ANNUAL REPORT 2022

CELLIMPACT

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This English translation of the original document is for convenience purposes only.

In the event of any discrepancy between the Swedish version and the English translation, the Swedish version shall take precedence.

Annual General Meeting

Cell Impact welcomes all shareholders to the Annual General Meeting which will take place on Thursday, April 20, 2023 at 14:00 at Cell Impact AB's (publ) premises at Källmossvägen 7A, Karlskoga, Sweden. As a shareholder, you can exercise your voting right by postal vote, by participating in person or by proxy.

You are required to register if you wish to participate at the Annual General Meeting. More information is provided in the notice to attend the Annual General Meeting as well as on Cell Impact's website.

Welcome!
Robert Sobocki,
Chairman

FINANCIAL CALENDAR

Annual General Meeting....April 20, 2023
Interim report for Q1 2023.... May 10, 2023
Interim report for Q2 2023....August 24, 2023
Interim report for Q3 2023.... November 3, 2023
Year-End Report for 2023....February 16, 2023

THE YEAR IN BRIEF

Q1

- January 28, 2022 | At the request of the Class A shareholders, all Class A shares in Cell Impact were converted into Class B shares.

Q2

- April 21, 2022 | Lars Bergström was elected as new member of the Board of Directors at Cell Impact's Annual General Meeting 2022.
- April 29, 2022 | Lillette Hallblad joined Cell Impact's Board of Directors after having been appointed as an employee representative by IF Metalls verkstadsklubb.

Q3

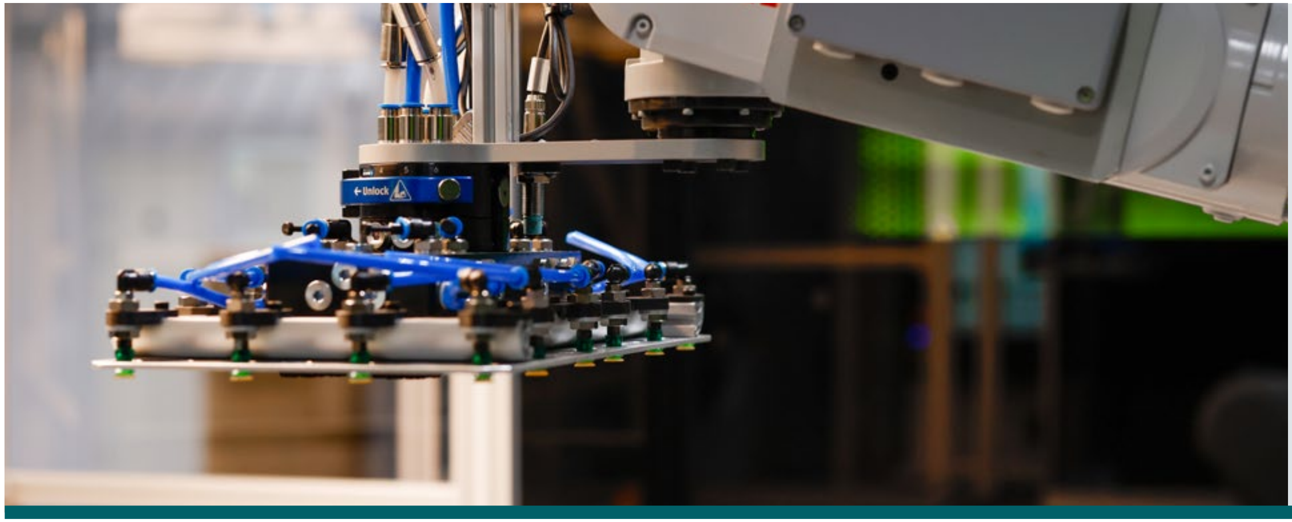
- June 9, 2022 | Cell Impact AB's wholly owned subsidiary Cell Impact Japan Inc. received an order worth SEK 1.6 million.
- July 18, 2022 | Issue of warrants (series 2019/2022) from June 20, 2022 up to and including July 18, 2022. A total of 172,500 warrants (of a total of 658,000) were exercised to subscribe for 1.05 shares per warrant at a subscription price of SEK 13.74 each.
- July 19, 2022 | On redemption of the 2019/2022 option program, an additional 172,500 shares were subscribed for.
- August 30, 2022 | Cell Impact Forming™ demonstration line delivered to Japan.

Q4

- October 4, 2022 | Cell Impact participated in the fuelcell fair f-cell in Stuttgart, Germany.
- November 23, 2022 | Cell Impact named one of Sweden's 50 fastest-growing tech companies by Deloitte.
- November 30, 2022 | Employee representative Lillette Hallblad resigned from the Board of Cell Impact.

Significant events after the period

- February 5, 2023 | Cell Impact Forming™ demonstration line installed at F.C.C. in Japan



The year in figures (SEK million)	2022	2021
Revenue	92.1	81.8
Operating profit/loss	-103.5	-78.0
Loss after financial items	-104.1	-79.7
Profit/loss after tax, attributable to the shareholders of the Parent Company	-104.2	-79.9
Cash flows from operating activities	-105.9	-86.1
Earnings per share attributable to the shareholders of the Parent Company (SEK)	-1.38	-1.35

THIS IS CELL IMPACT

At Cell Impact, we develop and manufacture customized metal flow plates for fuel cells and electrolyzers. 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 hydrogen technology in many applications. We operate in a global market and our production facility is located in Karlskoga, Sweden.

Fuel cells produce electricity and heat through an electrochemical reaction involving hydrogen and oxygen. The technology is environmentally-friendly and the only byproduct is clean water. Electrolyzers are used to produce hydrogen from clean water with the help of electricity. Around the world, a major shift from fossil fuels to renewable energy sources is taking place and Cell Impact is part of this development.

Cell Impact Forming™

Cell Impact has developed a unique high-precision method for forming the very thin metallic plates – flow plates – that are used in fuel cells and electrolyzers. The 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. This makes Cell Impact Forming a very environmentally-friendly manufacturing method.

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 and stacked, or bipolar flow plates, for customers.

Market

Cell Impact's market comprises mainly vehicle and fuel cell manufacturers that offer hydrogen-powered fuel cells as an energy source in electric vehicles such as cars, buses, forklifts, ships, aircraft and trucks. Another market segment is fuel cells for reserve power used, for example, in mobile networks, hospitals and data centers. Flow plates for electrolyzers represent another growing market segment in the global transition to renewable energy.

Customers

Cell Impact operates on a global market with customers 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 within the framework of the European Green Deal.

High-volume production of customized flow plates for fuel cells & electrolyzers

Company
113 employees.

Locations
Head office and production facility in Karlskoga, Sweden. Subsidiary in Japan (Cell Impact Japan Inc.) and local presence in Germany and China.

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

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

Business model
– Project revenues
– Sales of flow plates


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 high-quality flow plates in large volumes.
This type of tool makes Cell Impact Forming™ both faster and more cost-efficient than conventional forming methods.
One of a million,
yet one in a million
CELLIMPACT
FORMING™
CELLIMPACT
CELL IMPACT WAS FOUNDED IN SWEDEN IN 1999
cellimpact.com

CEO's comments

STRONG ORDER INTAKE AND PRODUCTION GROWTH

Cell Impact continued to develop positively during the year. Revenues amounted to SEK 92.1 million, which is growth of 13 percent. Customer delays that among other things were caused by component shortages and long delivery times meant, however, that we did not reach our sales targets.

In industrial terms, Cell Impact continued to develop during the year through further enhancing production equipment and strong growth in flow plate production. Even if new orders for important tooling projects did not meet expectations due to customer-related delays, our overall order intake was strong. Sales for the full year were consequently slightly lower than our sales targets, but thanks to excellent work at all levels in the company, we were able to lay the foundation for growth in 2023 and beyond. Customer delays are often due to customers' products undergoing changes that are minor but still require a certain degree of validation, which means wait times for Cell Impact. Another reason for customer delays is a lack of components and long lead times. These aspects of Cell Impact's business dynamics are the main reason why the company did not quite reach its sales target of SEK 100–150 million for 2022. Based on how the market developed, during the year, we set our sales target for 2027 at SEK 600 million

Greater business opportunities

Commercially, Cell Impact now covers several application areas and types of fuel cells and electrolyzers that include flow plates for stationary power, drive lines for road, sea and air and soon, electrolyzers for producing green hydrogen. Deals for electrolyzers are thus expected to be relatively large in the long term. For 2023, we can see that the combination of a positive trend in order intake and customer forecasts and our broader business base indicates continued positive sales development.

During the year, Cell Impact was able to respond to customer demand and maintain price and delivery stability for raw materials and components for Cell Impact Forming despite the Covid-19 pandemic and war in Ukraine, which led to supply shortages and logistics disruptions. Against this backdrop, purchasing new technology was challenging, but Cell Impact still made strategically important purchases of productivity-enhancing equipment during the second half of 2022.

Cell Impact is developing in pace with the acceleration of the industry. Examples of this are our largest customer Plug's new Giga Factory in Rochester and new facility in Latham, New York. We are building a company that is dynamic, agile and capable of managing growth from Plug and existing and prospective customers, but we are also looking for opportunities to consolidate and grow into our new, larger business operations.

“Cell Impact is continuing to develop its business and operations and will maintain the previously communicated sales target for 2024, but in light of the development of the market and the company, we have set a new sales target to exceed sales of SEK 600 million in 2027.” «

Financial targets

Cell Impact has a very positive view of the future and the company’s sales targets are based on the plans of leading customers and an industry with strong momentum. Cell Impact is building up its business in two phases. Phase I involved quickly securing enough capacity to initially meet the needs of customers and capture business opportunities. It also involved building a larger factory and acquiring new production equipment. In Phase II, the focus is now on greatly reducing production costs through a higher degree of automation and smarter processes in addition to being able to handle growing volumes.

Looking ahead, we see that our business plan to become a leading producer and supplier of flow plates still stands, but changes in the industry that affect the company mean that we need to update our plan. Our new business plan takes into account the major political initiatives in the EU, US and several other countries that will result in markets becoming more national or regional and characterized by a certain need for localization.

Among other things, this means that we see a greater demand for manufacturing flow plates nationally, near or at a customer’s location, and that this could potentially include collaborations with local partners. In this light, our Karlskoga factory should be seen as a model factory rather than a facility intended to meet a large international demand for flow plates. For this reason, we now anticipate a slightly different product mix where sales consist mainly of flow plates but also production equipment aimed at building up local production capacity close to customers. This also means that we may internationalize the company’s activities sooner than expected. Cell Impact is continuing to develop its business and operations and will maintain the previously communicated sales target for 2024, but given the development of the market and the company, we have set a new sales target to exceed sales of SEK 600 million in 2027.

Summary of financial targets:
Sales target 2024: SEK 250–300 million
Sales target 2027: >SEK 600 million
Profitability targets (EBITDA) >15 percent in the medium term

As far as the profitability target is concerned, the EBITDA break-even is expected to be reached in 2025 driven by greatly improved productivity through Cell Impact’s Phase II program and higher sales volumes.

During 2023, we will focus on steadily improving profitability with an emphasis on reducing production costs and improving gross margins. We will do this by gradually introducing process improvements in line with the Phase II program and by taking advantage of the experience we’ve gained through our industrial learning curve. We expect to establish a substantial part of the new Phase II production process in 2024, which will help improve profitability substantially.

Cell Impact exports 100 percent of the company’s production, and with our international presence, we are well positioned to commercialize our offering further. Given the dynamic development we’re seeing the hydrogen industry, I am convinced that 2023 will be an exciting year for Cell Impact.

Cell Impact

Cell Impact’s cost-efficient and scalable production offering and expertise in application and process development are contributing to scaling up the industry. The company is growing with the success of its world-leading customers and today, Cell Impact’s flow plates can be found in fuel cells on the road, in the air and at sea. One important factor for Cell Impact’s growth is its patented technology for forming flow plates – Cell Impact Forming™. Forming is the cornerstone in the manufacturing of flow plates. The conventional forming technology offered by Cell Impact’s competitors is large, expensive and subject to very long delivery times. Cell Impact’s ability to quickly add capacity and respond to demand can be a major boost to sales development as the industry is now accelerating and needs capacity.

Pär Teike, President & CEO

POLITICAL INITIATIVES DRIVING FOSSIL FREE DEVELOPMENT

In recent years, the US, the EU and a number of Asian countries have introduced packages with the aim to reduce global warming. Fuel cells powered by hydrogen are an essential part of this necessary transition.

