaries refer to all companies (including special purpose vehicles) where the Group has the right to devise financial and operational strategies in a manner generally associated with a shareholding representing more than half of the votes.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business and shares issued by the Group.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. Cell Impact's Management Team is the chief operating decision maker of the Group. The company has identified one operating segment, which is the Group as a whole. The assessment is based on the fact that the Management Team regularly reviews the business as a whole and uses it as a basis for decisions to allocate resources and assess performance.

Foreign currency

Functional currency and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated accounts use Swedish kronor (SEK), which is the Parent Company's functional and reporting currency.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates on the dates of the transactions or the date on which the items were revaluated. Foreign exchange gains and losses that arise when paying such transactions and in the translation of monetary assets and liabilities in foreign currency at the closing rate on the reporting date are recognized in profit or loss. Foreign exchange gains and losses that are caused by exchange rate fluctuations are presented in the income statement as finance income or costs. All other foreign exchange gains and losses are presented in the item Other operating income/expense in the income statement.

Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the products so that they will be available for use;
- it is the company's intention to complete the products and to use or sell them;
- There is an ability to use or sell the products;
- it can be demonstrated how the products will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the products are available; and
- the expenditure attributable to the products during their development can be reliably measured.

Directly attributable costs that are capitalized as development costs include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs

Capitalized development costs refer to the further development of the company's forming unit and tool holders, primarily to adapt them for more automated production, and they are capitalized in the company as intangible assets, as they are expected to generate future economic benefits. Capitalized development costs are amortized on a straight-line basis from completion over the estimated useful life. The amortization period for these capitalized costs is estimated at 5 to 10 years. According to the above, capitalized development costs aim to optimize the company's entire manufacturing process for flow plates. It is believed that the improvement may eventually be used also in the production of other products than flow plates.

Research and development

Research and development costs that do not meet the criteria above are expensed as incurred. Development costs that have been expensed in previous periods are not recognized as assets in the subsequent period.

Patents

Developed patents are recognized at cost if it is probable that they will generate future economic benefits. Directly attributable costs for patents that are capitalized include employee costs and an appropriate portion of relevant overheads as well as purchased services. Patents are recognized as intangible assets and amortized from the time the patent is granted. Patents have a limited useful life and are recognized at cost less accumulated amortization and impairment. Patients are amortized on a straight-line basis over the patent's useful life, usually no more than 5 years.

Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will benefit the Group and the cost of the asset can be measured reliably. The carrying value of a replaced part is removed from the balance sheet. All other forms of repair and maintenance are expensed in the income statement in the period in which they are incurred.

Property, plant and equipment are systematically depreciated of the assets' useful lives. When the assets' depreciable amounts are determined, the assets' residual values are considered, if applicable.

The following depreciation periods are applied:

- Land and buildings[1], 10–20 years
- Machinery, 8–15 years
- Furniture, fittings and equipment, 3–8 years

1) Refers to improvements on properties not owned by the Group.

Impairment of non-financial assets

Assets

If there is an indication that the value of an asset has diminished, the asset is tested for impairment. If the recoverable value of the asset is less than the book value, the asset is written down to its recoverable value. When tested for impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash generating units).

Inventories

Inventories are stated at the lower of cost and net realizable value on the reporting date, based on the first in, first out principle. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial instruments
Financial instruments are recognized in the balance sheet when the Group becomes a party according to the instrument's contractual terms and conditions. A receivable is recognized when the company has performed and there is a contractual obligation for the counterparty to pay. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay. The business model within which the financial asset or liability was acquired or entered into and the nature of the contractual cash flows determine the classification.

The Group has financial assets and liabilities that have been classified in the following categories:
- Financial assets at amortized cost
- Financial liabilities at amortized cost

The Group does not engage in active trading in financial instruments that are unrelated to the Group's business operations. Consequently, the financial assets and liabilities that are recognized in the balance sheet mostly comprise cash and cash equivalents, trade receivables, other receivables, accrued income, trade payables, non-current liabilities to credit institutions, other current liabilities and accrued costs related to the Group's suppliers. The Group did not hold any financial instruments that were measured at fair value in profit or loss or other comprehensive income during the financial year or the comparative year .

Financial assets measured at amortized cost are initially measured at fair value with the addition of transaction costs. After initial recognition, the assets are measured using the effective interest method. Assets measured at amortized cost are held within the business model of collecting contractual cash flows, where those cash flows solely represent payments of principal and interest on the outstanding principal. It is determined that expected credit losses are negligible, as the company's financial assets are essentially made up of bank balances in banks with high credit ratings.

Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method.

Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and all trade receivables are therefore classified as current assets. Trade receivables are initially recognized at the transaction price. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Group applies the IFRS 9 simplified approach when testing trade receivables for impairment. The simplified approach means that the provision for expected credit losses is based on the risk of a loss over the entire life of the receivable and recognized upon initial recognition of the receivable. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group also uses forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated statement of comprehensive income in Other external costs. For more information, see Note 25, Trade receivables.

Cash and cash equivalents
In the balance sheet and the cash flow statement, cash and cash equivalents include cash, bank balances and other current investments with a due date within three months of the time of acquisition.

Share capital
Ordinary shares, other contributed capital and retained earnings are classified as equity. Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of the issue in Other contributed capital under the Group's equity.

Warrants
All warrants issued by the Group were awarded at fair value. Premiums received from issued options to acquire shares in Group companies are recognized as contributions to equity, based on the option premium, on the date when the option is transferred to the counterparty.

Other financial liabilities

Classification
Non-current borrowings, trade payables, other current liabilities and accrued costs that constitute financial instruments are classified as other financial liabilities. Liabilities in the category Other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Liabilities to credit institutions
Borrowings are recognized at fair value less transaction costs at the time the loan is taken and subse-

quently at amortized cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. As the difference is considered to be negligible, borrowings are recognized at the nominal amount upon initial recognition, which is assumed to correspond to the fair value.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Trade payables mostly have a short duration and are therefore, in such cases, measured at their nominal amount without discounting.