According to NASA statistics, 2022 was the fifth warmest year since measurements began in 1880. And in 2022, the planet was on average 1.1C warmer than at the end of the 19th century. The strongest temperature increases are currently being measured at the poles, where temperatures are rising four times faster than the global average.

The effects of global warming are also becoming increasingly clear. Forest fires are intensifying, hurricanes are getting stronger, droughts are wreaking havoc and sea levels are rising. Except for the pandemic year 2020 when emissions of greenhouse gases decreased, emissions are continuing to rise. Researchers from NASA have been able to establish that CO_2 emissions peaked in 2022.

In order to live up to the Paris Agreement and keep the increase in temperature to an acceptable level, all countries need to reverse this trend. And there is great urgency – major efforts must be made immediately.

It is in light of this that we should view the extensive initiatives being taken worldwide to support the transition to a fossil-free economy. Hydrogen is playing a decisive role in the political packages that have been launched in recent years.

Hydrogen market in US

In November 2021, the US Congress resolved to allocate 9.5 billion dollars to produce green hydrogen, that is, hydrogen produced without fossil energy. During the same year, the US Department of Energy produced a draft strategy for large-scale expansion of hydrogen production. The strategy consists of three parts:

- prioritizing the use of green hydrogen where it does the most good, such as in industry and heavy transport,
- reducing the cost of green hydrogen and
- creating regional hydrogen clusters to provide critical mass.

In the US, the Inflation Reduction Act (IRA) was launched in the summer of 2022 to reduce inflation and alleviate the effects of rising costs. At the same time, the legislation is a move toward favoring the development of sustainable energy production. Over the next 10 years, investments in energy security and managing climate change are expected to amount to 369 billion dollars. A key component of the proposal is to introduce tax breaks to accelerate the development of clean tech such as hydrogen. The IRA has already meant that vehicle manufacturers have scaled up expectations for the number of vehicles sold. The regulations in the US, however, have been perceived as protectionist because the subsidies are aimed at American companies.

That said, the provisions of the IRA are generous to producers of green hydrogen in several ways, including direct tax credits and thereafter five years of tax refunds equal to these tax credits. In addition, producers of renewable electricity and clean hydrogen that are freed from the tax burden can resell their tax credits to producers that are obliged to pay tax.

The legislation is competitively neutral and easy to manage and benefit from. Thanks to the IRA, manufacturers of green hydrogen will receive financial production support amounting to 3 dollars per kilogram of hydrogen produced. This support will be paid out during the first 10 years of operation up to and including 2032. The fact that it is limited in time has a controlling effect and benefits those that start production as early as possible.

European Green Deal

In the EU, hydrogen makes up less than 2 percent of energy consumption, but it is a priority fuel for the future. Since 2020, within the framework of the European Green Deal, the EU has had a set strategy to create a European ecosystem for hydrogen that includes everything from research and innovation to scaling up production and infrastructure. The European Green Deal is one of the largest packages that has ever been launched in the EU, and it includes an extensive series of political initiatives that will pave the way for the green transition. The goal is to become climate neutral by 2050 at the latest. The package will have a major impact on the development of a European energy system in which hydrogen is an important component.

The strategy to promote hydrogen covers five main areas:
- support for investments
- support for production and increasing demand
- creating a market and infrastructure for hydrogen
- research and development
- international cooperation

In 2022, some 20 key activities were defined to realize the hydrogen strategy. One activity concerns facilitating investments in hydrogen by mapping European investment projects.

At the end of 2022, there were 840 different projects in the pipeline that reflected the entire value chain:
- production
- transmission and distribution
- applications in industry, transport, energy systems and buildings.

Many national projects underway in Europe contain elements of protectionism in the form of funding that favors domestic companies or collaborations. This means that a broad country-by-country analysis is required to be able to choose a strategy for operating in EU countries. Both Germany and France are examples of countries that have launched this type of initiative and have succeeded in obtaining EU authorization to provide state aid to companies to develop products for the world market through domestic production. Other European countries that have also made strides are the Netherlands, Belgium, Spain, Italy and Switzerland.

Hydrogen investments in Asia

Similar to the US, Chinese rules are fairly general. In order to live up to the country's climate commitments, the Chinese government has presented a hydrogen development plan that extends to 2035. China is already the world's leading producer of hydrogen and the country with the heaviest fuel cell vehicles in traffic. China's goal is to put 50,000 vehicles powered by hydrogen gas and fuel cells on the road by 2025 and at the same time establish a large number of hydrogen gas filling stations to enable this. The plan involves producing green hydrogen using renewable feedstock resources to reach 100,000–200,000 tonnes per year by 2025. In addition to transport, the plan envisions using clean hydrogen in other sectors such as energy storage, power generation and industry.

In Japan, the government has decided to support companies that are active producing hydrogen as well as establishing value chains in the hydrogen area. Companies that produce hydrogen in a way that harms the environment will be prevented from receiving support, and all subsidies are earmarked for the production of green hydrogen. In December 2022, a proposal was introduced to equalize the costs between hydrogen (and ammonia) and fossil fuels over the next 15 years. In Japan, the ambition is also to support the use of hydrogen gas in the production of fossil-free steel.

In January 2019, South Korea presented the country's road map for its hydrogen society. The goal is to manufacture 6.2 million electric vehicles equipped with fuel cells and to build at least 1,200 hydrogen filling stations by 2040. The road map aims for the energy sector to have capacity of 15 GW for electricity production from fuel cells by 2040.

Strong global growth

On the whole, all over the world, producing and using hydrogen is considered to be part of the solution to reach ambitious climate goals. A forecast by analyst company Statista that was published in January 2023 indicates that demand for hydrogen will increase sharply. In 2030, global demand for hydrogen is expected to grow from 120 million tonnes in 2020 to 145 million tonnes – and then to reach an astounding 660 million tonnes by 2050, with China as the single largest market accounting for 200 million tonnes.

Forecast for global demand for hydrogen, 2030–2050

Millions of tonnes	2030	2050
North America	25	95
Europe	20	95
China	40	200
Japan and South Korea	10	35
Rest of world	50	235

Source: Statista, 2023.

HYDROGEN MARKET TRENDS

The hydrogen industry is developing rapidly, and the three most important trends in the sector are fuel cells, green hydrogen and electrolysis.

In an AI analysis of 1,730 technology companies, the European innovation network StartUs identified the 10 most impactful hydrogen industry trends from 2022.

The three most common and important ones were:
1. Fuels cells – 24 percent
2. Green hydrogen – 15 percent
3. Advanced electrolysis – 15 percent

Market for fuel cells

According to a report from Maximize Market Research, the fuel cell market is growing rapidly. Between 2021 and 2029, the industry is expected to have average annual growth of almost 35 percent and turnover of 297 billion dollars by 2029.

The vehicle industry is a sector where fuel cells will be of great importance, but other areas of application stand out including stationary applications, material handling and hydrogen production as well as train, air and marine transport.

Many regions are making extensive investments together with vehicle manufacturers to develop fuel cells for vehicles. Already today, there are countries where electric cars powered by hydrogen with fuel cell technology are relatively common. Japan, South Korea and China are three such countries, and car manufacturers including Hyundai, Toyota and Honda are already working to develop the technology. One bottleneck in the fuel cell market is the high costs of fuel cells themselves as well as producing and distributing hydrogen, which today is still more expensive than fossil fuels.

Market for electrolyzers

Today, the global hydrogen market produces in the order of 80 to 100 million tonnes per year. An extremely small share of this hydrogen is produced electrolytically, that is, using electrolyzers. To achieve global climate goals, hydrogen use must increase but at the same time, hydrogen production must be sustainable, for example, using electrolyzers powered by renewable energy. In the US, the market for hydrogen produced through electrolysis will need to grow substantially to meet potential future demands for fossil-free energy in sectors that will continue to be of great importance, such as

- sea and air transport,
- long-distance transport via commercial vehicles and
- energy storage.

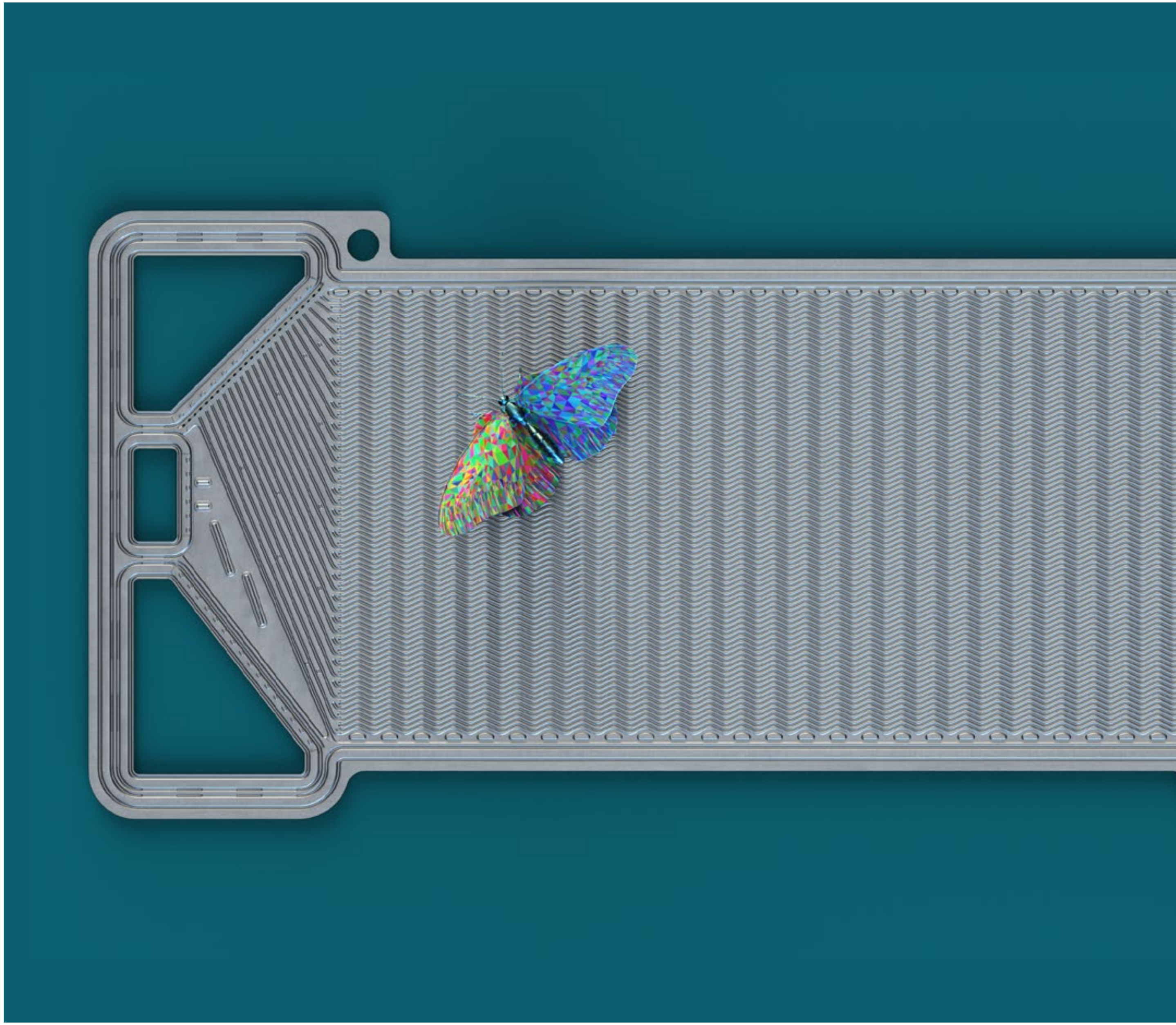
A market outlook for the US market produced by the US Department of Energy in February 2022 described the electrolyzer and fuel cell industry's value chain as encompassing a handful of segments:

- extracting and processing raw materials,
- manufacturing parts and components
- and recycling at end of life.

The analysis found that while it is difficult to define exact supply chain constraints, the US currently lacks the production facilities to keep pace with global competition. Today, only 0.17 GW of installed or planned electrolyzer capacity exists while the need in 2050 is estimated to be 1,000 GW. Similarly, the annual increase in demand for fuel cell capacity is estimated to be 3 GW to be able to meet the demand for heavy and medium vehicles as well as power generation.

Today, there are also vulnerabilities in the electrolytic hydrogen market such as a lack of incentives for reducing emissions, insufficient access to key raw materials, human resource shortages and a lack of national and international standards and codes.

THE SHARE



Shares and share capital

According to Cell Impact's Articles of Association, the share capital shall be no less than SEK 8,640,000 and no more than SEK 34,560,000, divided into no fewer than 72,000 000 shares and no more than 288,000,000 shares. All shares are of the same type and confer equal rights in the company.

As at December 31, 2022, the registered share capital in Cell Impact amounted to SEK 8,777,433 divided into 75,826,928 shares. The shares have 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 also not been subject to a public takeover bid during the current or previous financial year. The company's shares were previously divided into two share classes: A shares (1 share = 1 vote) and B shares (1 share = 1/10 vote). During the financial year, however, at the request of the A shareholders, all A shares were converted into B shares, so the company has only one type of share that confers the same voting rights.

Trading facility

Cell Impact's shares are listed on Nasdaq First North Growth Market, an alternative market operated by the Nasdaq OMX exchanges. Nasdaq First North Growth Market does not have the same legal status as a regulated market. Companies listed on the Nasdaq First North Growth Market are governed by Nasdaq

First North Growth Market's rules and regulations and are not subject to the legal requirements for admission to trading on a regulated market. An investment in a company traded on the Nasdaq First North Growth Market can therefore be considered to be riskier than an investment in a company listed on a regulated market. Cell Impact's shares are traded under the ticker symbol CI and have the ISIN code SE0017885379.

Dividend policy

Resolutions regarding dividends are passed by the Annual General Meeting and 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 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.

Historic development of share capital as at December 31, 2022

		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	3,901,218	217,800	17,430,696	17,648,496	0.12	2,098,485
2018	Directed share issue	0	480,000	217,800	17,910,696	18,128,496	0.12	2,098,485
2018	Directed share issue	0	7,999,968	217,800	25,910,664	26,128,464	0.08	2,098,485
2019	Rights issue	0	18,128,496	217,800	44,039,160	44,256,960	0.06	2,638,677
2019	Directed share issue	0	1,191,701	217,800	45,230,861	45,448,661	0.12	5,260,962
2020	Exercise of warrants	0	6,393,673	217,800	51,624,534	51,842,334	0.10	5,260,962
2020	Directed share issue	0	7,000,000	217,800	58,624,534	58,842,334	0.12	6,811,362
2021	Rights issue	0	16,812,094	217,800	75,436,628	75,654,428	0.12	8,757,466
2022	Restamping	-217,800	217,800	0	75,654,428	75,654,428	0.12	8,757,466
2022	Exercise of warrants	0	172,500	0	75,826,928	75,826,928	0.12	8,777,433

Share ownership structure as at December 31, 2022

Name	Number of shares	Share of equity (%)	Share of votes (%)
Avanza Pension	5,057,131	6.67	6.67
Clearstream Banking S.A., W8IMY	4,248,124	5.60	5.60
BNP Paribas SA Luxembourg, W8IMY	4,236,908	5.59	5.59
Östersjöstiftelsen	3,851,307	5.08	5.08
Nordnet Pensionsförsäkring AB	1,396,155	1.84	1.84
CBLUX-ERSTE Group BK AG Clients Ac	1,156,820	1.53	1.53
Brown Brothers Harriman & Co., W9	968,242	1.28	1.28
Swedbank Försäkring	823,628	1.09	1.09
Kjell Eriksson-Påls	775,000	1.02	1.02
State Street Bank and Trust Co, W9	740,404	0.98	0.98
Other:	52,573,209	69.32	69.32
Total	**75,826,928**	**100.00**	**100.00**

Share-based incentive programs

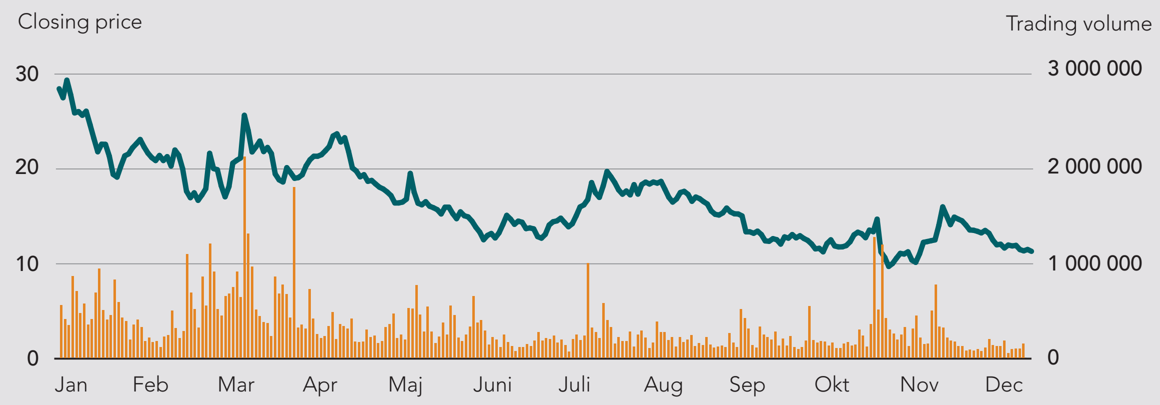
Cell Impact currently has five ongoing incentive programs of which three are aimed at senior executives and other employees and two are aimed at the members of the Board of Directors.

All of the incentive programs were adopted by the Annual General Meeting in each respective year and the scope of the maximum number of warrants offered was determined as follows:

1) Program 2020/2023 for senior executives and other employees included 450,000 warrants, of which 223,200 were acquired by senior executives and other employees in the company.
   The warrants can be used to subscribe for shares during the period June 1, 2023 to June 30, 2023.
2) Program 2020/2024 for Board members included 450,000 warrants, of which 375,000 were acquired by Board members.
   The warrants can be used to subscribe for shares during the period June 1, 2024 to June 30, 2024.
3) Program 2021/2024 for senior executives and other employees included 530,000 warrants, of which 72,550 were acquired by senior executives and other employees in the company.
   The warrants can be used to subscribe for shares during the period June 3, 2024 to July 2, 2024.
4) Program 2022/2025 for senior executives and other employees included 330,000 warrants, of which 225,000 were acquired by senior executives and other employees in the company.
   The warrants can be used to subscribe for shares during the period September 1, 2025 to September 29, 2025.
5) Program 2022/2026 for Board members included 150,000 warrants, of which 75,000 were acquired by Board members.
   The warrants can be used to subscribe for shares during the period September 1, 2026 to September 29, 2026.

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 warrants entitle the participants to subscribe for the same number of shares in the company at a strike price per share for each year over a fixed period. However, due to the rights issue that was carried out in December 2021, the strike price and number of shares that the warrantholders are entitled to were recalculated in accordance with the terms and conditions resolved upon by the Annual General Meetings 2020 and 2021 regarding the warrants that were allotted. In the event that all warrants that have been acquired by senior executives, other employees and Board members or that are outstanding are exercised to subscribe for shares, there will be a maximum dilution of approximately 1.3 percent (based on the total number of registered shares of 75,654,428).

Share trend, 2022



BOARD OF DIRECTORS

ROBERT SOBOCKI

Chairman since 2020

Born in 1952. 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.

Main employment:
Board member of three companies, of which Chairman of one.

Education:
Master of Science in Engineering from Chalmers University of Technology with a focus on production, organization and industrial economics.

Shares and warrants
21,328 shares
150,000 warrants (2020:2024)
10,000 warrants (2022:2026)

THOMAS CARLSTRÖM

Member since 2017

Born in 1951. 20 years of experience as investment manager at Industrifonden with a large number of investments in companies in their early stages including Arcam AB and Oatly AB. Before that, 20 years in senior positions in several companies within the manufacturing industry.

Main employment:
Own consulting company.

Education:
Degree in mining and metallurgical engineering from the Royal Institute of Technology (KTH).

Shares and warrants
127,000 shares
75,000 warrants (2020:2024)
25,000 warrants (2022:2026)

ANNA FRICK

Member since 2020

Born in 1968. Has over 25 years of experience as a marketing manager and consultant in communication, strategy and digital transformation, both nationally and internationally.

Main employment:
Board member at five listed companies (Cell Impact AB, Fortnox AB, Zinzino AB, Lohilo Foods AB and MedHelp Care AB) and one unlisted company (Svea Bank).

Education:
Master's degree from the Stockholm School of Economics (HHS) with a specialization in marketing and financing.

Shares and warrants
0 shares
75,000 warrants (2020:2024)

MATTIAS SILFVERSPARRE

Member since 2021

Born in 1972. 25 years of business development experience as a management consultant within various sectors and from investment companies.

Main employment:
Several board memberships and investment activities.

Education:
MSc in Industrial Engineering and Management from Chalmers University of Technology, MSc in Economics and BSc in Law from School of Business, Economics and Law at Gothenburg.

Shares and warrants
–

MIKAEL EURENIUS

Member since 2021

Born in 1968. Extensive experience from legal proceedings in Swedish courts combined with over 20 years of experience of corporate and international business law. Previous board member of Scania Finans AB.

Main employment:
Legal counsel at Scania Group. Employed by Scania CV AB.

Education:
Master of Laws from Stockholm University.

Shares and warrants
–

LARS BERGSTRÖM

Member since 2022

Born in 1958. 40+ years of experience from Swedish and international industry. Earlier CEO of KMT Group AB, BE Group AB and Seco Tools AB. Senior positions at Sandvik. ABB and ASEA.

Main employment:
Founder and Chairman of the board of Hyttbäcken Investment AB. Board member of Ejendals AB.

Education:
Civil engineering from Royal Institute of Technology (KTH). MBA in International Management from Uppsala University. Further education at London Business School and IMD.

Shares and warrants
20,000 shares
40,000 warrants (2022:2026)

MANAGEMENT TEAM

PÄR TEIKE
Chief Executive Officer (CEO) since 2017

Born in 1962. Broad and extensive experience from senior positions within SKF, Getinge and Elos Medtech, mainly in Asia.

Education:
BSc in Economics, Karlstad University.
Further education at Gustavus Adolphus College, MN, USA, and Kansai University of Foreign Studies, Japan.

Shares and warrants
160,000 shares
100,000 warrants (2020:2023)
25,000 warrants (2021:2024)
25,000 warrants (2022:2025)

STEFAN AXELLIE
Chief Financial Officer (CFO) since 2020

Born in 1964. Extensive experience as controller and financial officer at companies including Frantschach Coating and Atlas Copco. Most recently CFO and Vice President at Würth Svenska AB.

Education:
Bachelor's degree in economics and administration from Örebro University.

Shares and warrants
2,570 shares
50,000 warrants (2020:2023)

DANIEL VALLIN
Chief Operating Officer (COO) since 2021

Born in 1977. Extensive industrial experience from positions including Production Manager for in-vehicle batteries and Quality Manager for transmission manufacturing at Scania CV AB.

Education:
MSc in Engineering from Luleå University of Technology.

Shares and warrants
–

ANDERS ÖBERG
Chief Technology Officer (CTO) since 2018

Born in 1965. Previously CTO at Imatra Tooling AB and Bharat Forge Kilsta AB.

Education:
Design and production engineer.

Shares and warrants
–

KARINA SICK LARSSON
Chief Human Resources Officer (CHRO) since 2021

Born in 1972. 20+ years of experience in operational and strategic HR within mid-sized organizations with a focus on growth and business development.

Education:
BSc in Organizational Development and Human Resources from Karlstad University. Executive Master of Human Resources from Mgruppen.

Shares and warrants
410 shares
30,000 warrants (2022:2025)

INTERNATIONAL MANAGEMENT

ACHIM ZEISS

Area Manager Europe since 2017

Born in 1951. Extensive experience from the German automotive industry. CEO of Danly Germany for 10 years and DADCO Europe for 22 years.

Education:
Engineer.

Shares and warrants
0 shares
10,000 warrants (2020:2023)
25,000 warrants (2021:2024)
30,000 warrants (2022:2025)

SHIGERU NAKAGAWA

Managing Director, Cell Impact Japan Inc. since 2021

Born in 1965. Extensive business development experience including positions such as Executive Officer of New Business Development at Nakanishi Metal Works Co. and Director at Mitsui Sumitomo Insurance Co.

Education:
Law degree from Doshisha University, Japan.

Shares and warrants
108,336 shares
10,000 warrants (2021:2024)
10,000 warrants (2022:2025)

FORREST ZHANG

Country Manager, China since 2021

Born in 1972. Experience from leadership positions at ASSA ABLOY Crawford, Getinge and Beckman Coulter in China.

Education:
Automation engineer from Northeastern University, China.