Current and deferred income tax

The period's tax expenses consist of current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity. In this case, the tax is also recognized in Other comprehensive income or directly in equity, respectively. The current tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. The Management Team periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. When it is considered appropriate, provisions are made for amounts that will probably be paid to the Swedish Tax Agency. Deferred tax is recognized in respect of all temporary differences arising between the taxable value of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are reported to the extent it is probable that future taxable profits will be available against which the temporary differences can be used. The value of loss carry-forwards is initially recognized in the balance sheet when it is probable that these can be used toward future profits in a foreseeable future.

Remuneration to employees

The Group companies operate various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(A) Pension commitments

For salaried employees in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and household pensions are secured through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed through insurance from Alecta, this is a defined benefit plan that covers multiple employers. For the 2020 financial year, the company has not had access to the information required to report its proportional share of the plan's obligations, assets and costs, which means that the plan could not be recognized as a defined benefit plan. The ITP 2 pension plan, which is secured through insurance from Alecta, is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and household pension is calculated individually and is in part dependent on salary, previously earned pension and expected remaining service. Expected charges for the next reporting period for ITP 2 insurance from Alecta amount to 723,048 SEK (695,448). The collective consolidation ratio is the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The collective consolidation ratio is normally allowed to vary between 125 percent and 155 percent. If Alecta's collective consolidation ratio falls below 125 percent or exceeds 155 percent, measures must be taken to create conditions for the collective consolidation ratio to return to the normal range. When the collective consolidation ratio is low, one course of action could be to raise the agreed price for new policies and the expansion of existing benefits. When the collective consolidation ratio is too high, one course of action could be to introduce premium reductions. At the end of 2020, Alecta's surplus in the form of its collective consolidation ratio was preliminary set to 148 percent (148).

(b) Severance pay

Severance pay is expensed when the obligation to pay severance pay arises.

Revenue

Goods

The Group develops, manufactures and sells flow plates to the hydrogen industry. In most cases, the company provides hardware without conditional undertakings regarding installation or support. Sales are recognized as revenue when control of the products has been transferred to the customer, which generally occurs when the products are delivered. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Customer projects

The Group offers development services in the form of customized flow plates and tool design.

For fixed-price service assignments, any revenue and expenses associated with a service assignment that has been performed are recognized as revenue and costs in relation to the percentage of completion of the assignment on the record date (percentage of completion method). The percentage of completion of an assignment is determined based on expenses on the reporting date compared with estimated total expenses. In the event the outcome of an assignment cannot be reliably estimated, revenue is only recognized to the extent that corresponds to the expenses incurred that will probably be paid by the customer. A suspected loss on an assignment is immediately expensed.

Revenue from service contracts that are paid by the hour is recognized when the work has been carried out and materials have been provided or used. Accrued revenue is recognized as accrued income not yet invoiced in the balance sheet.

Services are recognized as a separate performance obligation if the customer, individually or with other available resources, may benefit from them and they can be contractually separated from other promises in the agreement. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling price. Development services are considered to be separate performance obligations where revenue is recognized over time.

If the services rendered by the Group exceed the payment, a contract asset is recognized (accrued income not yet invoiced). If the payments exceed the services rendered, a contract liability is recognized (invoiced income not yet accrued).

Finance income

Interest income is reported as income using the effective interest method. When the value of a receivable in the category loan receivables and trade receivables has gone down, the Group reduces the carrying value to the recoverable value, which consists of estimated future cash flow less the original effective interest for the instrument, and continues to unwind the discounting effect as interest income. Interest income on impaired loan receivables and trade receivables is reported as original effective interest.

Finance costs

Finance costs chiefly comprise interest expenses on loans and exchange rate losses. Interest expenses on loans are recognized using the effective interest method. Exchange rate gains and losses are reported net.

Leases

When a contract is concluded, the Group determines whether it is a lease, i.e if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Except for short-term leases and leases of low-value assets, the Group recognizes a lease liability for future remaining lease payments and right-of-use assets that represent the right to use underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease, at the point in time the underlying asset is available for use. Right-of-use assets are measured at cost less accumulated depreciation and impairment and are adjusted for any revaluation of lease liabilities. The cost of right-of-use assets includes the value of recognized lease liabilities, initial direct costs and lease payments made at or before the commencement date, less any lease incentives received in connection with the signing of the lease. Right-of-use assets are depreciated over the estimated lease term on a straight-line basis. Leases in the Group that have been classified as right-of-use assets mainly comprise premises, workshop equipment and cars.

Lease liabilities
The Group recognizes lease liabilities based on the present value of all remaining lease payments over the remaining useful life on the commencement date. Lease payments are made up of fixed payments less any lease incentives receivable and variable lease payments that are based on an index or a rate. When calculating the present value of all outstanding leasing fees, the Group uses its incremental borrowing rate. The recognized lease liabilities are revaluated if the term of the lease or the lease payments change (including indexation).

Short-term leases and leases of low-value assets
The Group applies the exception for leases with a term of less than 12 months (short-term leases) and leases of low-value assets. Short-term leases and leases of low-value assets in the Group refer to various office equipment, etc. Short-term leases and leases of low-value assets are recognized on a straight-line basis over the term of the lease as an expense in profit or loss.

Cash flow
The cash flow statement has been prepared using the indirect method. Recognized cash flows include only transactions that have resulted in cash receipts or payments and are broken down in operating activities, investing activities and financing activities. Cash flows from cash receipts and payments are reported gross, except for transactions comprised of cash receipts and payments of large amounts referring to items where the turnover is quick and the maturities are short.

Definitions of key ratios

Equity ratio
Equity and untaxed reserves (less deferred tax) in relation to total assets.

Return on total capital
Profit/loss before the deduction of interest expenses in relation to total assets.

Return on equity
Profit/loss after financial items in relation to equity and untaxed reserves (less deferred tax).

NOTE 3 THE PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company prepares its annual accounts pursuant to the Swedish Annual Accounts Act and RFR 2 (Accounting for legal entities), which means that the Parent Company complies with the Group's accounting policies in all material respects, with the exceptions stated below. Unless otherwise stated, the policies have been applied consistently for all the years presented.

Leases
The Parent Company has applied the exception in IFRS 2 regarding IFRS 16 Leases and reports lease payments on a straight-line basis over the term of the lease.

Shares in subsidiaries
Shares are recognized by the Parent Company according to the historical cost convention. The book value is regularly tested against the subsidiaries' consolidated equity. If the book value is less than the subsidiaries' consolidated value, an impairment loss will be recognized in the income statement. If a previously made impairment is no longer justified, it will be reversed.