Shares and warrants
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ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2022 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 2022 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 Cell Impact's operations

Cell Impact AB (publ) is a global supplier that develops and manufactures advanced 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 the Nasdaq First North Growth Market with FNCA Sweden AB as its Certified Advisor (CA).

Group structure

The company is the Parent Company of Finshyttan HydroPower AB, corporate identity number 556703–5752, which has its registered office in Filipstad, Sweden. No operations are conducted in Finshyttan HydroPower AB; all operations are conducted in the Parent Company. During 2021, Cell Impact started a subsidiary in Japan, Cell Impact Japan Inc., 0104-01-158383, with its registered office in Tokyo 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

1. First full year with 2,500 m^2 production space in use at Cell Impact's factory.
2. First Cell Impact Forming line installed and operational at Plug's Rochester Giga Factory in the US and second forming line delivered to Japan to demonstrate Cell Impact's green, scalable and cost-effective forming technology to prospective customers in Japan. These are two important milestones that demonstrate short lead times for producing equipment and simplicity that will contribute to new business in the long term.
3. Several new flow plates and materials added to production for new applications.
4. Cell Impact's silver medal from EcoVadis put the company among the top 25 percent of the world's most sustainable companies.
5. First delivery of in-house production equipment for downstream laser process, adding production capacity and enabling rationalization and cost reductions for production.
6. Cell Impact recognized as one of Sweden's 50 fastest-growing technology companies by Deloitte.
7. Cell Impact received several orders for flow plate design development from Japan and Europe among others, which will add new business from 2023.

Strengthening the organization and expertise

The work to strengthen the company's organization continued during the financial year as new orders were signed and production activity increased.

During the year, Cell Impact continued to recruit new employees to strengthen its knowledge base in several areas of expertise to contribute to further developing production capacity for future increases in volume.

Process and automation development

During the financial year, the company's factory in Karlskoga focused largely on filling orders. Important steps were taken regarding the continued commissioning of new equipment and a production line (Cell Impact Forming™ Generation 2), which is faster, more efficient and requires less space. To achieve production that is competitive and leading in the long term, several process and automation development projects were defined. These steps mainly address downstream manufacturing processes and the choice of smart technology that fits into a flow-based production system. These projects will result in a production system that allows the manufacturing of greater volumes at a lower cost. The projects will require additional talents, which is why the company started a recruiting program in 2020 that continued through 2022.

Cell Impact's cost-efficient and scalable production offering and expertise in application and process development is contributing to scaling up the industry. The company is growing with the success of its world-leading customers and today, Cell Impact's flow plates can be found in fuel cells on the road, in the air and at sea. One important factor for Cell Impact's growth is its patented technology for forming flow plates – Cell Impact Forming™. Forming is the cornerstone in the manufacturing of flow plates. The conventional forming technology offered by Cell Impact's competitors is large, expensive and subject to very long delivery times. Cell Impact's ability to quickly add capacity and respond to demand can be a major boost to sales development as the industry is now accelerating and needs capacity. During 2023, we will shift our focus to steadily improving profitability with an emphasis on reducing production costs and improving gross margins. We will do this by gradually introducing process improvements in line with the Phase II program and by taking advantage of the experience we've gained through our industrial learning curve. We expect to establish a significant part of the new Phase II production process in 2024, which will help improve profitability substantially.

As part of the Phase II project, we have started renovating an additional 2,500 m^2 of factory space, which is twice the size of our current production premises. The space will be adapted to the needs of the business and equipped with the machinery required to manufacture high-quality flow plates based on Cell Impact's patented production method, Cell Impact Forming™. New space was gradually put into use during the fourth quarter 2022.

During the year, the company's orders for flow plates scheduled for delivery in 2023 increased. Cell Impact is entering a new year with a robust order book that will occupy a significant share of the company's production capacity in 2023. The order book also contains a number of new tool projects for new flow plates intended for prototype series. This is extremely gratifying and testament to the hard work of everyone in the organization.

Cell Impact named Sweden Technology Fast 50 company

Cell Impact was named one of Sweden's 50 fastest growing technology companies in Deloitte's Sweden Technology Fast 50 survey. This shows just how quickly we have developed into a manufacturing company that is a going concern with continuous invoicing.

Looking back at 2022

The year 2022 began with significant growth figures even compared with the strong conclusion to 2021. This was due to the fact that we had many products in production but also because we implemented several projects with a high sales value. The second half of 2022 was characterized by a somewhat lower sales rate compared with the two strong quarters at the end of 2021 and start of 2022. In a manufacturing company that gained momentum at the beginning of 2020 and that has a unique product offering addressing a dynamically growing customer base, fluctuations in deliveries over quarters are not unexpected.

In industrial terms, Cell Impact continued to develop through further enhancing production equipment and strong growth in flow plate production. Even if new orders for important tooling projects did not meet expectations due to customer-related delays, our overall order intake was strong. Sales for the full year were consequently slightly lower than our sales targets, but thanks to excellent work at all levels in the company, we have been able to lay the foundation for growth in 2023 and beyond. Customer delays are often due to customers' products undergoing changes that are minor but still require a certain degree of validation. This can mean wait times for Cell Impact. Another reason for customer delays is a lack of components and long lead times. These aspects of Cell Impact's business dynamics were highlighted in our interim report for the third quarter and they are also the main reason why the company did not quite reach its sales target of SEK 100–150 million for 2022.

Financial targets

Cell Impact has a positive view of the future and the company's sales targets are based on the plans of leading customers and an industry with strong momentum. The company's strategy is to grow and develop alongside customers in the fuel cell and electrolyzer industry and to develop the company in parallel. Cell Impact is building up its business in two phases. Phase I involved quickly securing enough capacity to initially meet the needs of customers and capture business opportunities. It also involved building a larger factory and acquiring new production equipment. In Phase II, the focus is on greatly reducing production costs through a higher degree of automation and smarter processes in addition to being able to handle growing volumes. Even if growth has been good, development of the company's sales over the years has been somewhat slower than expected, and the gains we have made in developing our production processes and equipment have not yet been fully realized. The pandemic, the war in Ukraine and customer delays have meant that overall, we are somewhat behind in reaching our earlier-set goals. Looking ahead, we see that our business plan to become a leading producer and supplier of flow plates still stands, but changes in the industry that affect the company mean that we need to update our plan. Our new business plan takes into account the major political initiatives in the EU, US and several other countries that will result in markets becoming more national or regional and characterized by a certain need for localization. Among other things, this means that we see a greater demand for manufacturing flow plates nationally, near or at a customer's location, and that this could potentially include collaborations with local partners. In this light, our factory in Karlskoga should be seen as a model factory rather than a facility intended to meet a large international demand for flow plates. For this reason, we now anticipate a slightly different product mix where sales consist mainly of flow plates but also production equipment aimed at building up local production capacity close to customers. This also means that we may internationalize the company's activities sooner than expected. Cell Impact is continuing to develop its business and operations and will maintain the previously communicated sales target for 2024, but given the development of the market and the company, we have set a new sales target to exceed sales of SEK 600 million in 2027.

Summary of financial targets:

» Sales target 2024: SEK 250–300 million
» Sales target 2027: >SEK 600 million
» Profitability targets (EBITDA) >15 percent in the medium term

As far as the profitability target is concerned, the EBITDA break-even is expected to be reached in 2025 driven by greatly improved productivity through Cell Impact's Phase II program and larger sales volumes.

Commercial successes

Over the year, Cell Impact secured several significant orders and prospective business from customers in North America, China and Japan. All of these orders are regarded as continued steps in our long-term cooperation with customers.

These customers are considered to be prominent and established companies in their respective market segments that are making major investments in fuel cells and electrolysis. Cell Impact has focused its relatively limited resources on a small number of customers and prospective business to carry out these projects with good results while developing the company's offering.

The fuel cell market is developing well, and Cell Impact's offering is timely and addresses the industry's need for cost efficiency and scalability. The new orders prove that Cell Impact is now continually being evaluated as an important future supplier of flow plates in this value chain.

During the third quarter, Cell Impact shipped a forming line to F.C.C. Japan, which arrived in the country during the fourth quarter. Cell Impact and F.C.C. Japan are now preparing demonstration activities that are planned to start during the first quarter of 2023. The installation of the forming line has gone quickly – much faster than for installations of conventional equipment. This, together with the short lead time to produce a forming line such as Cell Impact Forming™, is attracting great interest among potential customers in Japan.

During the fourth quarter of 2022, we received a number of small but important orders for test tools that we expect will become full-scale tooling projects and prototype series during 2023. The projects that were planned for the fourth quarter of 2022 but paused will probably be launched in 2023 once customers have completed their own design and validation activities. Delays in projects and customer-driven production interruptions weighed heavily on our results in 2022, as costs for production and technical projects were essentially fixed and difficult to reduce in response to temporary fluctuations.

Sales and performance

Cell Impact's total revenue amounted to SEK 92.1 million (81.8) for the financial year, which represents an increase of 13 percent. Sales during the quarter consisted mainly of flow plates, while tooling and development projects accounted for a smaller share of sales.

The operating loss was SEK -103.5 million (-78.0). This is mainly due to higher personnel costs and depreciation of equipment to support the company's production and delivery plans, which contributed to the company's increased costs (see Five-year summary of the Group below).

Cash and financial position

Since the beginning of 2022, equity has increased from SEK 142.6 million to SEK 324.3 million. The increase is mainly due to the rights issue that was carried out before the turn of the year for which the share capital was subscribed in January 2022 as well as the warrants exercised as part of the warrant program 2019/2022 in July 2022. As at December 31, 2022, the company's cash and cash equivalents amounted to SEK 164.7 million (28.6), a total increase of SEK 136.1 million during the year.

The increase is related to the rights issue that was carried out in December 2021 and concluded in January 2022. Only SEK 20.0 million of the issue proceeds had been paid on the reporting date on December 31, 2021 and the remaining proceeds of SEK 328.9 million before issue costs were paid during January 2022, amounting to SEK -45.3 million in the Group. There is a difference in the way the issue is reported in the Parent Company vis-a-vis the Group since issues are regarded as completed as at the subscription date. Compared with the Group, cash issues are not considered to be completed until the proceeds from the issue have been paid, in accordance with IFRS. During the third quarter, liquidity was further strengthened through a new SEK 30 million loan from Nordea, which will be repaid over 48 months and is subject to financial covenants of a debt/equity ratio of more than 40 percent.

Acquisition of new capital

In accordance with what was previously communicated, the capital acquisition carried out in 2021 has secured financing of the company's operations up to and including the second quarter of 2023. Together with existing cash as at December 31, 2022, the company is now deemed to be financed for the majority of 2023, but will need additional capital during 2023 to finance continued operations. At the time of signing Cell Impact's Annual Report 2022, no additional financing had been secured and the conditions for future financing will, among other things, be affected by the situation in the financial markets. The company and the Board of Directors are evaluating various potential sources of financing and the Board assesses that the possibility of acquiring new capital in 2023 is good.

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 raise productivity through shorter cycle times and more automated production. The cost for these types of development activities was included in the total costs for 2022. During the year, approximately SEK 5.9 million was capitalized in the Group's balance sheet as intangible assets.

Employees and incentive programs

Employees

The total number of employees during the year was 113 (106) of which 48 (41) were women.

Staff costs totaled SEK -80.9 million (-62.4) during the year. The increase in payroll expenses compared with the previous year is mainly due to the higher average number of employees during the year, which was 111 (78).

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 and at present, the production of flow plates for fuel cells is the foremost of these. 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.

The market for hydrogen may also be affected by political decisions in the energy sector in ways that Cell Impact has not anticipated. 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 ruled out that the fuel cell market could develop in a way that is not favorable to Cell Impact due to to changes in behavior with uncertainty regarding factors that Cell Impact cannot control, nor is it possible 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 also cannot be ruled out 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, political decisions 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 operations and performance.

Suppliers and partners

Cell Impact is dependent on third parties and can only deliver its products if input goods/components and services (for example, transport) are available from these parties and if the parties meet the agreed requirements on quantity, quality and delivery dates. The lack of availability for certain components and transport services has, for example, been a consequence of the Covid-19 pandemic and war in Ukraine. Cell Impact has not yet seen any direct impact from the war in Ukraine. However, it is not unlikely that raw materials and energy prices as well as the availability

Five-year summary, Group

	2022	2021	2020	2019	2018
Income (SEK thousand)	92,133	81,800	29,309	11,920	6,564
Profit/loss after financial items (SEK thousand)	–104,144	–79,730	–44,258	–48,401	–44,532
Total assets (SEK thousand)	401,513	238,725	242,875	58,037	38,111
Debt/equity ratio (%)	80.8	59.7	83.1	77.6	49.2

of components may be affected, depending on how the conflict continues to develop. Incorrect or missed deliveries from suppliers or carriers may lead to Cell Impact's production being delayed or deliveries not being possible, which in the short term may result in reduced or no sales. If current or future external parties do not meet their commitments or deliver within the expected time frame, ongoing production and sales may be disrupted, delayed or completely suspended, which could have a negative impact on Cell Impact's sales, financial position and future prospects.