Financial assets and liabilities
Due to the connection between reporting and taxation, the Parent Company as a legal entity does not comply with the rules on financial instruments in IFRS 9. Instead, the Parent Company applies the historical cost convention pursuant to the Swedish Annual Accounts Act. Accordingly, the Parent Company measures non-current financial assets at cost less impairment and current financial assets according to the lower of cost or market method.

Income statement and balance sheet layout
The income statement and balance sheet follow the layout described in the Swedish Annual Accounts Act.

None of the changes published in RFR 2 are determined to have any significant impact on the Parent Company's financial statements.

NOTE 4 ESTIMATES AND ASSESSMENTS

The preparation of Cell Impact's consolidated accounts required several estimates and judgments, which may affect the value of assets, liabilities and provisions that were reported at the time the accounts were closed. In addition, the recognized value of sales and expenses during the reporting periods may also be affected. Estimates and judgments are evaluated continually and are based on historic experience and other factors, including expectations of future events that are considered to be reasonable under current conditions. Any estimates and judgments that involve a considerable risk of significant adjustments to the recognized value of assets and liabilities in the next financial year are discussed below.

Going concern

The company currently has good liquidity after the two issues carried out over the year. The scope of any future need to raise capital will depend on how sales, and consequently production volumes, will develop in 2021 and 2022 and the extent to which the company will choose to continue investing in commercialization and expansion of production capacity in the new factory in Karlskoga (Brickegården) to pave the way for increased serial production.

Covid-19 (coronavirus) has, and will have, an impact on the company's operations. The company is currently manufacturing and delivering according to forecasts made before Covid-19. None of the company's suppliers have currently informed the company of any change in their ability to deliver input goods to the company, and none of the company's employees have informed the company that they are affected by Covid-19 to such an extent that they cannot fulfill their duties as employees of the company.

Loss carry-forwards

The Group's loss carry-forwards have not been measured and are not reported as deferred tax assets. Such loss carry-forwards will not be measured until the Group has reached a performance level that the Management Team believes is likely to lead to taxable profits.

Leases

Leases for premises have a term of 8 years in the Group with an option to extend by 3 years at a time unless a party opts to terminate the lease, subject to nine months' notice.

In determining the term of a lease, the Management Team considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the term of the lease if the lease is reasonably certain to be extended.

Extension options related to premises have not been included in the lease liability, as Cell Impact cannot determine with reasonable certainty that the leases will be extended considering the development of the company. The lease term is reassessed if an option is actually exercised (or not exercised). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and the change is within the control of the lessee. No leases have a term of more than 8 years. New leases for premises were entered into during the financial year, but no reassessments of older leases were made.

Measurement of inventories

The Group recognizes an inventory value of SEK 8,351 thousand (2,087). An obsolescence allowance is recognized if the estimated net realizable value is lower than the cost, and in connection with this, the Group makes estimates and assessments regarding future market conditions and calculated net realizable values. The risk of obsolescence is relevant in periods with an unexpected drop in demand and when technical developments in the markets in which the Group operates constitute a specific risk.

An inability to predict and meet market expectations may result in a future need to make a provision for inventory obsolescence.

NOTE 5 FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks through its operations, even if they are relatively small, as turnover is limited, and the Group does not have any significant interest-bearing liabilities. In brief, the risks can be summarized as follows:

Credit and counterparty risk

The Group strives to spread credit risks and monitors that sales are made to customers with suitable creditworthiness. It relies on constant monitoring of the external environment, regular customer contacts and credit reports when relevant. Trade receivables have a payment term of 30 days. For an age analysis of overdue trade receivables, see Note 25, Trade receivables.

Interest rate risks

The Group's performance and cash flow from its operations are, to a limited extent, materially independent of changes in market interest rate levels. A change of 1 percentage point in the interest rates on existing borrowings would mean a cost exposure of approximately SEK 59 thousand.

Liquidity risk
Cash flow forecasts are regularly prepared by Cell Impact and these forecasts are carefully monitored to ensure that the company has sufficient cash to meet the needs of the operating activities. There are no bank loans with covenants to consider. The company's loan liabilities comprise two loans from Almi totaling SEK 5.8 million. The first loan, which was granted on October 22, 2015, had an 18-month forbearance period and is to be repaid over 48 months. The most recent loan of SEK 5 million was granted on April 1, 2020 and is subject to forbearance until July 2021.

Foreign exchange risk
Most of the Group's revenue is from foreign customers while most of the total costs are in SEK, so profit/loss is exposed to foreign exchange risk. As the Group's revenue and costs are still limited, currency flows are not hedged.

Transaction exposure
The Group has limited transaction exposure from contractual cash flows in foreign currencies. See the table for the exposure to each currency.

Translation exposure
The Group is subject to translation exposure arising in the translation of foreign trade payables into SEK. This exposure amounts to SEK 37 thousand (8.6) in EUR. A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK -3.7 thousand (-0.8) on profit/loss after tax and on equity.

Dividend policy and other information
Cell Impact has not adopted any dividend policy. Cell Impact's Board of Directors intends to retain any earnings to fund future growth and the running of operations and therefore does not foresee any cash dividends in the near future. As the company is still in a commercialization phase and has not yet created a sustainable revenue stream, the main focus of the financial governance of the operations is on the company having sufficient capital and cash to ensure operations going forward. An important key ratio for the operations in this respect is to have a satisfactory debt/equity ratio, but the company has not yet adopted such a target.

As can be seen from the table, the Group's main transaction exposure involves EUR and USD. A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK 1,425 thousand (-21) on profit/loss after tax and on equity. A 10 percent stronger USD compared with SEK would have a positive impact of approximately SEK 269 thousand (105) on profit/loss after tax and on equity.

Currency exposure in 2020	Operating income	Operating expenses
USD	9%	0%
EUR	0%	21%
SEK	91%	79%
Other currencies	0%	0%

Currency exposure in 2019	Operating income	Operating expenses
USD	16%	0%
EUR	0%	13%
SEK	84%	87%
Other currencies	0%	0%

NOTE 6 SEGMENT INFORMATION

Description of segments and main activities:
Cell Impact's Management Team is the chief operating decision maker of the Group and assesses the financial position and performance of the Group and makes strategic decisions. The Management Team has defined operating segments based on the information that is processed and forms the basis for decisions on the allocation of resources and the evaluation of performance. The Management Team monitors and evaluates the Group based on one operating segment, which is the Group as a whole.

The Management Team primarily uses operating profit/loss to assess the performance of the Group.

Group	Dec 31, 2020	Dec 31, 2019
Operating profit/loss	-43,055	-47,442
Total	**-43,055**	**-47,442**

All sales are made directly from the office and production facility in Karlskoga, Sweden, and all the Group's assets and liabilities pertain to Sweden.

NOTE 7 DISTRIBUTION OF REVENUE

(SEK thousand)	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Revenue includes the sale of:				
Goods	29,281	11,825	29,281	11,825
Services	28	94	28	94
Total	**29,309**	**11,919**	**29,309**	**11,919**
Other revenue includes revenue from:				
Other revenue	–	44	–	44
Exchange rate fluctuations	0	39	–	39
Total	**-**	**83**	**-**	**83**

NOTE 8 REVENUE BY GEOGRAPHIC MARKET

(SEK thousand)	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Revenue is distributed over geographic markets as follows:				
Sweden	217	46	217	46
Other Europe	–	47	–	47
North America	20,203	4,165	20,203	4,165
Asia	8,889	7,661	8,889	7,661
Total	**29,309**	**11,919**	**29,309**	**11,919**
Revenue from major customers				
Customer A	7,356	4,423	7,356	4,423
Customer B	9,210	2,868	9,210	2,868
Customer C	–	147	–	147
Customer D	1,533	1,436	1,533	1,436
Customer E	10,994	1,286	10,994	1,286

NOTE 9 FEES TO AUDITORS

(SEK thousand)	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
PwC				
Audit assignment	165	132	165	132
Audit activities outside the audit assignment	130	23	130	23
Tax advice	-	-	-	-
Other services	109	14	109	14
Total	**404**	**169**	**404**	**169**

NOTE 10 LEASES

The following amounts related to leases are reported in the consolidated balance sheet:

Right-of-use assets (SEK thousand)	Group	
	Dec 31, 2020	Dec 31, 2019
Opening cost	1,298	1,298
New leases	17,132	–
Terminated leases	-973	–
Closing accumulated cost	*17,457*	*1,298*
Opening depreciation	-912	–
Depreciation for the year	-1,614	-912
Terminated leases	973	–
Closing accumulated depreciation	*-1,553*	*-912*
Closing carrying amount, Dec 31, 2019	**15,904**	**386**
Right-of-use assets refer to:		
Premises	15,783	195
Vehicles	92	60
Equipment	29	131
	15,904	**386**
Lease liabilities		
Current	2,132	136
Non-current	13,989	61
	16,121	**197**

Leases are generally agreed with a term from 3 to 8 years in the Group, with an option to extend leases in the Parent Company. Leases in the Parent Company can be extended by 3 years unless either party terminates the lease, subject to a nine-month notice period. Cell Impact cannot determine with reasonable certainty that the leases will be extended considering the development of the company and has therefore not included any use after the end of the term. The level of rent in the leases is subject to indexation or a fixed annual increase in rent that is stated in the lease. Indexation is included in the lease liability when it enters into force and is then adjusted against the right-of-use asset. More information is available in Note 30, Loan liabilities.

(SEK thousand)	Group	
	Dec 31, 2020	Dec 31, 2019
Interest expense on lease liabilities	1,016	61
Expense relating to short-term leases	367	126
Expense relating to leases of low-value assets	207	131
Expense relating to variable lease payments not included in lease liabilities	713	190
Total cash outflow for leases in the Group during the year	3,565	1,235

Change in lease liability, see Note 24 regarding the reconciliation of liabilities from financing activities.

Leases in the Parent Company (SEK thousand)	Parent Company	
	Dec 31, 2020	Dec 31, 2019
Lease payments for leases during the year	3,169	1,204
Future payment obligations as at December 31 for leases are distributed as follows:		
Due for payment within 1 year	5,757	2,142
Due for payment in more than 1 year but less than 5 years	13,487	11,446
Due for payment in more than 5 years	5,480	12

NOTE 11 EMPLOYEES AND STAFF COSTS

Average number of employees	2020 Employees	2020 of which, men	2019 Employees	2019 of which, men
Group, Sweden	36	48%	34	56%
	36	**48%**	**34**	**56%**
Parent Company, Sweden	36	48%	34	56%
	36	**48%**	**34**	**56%**

Salaries and other remuneration, pension expenses and social security contributions for the Board of Directors, senior executives and other employees.

(SEK thousand)	Group Dec 31, 2020	Group Dec 31, 2019	Parent Company Dec 31, 2020	Parent Company Dec 31, 2019
Salaries, remuneration, social security fees and pension costs				
Salaries and remuneration to other employees	13,611	10,293	13,611	10,293
Salaries and remuneration to the Board of Directors and senior executives	6,100	3,433	6,100	3,433
	19,711	13,726	19,711	13,726
Statutory social security contributions	6,190	4,719	6,190	4,719
Pension expense relating to the Board of Directors and other senior executives	1,801	1,109	1,801	1,109
Pension expense relating to other employees	1,005	914	1,005	914
Total	**28,706**	**20,469**	**28,706**	**20,469**
Board members and senior executives				
Number of Board members, reporting date				
Women	1	1	1	1
Men	4	4	4	4
Total	**5**	**5**	**5**	**5**
Number of senior executives, incl. the CEO				
Women	0	0	0	0
Men	5	5	5	5
Total	**5**	**5**	**5**	**5**

2020 (SEK thousand)	Base salary, Board fee	Pension expense	Variable remuneration[1]	Fringe benefits	Total
Chairman of the Board					
Baard Eilertsen (resigned in April 2020)	44	–	–	–	44
Robert Sobocki (appointed in April 2020)	134	–	–	–	134
Board members					
Thomas Carlström	86	–	–	–	86
Kjell Östergren	86	–	–	–	86
Anna Frick (appointed in April 2020)	67	–	–	–	67
Börje Vernet (appointed in April 2020)	67	–	–	–	67
Tord Andersson (resigned in April 2020)	19	–	–	–	19
Harriet Lid (resigned in April 2020)	19	–	–	–	19
Senior executives					
Pär Teike, CEO	1,651	602	578	41	2,872
Other senior executives, 4 people[2]	3,053	1,199	193	62	4,507
Total	**5,226**	**1,801**	**771**	**103**	**7,901**