Dependency on key people and employees
Cell Impact has a relatively small organization and is dependent on the Board, Management Team and other key people's knowledge, experience and engagement. Cell Impact's ability to recruit and retain such people depends on several factors, some of which are outside Cell Impact's control, for example, 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 leave Cell Impact or if Cell Impact is unable to employ or retain qualified and experienced management or key people, there may be interruptions or disruptions in the company's development and growth.

Dependency on customers
Cell Impact currently has a limited number of customers and the ability to generate orders is therefore mainly limited to these. Cell Impact's sales and performance may be adversely affected if one or several customers choose to terminate their development efforts, became insolvent or choose a different supplier.

Competition
There is a risk that an extensive investment in developing products and methods within the same area in which Cell Impact operates, by one or more competitors, could have a negative effect on Cell Impact's sales. In addition, there is the risk that competing products may prove to be more efficient, safer and/or less expensive than the products that Cell Impact develops and manufactures. Competitors with significantly greater financial, technical and human resources may also drive more efficient development, manufacturing and sales processes. Cell Impact's competitors may also have access to greater capacity for marketing and distribution than Cell Impact. In the event that Cell Impact is unable to adapt its operations and products to the market's requirements for performance and demand, there is a risk that Cell Impact may not or will not be able to maintain the competitiveness required to achieve success in the market. This in turn can have a significant negative impact on Cell Impact's operations, financial position and performance.

Technological development risk
The market for and the technical development of flow plates for the fuel cell and the hydrogen industry as a whole may undergo rapid and significant changes. This could lead to technical problems, which means that more time may be needed to develop and manufacture products, leading to delays in getting products to market. If the company's production is delayed or completely absent as a result, this may mean a reduction in or no sales, which may have a significant negative impact on Cell Impact's operations, financial position and performance.

Product and service risk
Cell Impact's products and services are generally supplied within the scope of customer-specific development in close cooperation with the customer. This cooperation is based on the parties solving any technical problems in consultation. In the longer term, Cell Impact intends to deliver products where technical performance is guaranteed. In the event that Cell Impact's products contain errors or deficiencies, this may lead to liability for damages, which could have a significant negative impact on the company's operations, financial position and performance.

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 significant demands on the management as well as on operations and financial infrastructure. As the number of employees and the company's operations continue to grow, 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 rapid and strong market response may lead to delivery problems for the company.

If Cell Impact cannot handle this, it may have a negative material impact on the company's operations, financial position and performance. The company intends to significantly increase its production by, among other things, expanding its production opportunities. There is a risk that such an expansion of production may be delayed or more costly than the company has calculated. In addition, there is a risk that, in the event of increased production, it may not be possible to maintain the same high quality that the company currently has for its products. There is also a risk that the company may not succeed in achieving the capacity that is planned, or that production may not be as cost-effective as planned, which could have a significant negative impact on the company's operations, financial position and performance.

Patents
Cell Impact could be 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 the company will never be considered to infringe on someone else's intellectual property rights. Just as with 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.

Confidentiality and expertise

Cell Impact is dependent on confidentiality and expertise to carry out its operations. Should employees, consultants, advisors or other persons hired act in breach of confidentiality agreements regarding confidential information, or should confidential information be otherwise disclosed and exploited by competitors, it could have an adverse material effect on Cell Impact's operations, performance and financial position.

Taxes

Cell Impact makes sales to several markets outside of Sweden. Cell Impact's operations therefore require adequate routines regarding accounting, follow-up and payment of taxes, duties and fees. Non-compliance in these respects could have negative consequences for the company's operations. Cell Impact's assessment and compliance with tax laws, international tax treaties and regulations may prove to be incorrect. Through the decisions of the relevant tax authorities, Cell Impact's previous or current tax situation may deteriorate, which may have a negative impact on the company.

Earning capacity and future capital requirements

Cell Impact has not yet reported sufficient sales revenue to make a profit and has depended on the injection of additional capital on several occasions to fund its operating activities. It cannot be said with certainty when Cell Impact will be profitable, or if Cell Impact will even be profitable. It also 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

Cell Impact normally gives customers a 30 to 60-day credit period and may be negatively impacted by customers' insolvency or bankruptcy. Cell Impact is exposed to the risk that customers may not pay for products or services ordered, or that they may pay later than expected. The risk may increase during periods of economic downturn or uncertainty. This, in turn, could have a significant negative impact on Cell Impact's operations, performance and financial position.

Foreign exchange risk

Foreign exchange risk refers to the risk that exchange rate fluctuations could 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 in its interactions with international operators, the company is exposed to currency-related transaction risks, which could have a negative impact on the company's performance and financial position.

Disputes

There is a risk that Cell Impact may become involved in a legal dispute or other legal proceeding. Such disputes may, for example, relate to alleged intellectual property infringement, the validity of certain patents or other commercial issues. Disputes and claims can be time-consuming, disrupt operations, relate to significant financial amounts or fundamentally important issues and entail significant costs, and can thus have a significant negative impact on Cell Impact's operations, performance and financial position. The previously communicated case with the Swedish Financial Supervisory Authority is closed. The Financial Supervisory Authority acquitted Cell Impact for having failed to mention the name of a customer in an order, but it imposed a penalty fee of SEK 50,000 on the company for not having drawn up an insider list prior to the publication in question. At the time in question, the opinion of market participants was that the insider list should only be drawn up in the event of a postponed publication of insider information.

Conflict in Ukraine

The company has not been directly affected by the ongoing war in Ukraine. However, it is not unlikely that raw materials and energy prices as well as the availability of components may be affected, depending on how the conflict continues to develop.

Ownership structure and shares

During the first quarter of 2022, all Class A shares in Cell Impact were converted into Class B shares at the request of the Class A shareholders. Since then, Cell Impact has only Class B shares and all shares in the company now confer the same voting rights. As at December 31, 2022, the number of registered Class B shares was 75,826,928, with each share conferring the right to 1/10 vote. The company's registered share capital at the same time amounted to SEK 8,777,433. Each share has a quota value of approximately SEK 0.12. When the rights issue was carried out in December 2021, an additional 16,812,094 shares were subscribed for, corresponding to share capital of SEK 1,946,103. These shares were registered by the Swedish Companies Registration Office in January 2022. Shares under the series 2019/2022 warrants program – incentive program for senior executives and other employees – were allotted. In total, approximately 164,000 of a total of 658,000 transferred warrants were exercised to subscribe for 172,500 shares (1.05 share/warrant) at a subscription price of SEK 13.74 per share, corresponding to share capital of SEK 19,697, which was registered with the Swedish Companies Registration Office in August 2022. During the third quarter, two incentive programs, 2022/2025 and 2022/2026, were implemented in accordance with a decision by the Annual General Meeting on April 21, 2022. Of a total of 480,000 warrants issued to the subsidiary Finshyttan HydroPower AB, 300,000 warrants have been acquired by senior executives, other employees and Board members.

Parent Company

The Parent Company's total revenue amounted to SEK 92.1 million (81.5) for the financial year, which represents an increase of 13 percent. Sales during the quarter consisted mainly of flow plates, while tooling and development projects accounted for a smaller share of sales.

The operating loss was SEK -103.8 million (-78.5). This is mainly due to higher staff costs and depreciation of equipment to support the company's production and delivery plans, which contributed to the company's increased costs (See Five-year summary, Parent Company, on the next page.).

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 shall comprise the following elements: fixed base salary, variable salary, pension benefits, fringe benefits and severance pay.

Fixed salary

The remuneration shall be based on the importance of the duties and the skills, experience and performance required. 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 possibility to receive a bonus of no more than six months' salary per year. The payment of a bonus is at the discretion of 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

If the company terminates the CEO for any other reason than because the CEO has grossly neglected his or her 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 the 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.

Investments

Investments made during the year amounted to SEK 68,394 (54,702) thousand for the Parent Company and SEK 68,398 (54,324) thousand for the Group.

Environmental impact

The company's operations are not subject to an environmental permit (categories A or B). According

Five-year summary, Parent Company

	2022	2021	2020	2019	2018
Net sales (SEK thousand)	76,754	71,467	29,309	11,919	6,564
Profit/loss after financial items (SEK thousand)	–103,721	–79,312	–43,372	–48,333	–44,532
Total assets (SEK thousand)	390,000	508,034	227,227	57,712	38,111
Debt/equity ratio (%)	82.6	83.5	88.0	77.1	49.2

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.

Dividend

The Board of Directors proposes that no dividend be paid for the 2022 financial year. The Board of Directors and the CEO propose that SEK 305,134,582 be carried forward.

PERFORMANCE AND FINANCIAL POSITION

The profit/loss of the Group 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.

Proposed appropriation of profits, Parent Company

The following profits are at the disposal of the Annual General Meeting:

SEK	2022
Share premium reserve	672,199,383
Retained earnings	–263,343,998
Profit/loss for the year	–103,720,803
Total	**305,134,582**

The Board of Directors and the CEO propose that SEK 305,134,582 be carried forward.

Consolidated income statement

(SEK thousand)	Note	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Revenue	6, 7, 8	76,812	71,347
Other operating income	7	15,321	10,453
Total revenue		**92,133**	**81,800**
Operating expenses			
Raw materials and consumables		–54,587	–46,923
Other external expenses	9, 10	–43,128	–40,310
Payroll expenses	11.12	–80,870	–62,366
Depreciation and amortization	10, 17, 18, 19, 20, 21	–16,384	–10,193
Other operating expenses		–629	–47
Total operating expenses		**–195,598**	**–159,839**
Operating profit/loss		**–103,465**	**–78,040**
Finance income	13	859	–
Finance costs	14	–1,538	–1,690
Net finance income		**–679**	**–1,690**
Profit/loss before tax		**–104,144**	**–79,730**
Tax on profit for the year	15	–70	–122
Profit/loss for the year attributable to the Parent Company's shareholders		**–104,215**	**–-79,853**
Earnings per share, before and after dilution	16	–1.38	1.35

Consolidated statement of comprehensive income

(SEK thousand)	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Profit/loss for the year	–104,215	–79,853
Other comprehensive income		
Items that have been or may be transferred to profit/loss for the period		
Translation differences for the year in the translation of foreign operations	14	4
Other comprehensive income for the period after tax	14	4
Comprehensive income	**–104,201**	**–79,849**
Comprehensive income for the year attributable to Parent Company's shareholders	**–104,201**	**–79,849**

Consolidated statement of financial position

(SEK thousand)	Note	2022-12-31	2021-12-31
ASSETS			
Non-current assets			
Patents, licenses and software	17	1,088	666
Capitalized development costs	18	8,368	4,796
Leasehold improvements	19	11,957	7,595
Plant and machinery	20	67,222	50,985
Equipment, tools, fixtures and fittings	21	6,445	4,019
Right-of-use assets	10	10,831	13,720
Assets under construction	22	57,750	29,196
Other non-current liabilities	24	16	12
Total non-current assets		**163,677**	**110,989**
Current assets	24		
Raw materials and consumables		22,169	9,734
Work in progress		12,594	9,651
Finished goods inventory		12,018	2,540
Trade receivables	25, 5	16,421	4,712
Accrued income not yet invoiced	23	–	19,399
Other current receivables	26	8,806	6,580
Prepaid expenses and accrued income	27	1,157	46,558
Cash and cash equivalents	28	164,670	28,561
Total current assets		**237,835**	**127,736**
TOTAL ASSETS		**401,513**	**238,725**

(SEK thousand)	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity	29		
Share capital		8,777	6,811
Unregistered share capital		–	1,946
Other contributed capital		693,034	407,119
Retained earnings including profit for the year		–377,466	–273,251
Equity attributable to the Parent Company's shareholders		**324,346**	**142,625**
Non-current liabilities			
Liabilities to credit institutions	30	23,839	3,929
Lease liabilities	10, 30	9,502	12,146
Total non-current liabilities		**33,341**	**16,075**
Current liabilities	24		
Liabilities to credit institutions	30	8,214	714
Lease liabilities	10, 30	3,145	2,723
Trade payables	5	13,334	15,103
Other current liabilities		3,102	2,702
Invoiced income not yet accrued	31	590	3,300
Accrued expenses and deferred income	32	15,439	55,482
Total current liabilities		**43,825**	**80,025**
TOTAL EQUITY AND LIABILITIES		**401,513**	**238,725**