2019 (SEK thousand)	Base salary, Board fee	Pension expense	Variable remuneration[1]	Fringe benefits	Total
Chairman of the Board					
Baard Eilertsen	150	–	–	–	150
Board members					
Thomas Carlström	79	–	–	–	79
Kjell Östergren	79	–	–	–	79
Tord Andersson	79	–	–	–	79
Harriet Lid	79	–	–	–	79
Senior executives					
Pär Teike, CEO	1,613	697	273	42	2,625
Other senior executives, 4 people[2]	1,039	412	–	–	1,451
Total	**3,118**	**1,109**	**273**	**42**	**4,542**

1) Variable remuneration refers to the amount expensed in each financial year, which may deviate from future amounts paid. 2) Other senior executives comprise the Chief Financial Officer, the Chief Operating Officer, the Chief Technology Officer and the Area Manager Europe.
In addition to salaries, etc., Board members and senior executives have received consultancy fees. For more information, see Related party transactions below.

Bonuses and severance pay

In 2020, the CEO may receive a bonus of no more than six months' salary, and the CFO of no more than three months' salary, adjusted for the period of service during the financial year. The payment of a bonus is at the discretion of the Board of Directors.

The company's CEO, Pär Teike, received a bonus of SEK 273 thousand in 2020 related to the 2019 financial year. No bonuses ("variable remuneration") are payable to senior executives other than the CEO and the CFO.

None of the company's employees except for the CEO is entitled to severance pay. If the company terminates the CEO for any reason other than because he has grossly neglected his duties, the CEO is entitled to severance pay corresponding to six times the base salary (monthly salary), which will be paid over six months. However, severance pay is not payable in case of retirement.

The CEO is bound by a non-compete clause that applies for 12 months after the end of employment. If the company invokes the non-compete clause, the CEO shall receive remuneration of no more than 60 percent of the previous monthly salary over the 12-month period (during the period for which the non-compete is invoked). However, no remuneration shall be payable for the period when severance pay is provided.

Related party transactions

The 2019 Annual General Meeting resolved that the Chairman of the Board and the Board members would be entitled to a remuneration of SEK 8,000 per full working day (8,000 including social security contributions if the fee is charged via their own companies) for consultancy services that do not constitute regular board work.

Mats Svanberg, who worked as CFO since 2018 via his own company, Mats Svanberg AB, resigned in April 2020 and received a fee of SEK 7,250 per full working day. The fee for 2020 amounted to SEK 603 thousand (2,124).

Achim Zeiss has been working since December 2017 as a consultant via his own company, AZ Consulting, and was appointed Area Manager Europe in January 2018. The fee for 2020 amounted to EUR 84 thousand (82).

Guan Tingting works as the company's consultant in China via Business Sweden AB. The costs for 2020 amounted to SEK 775 thousand (1,141).

Tord Lätt, who is a member of the Management Team, became an employee in 2020 but worked via his own company, TL Management AB, in 2019. Fees invoiced amounted to SEK (1,014) thousand.

NOTE 12 WARRANTS

Cell Impact has three outstanding warrant programs, under which employees and others have purchased warrants. The warrants confer an entitlement to acquire Class B shares in the Parent company at a strike price set in advance.

- The warrant program 2019/2022 for senior executives and other employees was adopted by the 2019 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 20–July 18, 2022;

- The warrant program 2020/2023 for senior executives and other employees was adopted by the 2020 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1–June 30, 2023; and

- The warrant program 2020/2024 for Board members was adopted by the 2020 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1–June 30, 2024.

Warrants awarded	Accumulated number outstanding	Average strike price, SEK
As at Dec 31, 2019	658,000	14.46
As at Dec 31, 2020	1,256,200	25.28

The average strike price for options awarded that are outstanding at the end of the period is SEK 25.28. No options have been forfeited, expired or exercised in 2020.

Outstanding per year, warrants	Number outstanding Dec 31, 2020	Number outstanding Dec 31, 2019	Strike price, SEK	Value per option, SEK	Value per share, SEK	Volatility	Due date
Warrant program 2019/2022	658,000	658,000	14.46	0.35	4.80	50%	July 18, 2022
Warrant program 2020/2023	223,200	0	37.19	3.19	20.1	50%	June 30, 2023
Warrant program 2020/2024	375,000	0	37.19	4.22	20.1	50%	June 30, 2024
Total	**1,256,200**	**658,000**					

Changes and holdings of warrants by the Board members, the CEO and other senior executives as at the reporting date are shown below.

Holder	Number outstanding Jan 1, 2019	Change	Number outstanding Dec 31, 2019	Change	Number outstanding Dec 31, 2020
Pär Teike, CEO	–	200,000	200,000	100,000	300,000
Robert Sobocki, Chairman of the Board	–	–	–	150,000	150,000
Kjell Östergren, Board member	–	–	–	75,000	75,000
Thomas Carlström, Board member	–	–	–	75,000	75,000
Anna Frick, Board member	–	–	–	75,000	75,000
Other senior executives	–	150,000	150,000	70,000	220,000
Other employees and consultants	–	308,000	308,000	53,200	361,200
Total	**-**	**658,000**	**658,000**	**598,200**	**1,256,200**

NOTE 13 FINANCE INCOME

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Interest income	25	–	25	–
	25	**-**	**25**	**-**

All finance income refers to financial assets at amortized cost.

NOTE 14 FINANCE COSTS

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Other interest expense	-212	-898	-233	-898
Interest expense on lease liabilities	-1,016	-61	–	–
	-1,228	**-959**	**-233**	**-898**

All finance costs refer to financial liabilities at amortized cost.

NOTE 15 TAX PROFIT/LOSS FOR THE YEAR

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Current tax for the year	-	-	-	-
Reported tax	**-**	**-**	**-**	**-**

Income tax on the Group's profit/loss before tax differs from the theoretical amount that would have been recognized with the use of a weighted average tax rate for profit/loss in the consolidated companies according to the following:

Numerical reconciliation the effective tax rate (SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Profit/loss before tax	-44,258	-48,401	-43,372	-48,333
Tax in accordance with current rate 21.4% (21.4%)	9,471	10,358	9,282	10,343
Effect of other tax rates for foreign subsidiaries	–	–	–	–
Tax related to previously unrecognized deferred tax assets				
Tax related to non-deductible expenses	-52	-63	-52	-48
Tax on non-assessable income	–	–	–	–
Change in unrecognized loss carry-forwards	-9,419	-10,295	-9,230	-10,295
Reported tax	**0**	**0**	**0**	**0**

The Group makes tax deductions for issue costs that are recognized directly in equity. No deferred tax has been recognized in this respect. Loss carry-forwards in the Group amounted to SEK 264 million (88). The sizeable change in loss carry-forwards refers to the fact that the company made a correction during the year regarding issue costs that had not been recognized in the previous year's tax calculations. The Group's loss carry-forwards have not been measured as the operations are still being built up and future earnings trends are therefore uncertain. As these loss carry-forwards relate to Swedish legal entities, there is no time limit within which they must be used.

NOTE 16 EARNINGS PER SHARE

Earnings per share, before and after dilution	Group 2020	2019
Profit/loss for the year (SEK thousand) attributable to the Parent Company's shareholders	-44,258	-48,401
Average number of ordinary shares outstanding	50,325,244	33,461,929
Earnings per share, before and after dilution (SEK)	**-0.88**	**-1.45**

The warrants issued are antidilutive as profit/loss for the years presented above was negative. For more information on shares and share capital, see Note 29, Equity.

NOTE 17 PATENTS

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Opening cost	337	337	337	337
Additions during the year	-	-	-	-
Closing accumulated cost	**337**	**337**	**337**	**337**
Opening accumulated amortization	-194	-127	-194	-127
Amortization for the year	-67	-67	-67	-67
Closing accumulated amortization	**-261**	**-194**	**-261**	**-194**
Closing carrying amount	**76**	**143**	**76**	**143**

The acquisition of patent costs refers to additions to the existing patent protection.

NOTE 18 CAPITALIZED DEVELOPMENT COSTS

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Opening cost	7,401	7,401	7,401	7,401
Reclassifications	–	–	–	–
Closing accumulated cost	**7,401**	**7,401**	**7,401**	**7,401**
Opening accumulated amortization	-1,263	-528	-1,263	-528
Amortization for the year	-983	-735	-983	-735
Closing accumulated amortization	**-2,246**	**-1,263**	**-2,246**	**-1,263**
Closing residual value according to plan	**5,155**	**6,138**	**5,155**	**6,138**

Cell Impact's capitalized development costs refer to the further development of the company's forming unit and tool holders, primarily to adapt them to more automated production, and the development of a proprietary pattern design for the company's proprietary flow plate.

NOTE 19 LAND AND BUILDINGS

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Leasehold improvements				
Opening cost	–	–	–	–
Additions during the year	5,753	–	5,753	–
Reclassification	915	–	915	–
Closing accumulated cost	**6,668**	**-**	**6,668**	**-**
Opening accumulated depreciation	–	–	–	–
Depreciation for the year	-110	–	-110	–
Reclassification	-90	–	-90	–
Closing accumulated depreciation	**-200**	**-**	**-200**	**-**
Closing carrying amount	**6,469**	**-**	**6,469**	**-**

NOTE 20 PLANT AND MACHINERY

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Opening cost	58,935	47,326	58,935	47,326
Additions during the year	3,885	11,609	3,885	11,609
Disposals	-29,456	–	-29,456	–
Closing accumulated cost	**33,364**	**58,935**	**33,364**	**58,935**
Opening accumulated depreciation	-34,283	-31,672	-34,283	-31,672
Depreciation for the year	-3,560	-2,611	-3,560	-2,611
Disposals	29,442	–	29,442	–
Closing accumulated depreciation	**-8,401**	**-34,283**	**-8,401**	**-34,283**
Closing carrying amount	**24,963**	**24,652**	**24,963**	**24,652**

NOTE 21 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Opening cost	4,037	3,115	4,037	3,115
Additions during the year	1,433	922	1,433	922
Sales	-255	–	-255	–
Disposals	-1,672	–	-1,672	–
Reclassification	-915	–	-915	–
Closing accumulated cost	**2,628**	**4,037**	**2,628**	**4,037**
Opening accumulated depreciation	-2,077	-1,672	-2,077	-1,672
Depreciation for the year	-385	-406	-385	-406
Sales	173	–	173	–
Disposals	1,611	–	1,611	–
Reclassification	90	–	90	–
Closing accumulated depreciation	**-588**	**-2,078**	**-588**	**-2,078**
Closing carrying amount	**2,040**	**1,959**	**2,040**	**1,959**

NOTE 22 ASSETS UNDER CONSTRUCTION

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Opening cost	–	–	–	–
Additions during the year	10,972	–	10,972	–
Reclassification	–	–	–	–
Closing accumulated cost	**10,972**	**-**	**10,972**	**-**
Closing carrying amount	**10,972**	**-**	**10,972**	**-**

NOTE 23 ACCRUED INCOME NOT YET INVOICED

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Accrued income, projects in progress	5,825	–	5,825	–
Invoicing of customer projects in progress	-5,143	–	-5,143	–
Total	**682**	**-**	**682**	**-**

NOTE 24 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities as at December 31, 2020

(SEK thousand)	Financial assets at amortized cost	Non-financial assets	Total reported value
Financial assets			
Trade receivables	10,137	–	10,137
Accrued income not yet invoiced	–	682	682
Other current receivables	–	4,811	4,811
Prepaid expenses and accrued income	–	1,385	1,385
Cash and cash equivalents	151,929	–	151,929
	162,066	**6,878**	**168,944**

(SEK thousand)	Financial liabilities at amortized cost	Non-financial liabilities	Total reported value
Financial liabilities			
Non-current lease liabilities	13,989	–	13,989
Non-current liabilities to credit institutions	4,643	–	4,643
Trade payables	9,582	–	9,582
Invoiced income not yet accrued	–	2,037	2,037
Other current liabilities	–	1,004	1,004
Current lease liabilities	2,132	–	2,132
Current liabilities to credit institutions	1,214	–	1,214
Accrued expenses and deferred income	933	5,452	6,385
	32,493	**8,493**	**40,986**