Consolidated statement of changes in equity

(SEK thousand)	Note	Share capital	Unregistered share capital	Other contributed capital	Reserves	Retained earnings including profit/loss for the year	Total
Equity, opening balance, as at Jan 1, 2021		**6,811**	**–**	**388,475**	**–**	**–193,398**	**201,888**
Profit/loss for the year		–	–	–	–	–79,853	–79,853
Other comprehensive income for the year		–	–	–	4	–	4
Total comprehensive income for the year		**–**	**–**	**–**	**4**	**–79,853**	**–79,849**
Owner-related expenses:							
New issue of shares		–	1,946	18,054	–	–	20,000
Received option premiums	12	–	–	585	–	–	585
Total transactions with owners		**–**	**1,946**	**18,639**	**–**	**–**	**20,585**
Equity, closing balance, as at Dec 31, 2021		**6,811**	**1,946**	**407,114**	**4**	**–273,251**	**142,625**
Equity, opening balance, as at Jan 1, 2022		**6,811**	**1,946**	**407,114**	**4**	**–273,251**	**142,625**
Profit/loss for the year		–	–	–	–	–104,215	–104,215
Other comprehensive income for the year		–	–	–	14	–	14
Total comprehensive income for the year		**–**	**–**	**–**	**14**	**–104,215**	**–104,201**
Transactions with owners:							
New issue of shares		1,946	-1,946	328,851	–	–	328,851
Exercising of warrants		20	–	2,350	–	–	2,370
Issue costs		–	–	-45,835	–	–	–45,835
Received option premiums	12	–	–	536	–	–	536
Total transactions with owners		**1,966**	**-1,946**	**285,902**	**–**	**–**	**285,922**
Equity, closing balance, as at Dec 31, 2022	29	**8,777**	**–**	**693,016**	**18**	**–377,465**	**324,346**

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

Consolidated cash flow statement

(SEK thousand)	Note	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Current operations			
Operating profit/loss		–103,465	–78,040
Adjustments for non-cash items	28	16,438	10,012
Interest received		859	–
Interest paid		–2,038	–1,190
Taxes paid		–191	–122
Cash flow from operating activities before changes in working capital		**–88,398**	**–69,340**
Cash flows from changes in working capital			
Increase/decrease in inventories		–24,617	–13,574
Increase/decrease in trade receivables		–11,704	5,426
Increase/decrease in other current receivables		62,523	–65,646
Increase/decrease in trade payables		–1,769	5,521
Increase/decrease in operating liabilities		–41,966	51,538
Cash flows from operating activities		**–105,931**	**–86,075**
Investing activities			
Investments in intangible assets		–5,953	–1,338
Investments in property, plant and equipment		–62,441	–52,974
Investments in financial assets		–4	–12
Disposals of property, plant and equipment		–	–
Cash flows from investing activities		**–68,398**	**–54,324**

(SEK thousand)	Note	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Financing activities			
New issue of shares		328,851	20,000
Issue costs		–45,835	–
Exercising of warrants		2,370	–
Received option premiums		536	585
Borrowings		30,000	–
Repayment of loans		–2,589	–1,214
Repayment of lease liabilities		–2,862	–2,365
Cash flows from financing activities		**310,470**	**17,007**
Cash flow for the year		**136,142**	**–123,392**
Cash and cash equivalents at the beginning of the period		28,561	151,928
Currency deviation, cash and cash equivalents		–33	23
Cash and cash equivalents at end of the year	28	**164,670**	**28,561**

Parent Company's income statement

(SEK thousand)	Note	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Net sales	6, 7, 8	76,754	71,467
Changes in inventory and work in progress		14,716	10,014
Own work capitalized		607	–
Total revenue		**92,076**	**81,481**
Operating expenses			
Raw materials and consumables		–57,675	–46,924
Other external expenses	9, 10	–45,776	–45,812
Payroll expenses	11, 12	–78,991	–60,479
Depreciation and amortization	17, 18, 19, 20, 21	–12,766	–6,730
Other operating expenses		–686	–56
Total operating expenses		**–195,895**	**–160,000**
Operating profit/loss		**–103,819**	**–78,519**
Profit/loss from financial items			
Other interest income and similar profit/loss items	13	859	–
Interest expenses and similar profit/loss items	14	–761	–793
Loss after financial items		**–103,721**	**–79,312**
Tax on profit for the year	15	–	–
Profit/loss for the year		**–103,721**	**–79,312**

Parent Company's statement of comprehensive income

(SEK thousand)	Note	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Profit/loss for the year		–103,721	–79,312
Other comprehensive income		–	–
Total loss for the year after tax		**–103,721**	**–79,312**
Comprehensive income attributable to the shareholders of the Parent Company		**–103,721**	**–79,312**

Parent Company’s balance sheet

(SEK thousand)	Note	2022-12-31	2021-12-31
ASSETS			
Subscribed share capital not paid	29	–	328,851
Non-current assets			
Intangible assets			
Patents, licenses and software	17	1,088	666
Capitalized development costs	18	8,368	4,796
Total intangible assets		**9,456**	**5,462**
Property, plant and equipment			
Leasehold improvements	19	11,957	7,595
Plant and machinery	20	67,222	50,985
Equipment, tools, fixtures and fittings	21	6,445	4,019
Assets under construction	22	57,750	29,196
Total property, plant and equipment		**143,374**	**91,795**
Financial assets			
Participations in Group companies	35	462	462
Total financial assets		**462**	**462**
Total non-current assets		**153,293**	**97,719**
Current assets			
Inventories, etc			
Raw materials and consumables		22,169	9,734
Work in progress		12,594	9,651
Finished goods inventory		12,018	2,540
Total inventories		**46,781**	**21,925**
Current receivables			
Trade receivables	25	16,377	4,694
Accrued income not yet invoiced	23	–	19,399
Receivables from Group companies	34	2,634	4,079
Other current receivables	26	7,959	6,601
Prepaid expenses and accrued income	27	1,833	1,914
Total current receivables		**28,803**	**36,687**
Cash and bank balances	28	161,122	22,851
Total current assets		**236,707**	**81,464**
TOTAL ASSETS		**390,000**	**508,034**

(SEK thousand)	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity	29		
Restricted equity			
Share capital		8,777	6,811
Unregistered share capital		–	1,946
Development expenditure reserve		8,368	4,797
Total		**17,146**	**13,554**
Non-restricted equity			
Share premium reserve		672,199	670,402
Retained earnings		–263,344	–180,460
Profit/loss for the year		–103,721	–79,312
		305,135	**410,630**
Total equity		**322,281**	**424,184**
Non-current liabilities			
Liabilities to credit institutions	30	23,839	3,929
Liabilities to Group companies	34	2,537	2,500
Total non-current liabilities		**26,376**	**6,428**
Current liabilities			
Liabilities to credit institutions	30	8,214	714
Trade payables		13,334	15,103
Liabilities to Group companies		453	–
Other current liabilities		2,976	2,677
Invoiced income not yet accrued	31	590	3,300
Accrued expenses and deferred income	32	15,775	55,627
Total current liabilities		**41,343**	**77,422**
TOTAL EQUITY AND LIABILITIES		**390,000**	**508,034**

The Parent Company's statement of changes in equity

	Restricted equity			Non-restricted equity			
(SEK thousand)	Share capital	Unregistered share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	Total
Equity, opening balance, as at Jan 1, 2021	**6,811**	**–**	**5,155**	**368,779**	**–137,446**	**–43,372**	**199,926**
Transfer of profit/loss from the previous year	–	–	–	–	–43,372	43,372	–
Development expenditure reserve	–	–	–359	–	359		–
Profit/loss for the year	–	–	–	–	–	–79,312	–79,312
Other comprehensive income for the year	–	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–79,312**	**–79,312**
Transactions with owners:							
New issue of shares	–	1,946	–	346,905	–	–	348,851
Issue costs	–	–	–	–45,282	–	–	–45,282
Total transactions with owners	**–**	**1,946**	**–**	**301,623**	**–**	**–**	**303,569**
Equity, closing balance, as at Dec 31, 2021	**6,811**	**1,946**	**4,796**	**670,402**	**–180,459**	**–79,312**	**424,184**
Equity, opening balance, as at Jan 1, 2022	**6,811**	**1,946**	**4,796**	**670,402**	**–180,459**	**–79,312**	**424,184**
Transfer of profit/loss from the previous year	–	–	–	–	–79,312	79,312	–
Development expenditure reserve	–	–	3,572	–	–3,572	–	–
Profit/loss for the year	–	–	–	–	–	–103,721	-103,721
Other comprehensive income for the year	–	–	–	–	–	–	–
Total comprehensive income for the year	**–**		**–**	**–**	**–**	**–103,721**	**–103,721**
Transactions with owners:							
New issue of shares	1,946	–1,946	–	–	–	–	–
Exercising of warrants	20	–	–	2,350	–	–	2,370
Issue costs	–	–	–	**–553**	**–**	**–**	**–553**
Total transactions with owners	**1,966**	**–1,946**	**–**	**1,798**	**–**	**–**	**1,817**
Equity, closing balance, as at Dec 31, 2022	**8,777**	**–**	**8,368**	**672,200**	**–263,343**	**–103,721**	**322,281**

The Parent Company's statement of cash flows

(SEK thousand)	Note	2022-01-01–2022-12-31	2021-01-01–2021-12-31
Current operations			
Operating profit/loss		–103,819	–78,519
Adjustments for non-cash items	28	12,821	6,730
Interest received		859	–
Interest paid		–1,223	–256
Cash flow from operating activities before changes in working capital		**–91,363**	**–72,045**
Changes in working capital			
Increase/decrease in inventories		–24,856	–13,574
Increase/decrease in trade receivables		–11,683	5,443
Increase/decrease in other current receivables		19,567	–24,465
Increase/decrease in trade payables		–1,769	5,521
Increase/decrease in operating liabilities		778	9,619
Cash flows from operating activities		**–109,326**	**–89,502**
Investing activities			
Investments in intangible assets		–5,953	–1,338
Investments in property, plant and equipment		–62,441	–52,974
Acquisition of subsidiaries		–	–390
Cash flows from investing activities		**–68,394**	**–54,702**
Financing activities			
New issue of shares		328,851	20,000
Issue costs		–42,640	–3,194
Exercising of warrants		2,370	–
Borrowings		30,000	–
Repayment of loans		–2,589	–1,214
Cash flows from financing activities		**315,991**	**15,591**
Cash flow for the year		**138,271**	**–128,612**
Cash and cash equivalents at the beginning of the period		22,851	151,463
Cash and cash equivalents at end of the year	28	**161,122**	**22,851**

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, Sweden. The Parent Company is a Swedish public limited company with its registered office in Karlskoga, Sweden. The address of 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 and annual report for publication on March 23, 2023. The Group and Parent Company's income statement and balance sheet will be submitted to the Annual General Meeting on April 20, 2023 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 judgment 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.

New or amended accounting standards during the financial year

No amended standards or interpretations from the IASB and statements from IFRIC that entered into force during the 2022 financial year have had a material impact on the Group's financial reports. No new or amended standards were adopted early.

Future standards and new interpretations

No other future standards or new interpretations published by the IASB are expected to have a material impact on the Group's financial reports.

Consolidated financial statements

Subsidiaries

Subsidiaries refer to all companies (including special purpose vehicles) where the Group has the right to devise financial or 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.

Revenue and costs between Group companies and intra-Group balances are eliminated.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision-maker. The highest executive decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments.

The company has identified one operating segment, which is the Group as a whole. The assessment is based on the fact that the Board of Directors regularly reviews the business as a whole and uses it as a basis for decisions to allocate resources and assess performance.

Foreign currencies

Functional currency and reporting currency

Items that are 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 related to loans and cash and cash equivalents 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.

Group companies

Profit/loss and financial position for all Group companies (none of which has a high inflation currency) that have a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing day rate;
- income and expenses for each of the income statements are translated at the average exchange rate, and
- all translation differences that arise are reported in Other comprehensive income.

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 products other 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. Patents 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 recognized in the income statement in the period in which they are incurred.