Financial assets and liabilities as at December 31, 2019

(SEK thousand)	Financial assets at amortized cost	Non-financial assets	Total reported value
Financial assets			
Trade receivables	2,196	–	2,196
Other current receivables	–	2,727	2,727
Prepaid expenses and accrued income	–	835	835
Cash and cash equivalents	16,912	–	16,912
	19,108	**3,562**	**22,670**

(SEK thousand)	Financial liabilities at amortized cost	Non-financial liabilities	Total reported value
Financial liabilities			
Non-current lease liabilities	61	–	61
Trade payables	6,515	–	6,515
Other current liabilities	–	715	715
Current lease liabilities	136	–	136
Current liabilities to credit institutions	1,143	–	1,143
Accrued expenses and deferred income	799	3,616	4,415
	8,654	**4,331**	**12,985**

NOTE 25 TRADE RECEIVABLES

(SEK thousand)	Group 2020	2019
Trade receivables	10,137	2,196
Provision for expected loss on trade receivables	–	–
Trade receivables, net	**10,137**	**2,196**

The carrying value of trade receivables corresponds to the fair value. As trade receivables are generally paid within a short period of time, the fair value corresponds to the amortized cost.

The Group monitors that sales are made to customers with suitable creditworthiness. It relies on constant monitoring of the external environment, regular customer contacts and credit reports when relevant. Trade receivables have a payment term of 30 days.

As at December 31, the Group had 2 customers (2) from which Cell Impact had net receivables of SEK 5,064 thousand (415) and SEK 5,016 (1,266) thousand, respectively, which comprised 99 (77) percent of all net receivables. All receivables had been paid when the Annual Report was prepared.

Change in the year's provision for expected loss on trade receivables:

Change in the provision for expected loss on trade receivables (SEK thousand)	Group 2020	2019
As at Jan 1	–	-2,149
Receivables written off during the year as uncollectable	–	2,149
As at Dec 31	**-**	**-**

In the calculation of expected loss on trade receivables, trade receivables were grouped based on the number of days overdue.

Age analysis of trade receivables for which no provision has been made (SEK thousand)	Group 2020	2019
Not due	7,839	1,689
160 days past due	2,298	11
More than 60 days past due	–	–
More than 120 days past due	–	496
Total	**10,137**	**2,196**

NOTE 26 OTHER CURRENT RECEIVABLES

(SEK thousand)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
VAT receivables	4,502	1,017	4,502	1,017
Other receivables	308	1,710	304	1,706
Total	**4,811**	**2,727**	**4,807**	**2,723**

NOTE 27 PREPAID EXPENSES AND ACCRUED INCOME

(SEK thousand)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Prepaid rents	–	185	741	185
Other prepaid expenses	1,385	650	1,298	857
Total	**1,385**	**835**	**2,039**	**1,042**

NOTE 28 CASH AND CASH EQUIVALENTS

(SEK thousand)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Cash and bank balances	151,929	16,913	151,463	16,699
Total	**151,929**	**16,913**	**151,463**	**16,699**

Cash flow, non-cash items (SEK thousand)	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Depreciation and amortization	6,721	4,730	5,107	3,819
Capital gains/losses	74	–	74	–
Total	**6,795**	**4,730**	**5,181**	**3,819**

NOTE 28 (CONT.) CASH AND CASH EQUIVALENTS

Reconciliation of liabilities from financing activities

Group (SEK thousand)	Jan 1, 2020	Opening debt IFRS 16	Cash flows	Non-cash movements	Dec 31, 2020
Liabilities to credit institutions	1,143	–	4,688	26	5,857
Lease liabilities	197	–	-1,208	17,132	16,121
Total liabilities from financing activities	**1,340**	**-**	**3,480**	**17,158**	**21,978**
	Jan 1, 2019				Dec 31, 2019
Liabilities to credit institutions	12,286	–	-11,143	–	1,143
Lease liabilities	–	1,096	-899	–	197
Total liabilities from financing activities	**12,286**	**1,096**	**-12,042**	**-**	**1,340**

Parent Company (SEK thousand)	Jan 1, 2020	Cash flows	Non-cash items	Dec 31, 2020
Liabilities to Group companies	441	2,000	22	2,463
Liabilities to credit institutions	1,143	4,688	26	5,857
Total liabilities from financing activities	**1,584**	**6,688**	**48**	**8,320**
	Jan 1, 2019			Dec 31, 2019
Liabilities to Group companies	441	–	–	441
Liabilities to credit institutions	12,286	-11,143	–	1,143
Total liabilities from financing activities	**12,727**	**-11,143**	**-**	**1,584**

NOTE 29 EQUITY

	Class A shares	Class B shares	Total number of shares	Share capital (SEK thousand)	Other contributed capital (SEK thousand)
As at Jan 1, 2019	**217,800**	**17,910,696**	**18,128,496**	**2,098**	**117,780**
Directed share issue, 2019	–	9,191,669	9,191,669	1,065	27,965
Rights issue, 2019	–	18,128,496	18,128,496	2,098	43,187
Received option premiums				-	200
As at Dec 31, 2019	**217,800**	**45,230,861**	**45,448,661**	**5,261**	**188,932**
Exercising of warrants	–	6,393,673	6,393,673	740	35,659
Share issue in October 2020	–	7,000,000	7,000,000	810	161,590
Received option premiums				-	2,295
As at Dec 31, 2020	**217,800**	**58,624,534**	**58,842,334**	**6,811**	**388,476**

Share capital
All shares are fully paid, and no shares have been reserved for transfer. All shares are ordinary shares and confer an equal right to capital. Class A shares confer a right to one share while Class B shares confer a right to 1/10 share. The quota value is SEK 0.12. No shares are held by the company or its subsidiaries.

Other contributed capital
Other contributed capital comprises capital contributed by the company's shareholders, share premiums paid and other funding that is recognized as equity.