Property, plant and equipment are systematically depreciated over 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:

- leasehold improvements, 10–20 years
- machinery, 8–15 years
- fixtures, installations and equipment, 3–8 years.

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 carry out 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, 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 has been 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 3 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 have been 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
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 subsequently 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. In most cases, trade payables have a short duration and are therefore measured at their nominal amount without discounting in these cases.

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 2022 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. Fees for pension insurance with Alecta totaled SEK 2,341 thousand (1,858) for the year and were recognized as staff costs. Alecta's surplus may be distributed to the policyholders and/or the insured.

At the end of 2022, Alecta's surplus in the form of its collective consolidation ratio amounted to 172 percent (172) (Source: Alecta) 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. Fees for insurance taken out with Alecta are expected to be at the same level in 2023.

(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.

Services

The Group offers development services in the form of customized flow plates and tools and equipment. 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.

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 on 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.

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

Debt/equity ratio (%)

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

Note 3 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, these are recognized according to the simplified rules for financial instruments in RFR 2. 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 is determined to have any significant impact on the Parent Company's financial statements.

Note 4 Estimates and assessments

The preparation of Cell Impact AB (Publ)'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

As previously announced by the company's Board of Directors, Cell Impact received a contribution of SEK 349 million before issue expenses in a rights issue. The purpose of the rights issue was to ensure continued financing of Cell Impact's business plan, which includes increasing the company's production capacity. Consequently, the net proceeds will be used to finance the company's existing day-to-day operations, investments in preparing additional production space and in new production equipment to ensure increased production capacity and capabilities as well as for other business purposes.

Cell Impact has been affected in various ways by the Covid-19 pandemic and the company has focused on employee health the entire time. In terms of production activity and sales, the company was impacted by its customers' situations, which in general has meant a slowdown. Although there was some spread of infection within the company also during 2022, both Cell Impact's employees and the company have managed quite well during the pandemic. Together with existing and prospective customers, Cell Impact has maintained good momentum that has driven development projects forward. At the same time, the company moved to new facilities and increased production capacity.

Cell Impact has not yet seen any direct impact from the war in Ukraine. However, it is not unlikely that raw materials and energy prices as well as the availability of components may be affected, depending on how the conflict continues to develop.

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 9 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 exercised or not exercised. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs that affects this assessment and the change is within the control of the lessee. No lease has 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 46,781 thousand (21,925). An obsolescence allowance is recognized if the estimated net realizable value is lower than the cost, and in connection with such, 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 321 thousand (46).

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. As at the reporting date on December 31, 2022, the company had a new loan of SEK 28.1 million from Nordea. The initial loan of SEK 30 million, which was granted on September 29, 2022, will be repaid over 48 months and is subject to financial covenants with a debt/equity ratio of more than 40 percent. In addition to this loan, the company also had a loan of SEK 3.9 million from Almi. The initial loan of SEK 5 million was granted on April 1, 2020 and was interest-free until July 2021 after which it has been repaid on a monthly basis.

In accordance with what was previously communicated, the capital acquisition carried out in 2021 has secured financing of the company's operations up to and including the second quarter of 2023. Together with existing cash as at December 31, 2022, the company is now deemed to be financed for the majority of 2023, but will need additional capital during 2023 to finance continued operations.

At the time of signing Cell Impact's Annual Report 2022, no additional financing had been secured and the conditions for future financing will, among other things, be affected by the situation in the financial markets. The company and the Board of Directors are evaluating various possible sources of future financing and the Board assesses that the possibility of acquiring new capital in 2023 is good.

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. See the table below for the exposure to each currency.

Transaction exposure

The Group has limited transaction exposure from contractual cash flows in foreign currencies. The Group's main transaction exposure is toward EUR, JPY and USD.

A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK 4,231 thousand (2,000) on profit/loss after tax and on equity. A 10 percent stronger USD compared with SEK would have a positive impact of approximately SEK 1,677 thousand (315) on profit/loss after tax and on equity. A 10 percent stronger JPY compared with SEK would have a negative impact of approximately SEK 576 thousand (+15) on profit/loss after tax and on equity.

Translation exposure

The Group is subject to translation exposure arising in the translation of foreign trade payables into SEK. This exposure amounted to EUR 40.7 thousand (1.7) on the reporting date. A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK -4.7 thousand (-0.2) 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.

Foreign exchange exposure 2022, %	Operating income (%)	Operating expenses (%)
USD	22	0
JPY	2	3
EUR	0	17
SEK	76	80
Other currencies	0	0

Foreign exchange exposure, 2021 %	Operating income (%)	Operating expenses (%)
USD	5	0
JPY	11	4
EUR	0	10
SEK	84	85
Other currencies	0	1

Note 6 Segment information

Description of segments and main activities:

Cell Impact's Board of Directors is the highest executive decision-maker of the Group and assesses the financial position and performance of the Group and makes strategic decisions. The Board of Directors 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 Board of Directors monitors and evaluates the Group based on one operating segment, which is the Group as a whole.

The Group's Board of Directors primarily uses operating profit/loss to assess the performance of the Group.

Group	2022-12-31	2021-12-31
Operating profit/loss	–103,465	–78,040
Total	**–103,465**	**–78,040**

The Group's main sales activities take place directly from the office and factory in Karlskoga, Sweden. The majority of the entire Group's assets and liabilities are attributable to Sweden and a small proportion is attributable to Japan.

Note 7 Distribution of revenue

Revenue

As revenue from external parties is reported to the Management Team, it is valued in the same way as in the Consolidated statement of comprehensive income. The majority of the revenue is recognized at a point in time.

	Group		Parent Company	
(SEK thousand)	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Revenue includes the sale of:				
Goods	76,707	71,269	76,627	71,389
Services	105	78	127	78
Total	**76,812**	**71,347**	**76,754**	**71,467**
Other revenue includes revenue from:				
Changes in inventory and work in progress	14,715	10,453	14,715	10,014
Exchange rate fluctuations	607	–	607	–
Total	**15,321**	**10,453**	**15,321**	**10,014**

Note 8 Revenue by geographic market

	Group		Parent Company	
(SEK thousand)	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Revenue is distributed over geographic markets as follows:				
Sweden	1,353	621	1,377	621
Other Europe	466	23	466	23
North America	73,104	64,184	73,104	64,184
Asia	1,889	6,519	1,807	6,640
Total	**76,812**	**71,347**	**76,754**	**71,467**
Revenue from major customers				
Customer B	2,537	359	2,537	359
Customer E	70,567	63,825	70,567	63,825

Note 9 Fees to auditors

	Group		Parent Company	
(SEK thousand)	2022-12-31	2021-12-31	2022-12-31	2021-12-31
PwC				
Audit assignment	283	195	283	195
Audit activities outside the audit assignment	8	165	8	165
Tax advice	–	104	–	104
Other services	244	770	244	770
Total	**535**	**1,234**	**535**	**1,234**

Note 10 Lease agreements

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

Right-of-use assets (SEK thousand)	Group 2022-12-31	Group 2021-12-31
Opening cost	19,159	17,457
New leases	629	1,410
Revaluation	204	567
Terminated leases	–98	–275
Closing accumulated cost	**19,894**	**19,159**
Opening depreciation	–5,439	–1,553
Depreciation for the year	–3,620	–3,464
Revaluation	–102	–697
Terminated leases	98	275
Closing accumulated depreciation	**–9,063**	**–5,439**
Closing carrying amount	**10,831**	**13,720**
Right-of-use assets refer to:		
Premises	9,723	12,801
Vehicles	186	13
Equipment	921	906
Total	**10,831**	**13,720**
Lease liabilities		
Current	9,502	12,146
Non-current	3,145	2,723
Total	**12,647**	**14,870**

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 9-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 receivables.

(SEK thousand)	Group 2022-12-31	Group 2021-12-31
Interest expense on lease liabilities	823	898
Expense relating to short-term leases	343	478
Expense relating to leases of low-value assets	116	176
Expenses relating to variable lease payments not included in lease liabilities	1,559	717
Total cash outflow for leases in the Group during the year	4,487	4,161

Change in lease liability, see Note 28 regarding the reconciliation of liabilities from financing activities.

Leases in the Parent Company (SEK thousand)	Parent Company 2022-12-31	Parent Company 2021-12-31
Lease payments for leases during the year	5,337	4,385
Future payment obligations as at December 31 for leases are distributed as follows:		
Due for payment within 1 year	2,499	5,175
Due for payment in more than 1 year but less than 5 years	8,982	10,513
Due for payment in more than 5 years	982	911

Note 11 Employees and staff costs

Average number of employees	2022 Employees	2022 of which men	2021 Employees	2021 of which men
Group				
Japan	1	100%	1	100%
Sweden	110	60%	77	58%
	111		**78**	
Parent Company				
Sweden	110	60%	77	58%
	110		**77**	

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

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Salaries, remuneration, social security fees and pension costs				
Salaries and remuneration to other employees	41,506	30,172	41,506	30,172
Salaries and remuneration to the Board of Directors and senior executives	12,447	10,759	10,666	8,971
Total	**53,953**	**40,931**	**52,172**	**39,143**
Statutory social security contributions	17,968	13,258	17,834	13,158
Pension expense relating to the Board of Directors and other senior executives	3,163	3,066	3,163	3,066
Pension expense relating to other employees	4,281	2,669	4,281	2,669
Total	**79,365**	**59,924**	**77,449**	**58,037**
Board members and senior executives				
Number of Board members, reporting date				
Women	1	1	1	1
Men	5	4	5	4
Total	**6**	**5**	**6**	**5**
Number of senior executives, incl. CEO				
Women	1	2	1	2
Men	7	8	4	5
Total	**8**	**10**	**5**	**7**

Information regarding remuneration to the Board of Directors and senior executives in the Parent Company

Parent Company 2022 (SEK thousand)	Base salary, Board fees	Pension expense	Variable remuneration[1]	Fringe benefits	Total
Chairman of the Board	300	–	–	–	300
Board members	700	–	–	–	700
CEO	2,436	807	488	178	3,909
Other senior executives, 6 people[2]	6,232	2,356	249	83	8,920
Total	**9,668**	**3,163**	**737**	**261**	**13,829**

Parent Company 2021 (SEK thousand)	Base salary, Board fees	Pension expense	Variable remuneration[1]	Fringe benefits	Total
Chairman of the Board	269	–	–	–	269
Board members	544	–	–	–	544
CEO	1,781	601	559	103	3,044
Other senior executives, 4 people[2]	5,147	2,464	497	71	8,179
Total	**7,741**	**3,065**	**1,056**	**174**	**12,037**

In addition to salaries, etc., Board members and senior executives have received consultancy fees. See Note 34, Transactions between related parties, for more information.

Information regarding remuneration to the Board of Directors and senior executives in the Group

Group 2022 (SEK thousand)	Base salary, Board fees	Pension expense	Variable remuneration[1]	Fringe benefits	Total
Board of Directors	1,000	–	–	–	1,000
CEO	2,436	807	488	178	3,909
Other senior executives, 9 people[2]	8,013	2,356	249	83	10,701
Total	**11,449**	**3,163**	**737**	**261**	**15,610**

Group 2021 (SEK thousand)	Base salary, Board fees	Pension expense	Variable remuneration[1]	Fringe benefits	Total
Board of Directors	813	–	–	–	813
CEO	1,781	601	559	103	3,044
Other senior executives, 4 people[2]	6,934	2,464	497	71	9,967
Total	**9,528**	**3,066**	**1,056**	**174**	**13,824**

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, Chief Operating Officer, Chief Technology Officer, Chief Human Resources Officer, Area Manager Europe, Managing Director Cell Impact Japan Inc. and Country Manager China.

Bonuses and severance pay

For 2022, the CEO may receive a bonus of no more than six months' salary, and the CFO, COO and CHRO may receive no more than three months' salary. 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 435 thousand in 2022 for the 2021 financial year. The company's Management Team received a bonus of SEK 389 thousand for the 2021 financial year. No bonuses ("variable remuneration") are payable to senior executives other than the ones outlined above.

None of the company's employees except for the CEO is entitled to severance pay. If the company terminates the CEO for any other reason than because the CEO has grossly neglected his or her 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 the 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 2022 Annual General Meeting resolved that the Chairman of the Board and the Board members would be entitled to remuneration of SEK 8,000 per full working day (SEK 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.

For more information, see Note 34, Transactions between related parties.