NOTE 30 LOAN RECEIVABLES

Maturity dates (SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Part of non-current liabilities that is due for payment more than 5 years after the reporting date				
Liabilities to credit institutions	–	–	–	–
Lease liabilities	3,329	–	–	–
Liabilities to Group companies	–	–	2,463	441
Total	**3,329**	**-**	**2,463**	**441**
Due for payment between 1 and 5 years				
Liabilities to credit institutions	5,857	1,143	5,857	1,143
Lease liabilities	10,660	61	–	–
Total	**16,517**	**1,204**	**5,857**	**1,143**
Total non-current liabilities	**19,846**	**1,204**	**8,320**	**1,584**

Current interest-bearing liabilities (SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Liabilities to credit institutions	1,214	1,143	1,214	1,143
Lease liabilities	2,132	136	–	–
Total	**3,346**	**1,279**	**1,214**	**1,143**

Loans from Almi refer to two granted loans. Loan 1: as of October 22, 2015, from Almi Företagspartner Mälardalen AB ("Almi") of SEK 4 million. The loan has an interest rate of 5.01 percent for 60 months. The loan was subject to forbearance in the first 18 months. Monthly repayments of approximately SEK 95 thousand have been made since July 2017. Loan 2: as of April 1, 2020, from Almi of SEK 5 million. The loan has an interest rate of 4.43 percent for 96 months. The loan was subject to forbearance in the first 12 months. Monthly repayments of approximately SEK 60 thousand have been made since July 2021. The company has the right to prepay the loan, fully or in part, subject to a redemption fee. The company has pledged a floating charge of SEK 6 million out of SEK 6 million in the company's property as security for the fulfillment of its obligations and undertakings to Almi.

The fair value of the borrowings was calculated using cash flows discounted at the current loan interest. For the Group's borrowings, the book value of the borrowings corresponds to the fair value, as the interest on the loans is at par with current market rates.

The weighted average lending rate on lease liabilities as at December 31 was 6.0 percent.

NOTE 31 INVOICED INCOME NOT YET ACCRUED

(SEK thousand)	Group -	-	Parent Company -	-
Invoicing of customer projects in progress	3,469	–	3,469	–
Accrued income, projects in progress	-1,432	–	-1,432	–
Total	**2,037**	**-**	**2,037**	**-**

NOTE 32 ACCRUED EXPENSES AND DEFERRED INCOME

(SEK thousand)	Group 2020	2019	Parent Company 2020	2019
Accrued holiday pay	1,840	1,557	1,840	1,557
Accrued social security contributions	679	1,231	679	1,231
Accrued special employer contribution	746	759	746	759
Other accrued expenses	3,121	867	3,094	1,095
Total	**6,385**	**4,414**	**6,358**	**4,642**

NOTE 33 ASSETS PLEDGED AS SECURITY AND CONTINGENT LIABILITIES

(SEK thousand) Own provisions and liabilities	Group 2020	2019	Parent Company 2020	2019
Floating charges (SEK)	6,000,000	4,000,000	6,000,000	4,000,000
Total	**6,000,000**	**4,000,000**	**6,000,000**	**4,000,000**

Floating charges that have been pledged as security refer to loans from Almi. See also Note 30, Loan liabilities. The Group has no other commitments.

NOTE 34 PURCHASES AND SALES BETWEEN GROUP COMPANIES

No sales were made to Group companies and no purchases were made from Group companies in 2020 or 2019.

NOTE 35 PARTICIPATIONS IN GROUP COMPANIES

Parent Company	Registered office	Share of equity, %	Share of votes, %	Number of shares	Carrying value, 2020	Carrying value, 2019
Finshyttan Hydro Power AB (556703-5752)	Filipstad	100	100	10,000	72,000	72,000
Total					**72,000**	**72,000**

NOTE 36 PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting (SEK)	Dec 31, 2020
Share premium reserve	368,779,106
Retained earnings	-137,446,564
Profit/loss for the year	-43,372,744
Total	**187,959,798**
The Board of Directors proposes that	
the following amount be carried forward:	187,959,798
Total	**187,959,798**

NOTE 37 EVENTS AFTER THE REPORTING DATE

Covid-19

At the time of publication of this annual report, based on current knowledge, the Board of Directors of Cell Impact AB (publ) has the following view of the impact of Covid-19 (coronavirus) on the company's operations.

The company is currently producing and delivering its products without any major negative impact of Covid-19. To date, none of the company's suppliers have informed the company of any change in their ability to deliver input goods to the company, and none of the company's employees have informed the company that they are affected by Covid-19 to such an extent that they cannot fulfill their duties as employees of the company.

Adaptation to the market

If the expected volumes purchased by the company's customers fall, the company will adapt its production to the slump in demand and adapt its purchasing of input goods to the new situation. The company regularly reviews its costs in relation to the business situation, and in the event of a situation with significantly smaller production volumes, adapted working hours and salaries, and ultimately furloughs or redundancies, cannot be precluded.

Events after the reporting date

January 12, 2021 | Cell Impact appoints China Country Manager. Cell Impact has appointed Mr. Forrest Zhang as Country Manager in China Mr. Zhang will be based in Shanghai and will begin his new position on May 3, 2021.

March 13, 2021 | Cell Impact receives SEK 42 million order from Plug Power for new production line and flow plates.

March 16, 2021 | Nowogen Technology places SEK 1.3 million order for serial production of flow plates.

Liquidity

Considering the situation described above, the Board of Directors is of the opinion that the company's operations have sufficient liquidity until the first quarter 2022.

ASSURANCE

The Board of Directors certifies that the consolidated accounts were prepared in accordance with the international accounting standards IFRS as adopted by the EU and give a fair presentation of the Group's financial position and performance. This Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Parent Company's financial position and performance. The Administration Report for the Group and the Parent Company provides a fair view of the development of the operations, position and performance of the Group and the Parent Company and describes material risks and uncertainty factors to which the Parent Company and the companies in the Group are exposed.

Karlskoga, March 26, 2021

Pär Teike
CEO

Robert Sobocki
Chairman of the Board

Thomas Carlström
Board member

Anna Frick
Board member

Kjell Östergren
Board member

Börje Vernet
Board member

Our audit report was issued on March 26, 2021
PricewaterhouseCoopers AB

Gert-Ove Levinsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Cell Impact AB (publ), corporate identity number 556576-6655

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Cell Impact AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 18–53 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company and the Group as of December 31, 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Cell Impact AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Örebro, March 26, 2021
PricewaterhouseCoopers AB

Gert-Ove Levinsson
Authorized Public Accountant

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