Note 12 Warrants

Cell Impact AB (publ) has the following five 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 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 to June 30, 2023.
- 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 to June 30, 2024.
- The warrant program 2021/2024 for senior executives and other employees was adopted by the 2021 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1 to July 2, 2024.
- The warrant program 2022/2025 for senior executives and other employees was adopted by the 2022 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period September 1 to September 29, 2025.
- The warrant program 2022/2026 for Board members was adopted by the 2022 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period September 1 to September 29, 2026.

Warrants allotted	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
As at Dec 31, 2021	1,328,750	28.66
As at Dec 31, 2022	970,750	28.45

The average strike price for warrants allotted that are outstanding at the end of the period is SEK 28.45. During 2022, 658,000 warrants were forfeited, exercised or expired.

Outstanding per year, warrants	Number outstanding 2022-12-31	Number outstanding 2021-12-31	Strike price, SEK	Value per warrant, SEK	Value per share, SEK	Volatility	Expiration date
Warrant program 2020/2023	223,200	223,200	35.32	3.19	20.05	50%	2023-06-30
Warrant program 2020/2024	375,000	375,000	35.32	4.22	20.05	50%	2024-06-30
Warrant program 2021/2024	72,550	72,550	82.82	8.07	45.10	59%	2024-07-02
Warrant program 2022/2025	225,000	–	27.51	1.64	13.75	48%	2025-09-29
Warrant program 2022/2026	75,000	–	27.51	2.22	13.75	49%	2026-09-29
Total	**970,750**	**1,328,750**					

Due to the rights issue, the strike price and the number of shares that the warrantholders are entitled were recalculated in accordance with the terms and conditions of the 2019/2022, 2020/2023, 2020/2024 and 2021/2024 warrant programs.

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 2021-01-01	Change	Number outstanding 2021-12-31	Change	Number outstanding 2022-12-31
Pär Teike, CEO	300,000	25,000	325,000	-175,000	150,000
Robert Sobocki, Chairman of the Board	150,000	–	150,000	10,000	160,000
Kjell Östergren, former Board member	75,000	–	75,000	–	75,000
Thomas Carlström, Board member	75,000	–	75,000	25,000	100,000
Anna Frick, Board member	75,000	–	75,000	–	75,000
Lars Bergström, Board member	–	–	–	40,000	40,000
Other senior executives	180,000	35,150	215,150	0	215,150
Other employees and consultants	401,200	12,400	413,600	–258,000	155,600
Total	**1,256,200**	**72,550**	**1,328,750**	**–358,000**	**970,750**

Note 13 Finance income

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Interest income	859	–	859	–
Total	**859**	**–**	**859**	**–**

All finance income refers to financial assets at amortized cost.

Note 14 Finance costs

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Other interest expense	–715	–793	–761	–793
Interest expense on lease liabilities	–823	–898	–	–
Total	**–1,538**	**–1,690**	**–761**	**–793**

All finance costs refer to financial liabilities at amortized cost.

Note 15 Tax on profit/loss for the year

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Current tax for the year	–70	–122	–	–
Reported tax	**–70**	**–122**	**–**	**–**

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 of the effective tax rate (SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Profit/loss before tax	–104,215	–79,853	–103,721	–79,312
Tax in accordance with current rate 20.6% (20.6%)	21,468	16,450	21,366	16,338
Effect of other tax rates for foreign subsidiaries	22	37	–	–
Tax related to non-deductible expenses	–189	–62	–189	–61
Change in unrecognized loss carry-forwards	–21,372	–16,548	–21,178	–16,277
Reported tax	**–70**	**–122**	**–**	**–**

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 505 million (402).

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 2022-12-31	Group 2021-12-31
Profit/loss for the year (SEK thousand) attributable to the Parent Company's shareholders	–104,215	–79,853
Average number of ordinary shares outstanding	75,726,264	59,210,818
Earnings per share before and after dilution (SEK)	**–1.38**	**–1.35**

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, licenses and software

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Opening cost	1,045	337	1,045	337
Additions during the year	795	708	795	708
Closing accumulated cost	**1,840**	**1,045**	**1,840**	**1,045**
Opening accumulated amortization	–379	–261	–379	–261
Amortization for the year	–372	–118	–372	–118
Closing accumulated amortization	**–751**	**–379**	**–751**	**–379**
Closing carrying amount	**1,088**	**666**	**1,088**	**666**

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

Note 18 Capitalized development costs

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Opening cost	8,031	7,401	8,031	7,401
Additions during the year	5,158	630	5,158	630
Closing accumulated cost	**13,189**	**8,031**	**13,189**	**8,031**
Opening accumulated amortization	–3,235	–2,246	–3,235	–2,246
Depreciation for the year	–1,587	–989	–1,587	–989
Closing accumulated amortization	**–4,822**	**-3,235**	**–4,822**	**–3,235**
Closing residual value according to plan	**8,368**	**4,796**	**8,368**	**4,796**

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 Leasehold improvements

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Leasehold improvements				
Opening cost	8,228	6,668	8,228	6,668
Additions during the year	4,924	1,560	4,924	1,560
Closing accumulated cost	**13,152**	**8,228**	**13,152**	**8,228**
Opening accumulated amortization	–633	–200	–633	–200
Amortization for the year	–562	–434	–562	–434
Closing accumulated amortization	**–1,195**	**–633**	**–1,195**	**–633**
Closing carrying amount	**11,957**	**7,596**	**11,957**	**7,595**

Note 20 Plant and machinery

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Opening cost	64,008	33,364	64,008	33,364
Additions during the year	25,404	30,644	25,404	30,644
Closing accumulated cost	**89,412**	**64,008**	**89,412**	**64,008**
Opening accumulated depreciation	–13,023	–8,401	–13,023	–8,401
Depreciation for the year	–9,168	–4,622	–9,168	–4,622
Closing accumulated depreciation	**–22,191**	**–13,023**	**–22,191**	**–13,023**
Closing carrying amount	**67,222**	**50,985**	**67,222**	**50,985**

Note 21 Equipment, tools, fixtures and fittings

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Opening cost	5,174	2,628	5,174	2,628
Additions during the year	3,558	2,546	3,558	2,546
Disposals	–58	–	-58	–
Closing accumulated cost	**8,674**	**5,174**	**8,674**	**5,174**
Opening accumulated depreciation	–1,155	–588	–1,155	–588
Depreciation for the year	–1,077	–567	–1,077	–567
Disposals	3	–	3	–
Closing accumulated depreciation	**–2,229**	**–1,155**	**–2,229**	**–1,155**
Closing carrying amount	**6,445**	**4,019**	**6,445**	**4,019**

Note 22 Assets under construction

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Opening cost	29,196	10,972	29,196	10,972
Additions during the year	28,554	18,224	28,554	18,224
Closing accumulated cost	**57,750**	**29,196**	**57,750**	**29,196**
Closing carrying amount	**57,750**	**29,196**	**57,750**	**29,196**

Note 23 Accrued income not yet invoiced

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Accrued income, projects in progress	–	39,766	–	39,766
Invoicing of customer projects in progress	–	–20,367	–	–20,367
Total	**–**	**19,399**	**–**	**19,399**

Note 24 Financial assets and liabilities

Financial assets and liabilities as at December 31, 2022

Group (SEK thousand)	Financial assets at amortized cost	Non-financial assets	Total reported value
Financial assets			
Trade receivables	16,421	–	16,421
Accrued income not yet invoiced	–	–	–
Other current receivables	–	8,806	8,806
Prepaid expenses and accrued income	–	1,157	1,157
Cash and cash equivalents	164,670	–	164,670
Total	**181,090**	**9,963**	**191,054**

Group (SEK thousand)	Financial liabilities at amortized cost	Non-financial liabilities	Total reported value
Financial liabilities			
Non-current lease liabilities	9,502	–	9,502
Non-current liabilities to credit institutions	23,839	–	23,839
Trade payables	13,334	–	13,334
Invoiced income not yet accrued	–	590	590
Other current liabilities	–	3,102	3,102
Current lease liabilities	3,145	–	3,145
Current liabilities to credit institutions	8,214	–	8,214
Accrued expenses and deferred income	1,220	14,219	15,439
Total	**59,256**	**17,911**	**77,167**

Financial assets and liabilities as at December 31, 2021

Group (SEK thousand)	Financial assets at amortized cost	Non-financial assets	Total reported value
Financial assets			
Trade receivables	4,712	–	4,712
Accrued income not yet invoiced	–	19,399	19,399
Other current receivables	–	6,580	6,580
Prepaid expenses and accrued income	–	46,558	46,558
Cash and cash equivalents	28,561	–	28,561
Total	**33,273**	**72,538**	**105,811**

Group (SEK thousand)	Financial liabilities at amortized cost	Non-financial liabilities	Total reported value
Financial liabilities			
Non-current lease liabilities	12,146	–	12,146
Non-current liabilities to credit institutions	3,929	–	3,929
Trade payables	15,103	–	15,103
Invoiced income not yet accrued	–	3,300	3,300
Other current liabilities	–	2,702	2,702
Current lease liabilities	2,723	–	2,723
Current liabilities to credit institutions	714	–	714
Accrued expenses and deferred income	43,533	11,949	55,482
Total	**78,149**	**17,951**	**96,100**

Note 25 Trade receivables

(SEK thousand)	Group	
	2022-12-31	2021-12-31
Trade receivables	16,421	4,712
Provision for expected loss on trade receivables	–	–
Trade receivables, net	**16,421**	**4,712**

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, 2022, the Group had 1 customer (2) from which Cell Impact had net receivables amounting to SEK 16,374 thousand (2,957), which comprised 99 (99) percent of all net receivables.

When this annual report was drawn up, 9 percent of these receivables had been paid. The company has a good relationship with the customer, has assessed that these receivables are secure and has not made any provisions in the annual accounts for 2022.

Age analysis of trade receivables for which no provision has been made (SEK thousand)	Group	
	2022-12-31	2021-12-31
Not due	10,056	2,466
1–60 days past due	4,254	2,246
More than 60 days past due	2,111	–
Total	**16,421**	**4,712**

Note 26 Other current receivables

(SEK thousand)	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
VAT receivables	6,345	5,390	6,345	5,390
Other receivables	2,461	1,190	1,614	1,212
Total	**8,806**	**6,580**	**7,959**	**6,601**

Note 27 Prepaid expenses and accrued income

(SEK thousand)	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Prepaid rents	389	216	1,106	854
Prepaid rights issue expenses	–	45,282	–	–
Insurance	260	246	192	246
Other prepaid expenses	480	448	507	448
Accrued income	27	367	27	367
Total	**1,157**	**46,558**	**1,833**	**1,914**

Note 28 Cash and cash equivalents

(SEK thousand)	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Cash and bank balances	164,670	28,561	161,122	22,851
Total	**164,670**	**28,561**	**161,122**	**22,851**

Cash flow, non-cash items (SEK thousand)	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Depreciation and amortization	16,384	10,193	12,766	6,730
Capital gains/losses	54	–	54	–
Revaluation of right-of-use assets	–	-181	–	–
Total	**16,438**	**10,012**	**12,821**	**6,730**

Note 28 (cont.) Cash and cash equivalents

Reconciliation of liabilities from financing activities

Group (SEK thousand)	2022-01-01	Cash flows	Non-cash movements	2022-12-31
Liabilities to credit institutions	4,643	27,410	–	32,053
Lease liabilities	14,869	–2,862	640	12,647
Total liabilities from financing activities	**19,512**	**24,548**	**640**	**44,700**
	2021-01-01			2021-12-31
Liabilities to credit institutions	5,857	–1,214	–	4,643
Lease liabilities	16,121	–2,365	1,113	14,869
Total liabilities from financing activities	**21,978**	**–3,579**	**1,113**	**19,512**

Parent Company (SEK thousand)	2022-01-01	Cash flows	Non-cash movements	2022-12-31
Liabilities to Group companies	2,500	–	37	2,537
Liabilities to credit institutions	4,643	27,410	–	32,053
Total liabilities from financing activities	**7,143**	**27,410**	**37**	**34,590**
	2021-01-01			2021-12-31
Liabilities to Group companies	2,463	–	37	2,500
Liabilities to credit institutions	5,857	–1,214	–	4,643
Total liabilities from financing activities	**8,320**	**–1,214**	**37**	**7,143**

Note 29 Equity

	A shares	B shares	Total number of shares	Share capital	Subscribed share capital not paid	Other contributed capital
As at Jan 1, 2021	**217,800**	**58,624,534**	**58,842,334**	**6,811**	**–**	**388,476**
Share issue in December 2021	–	16,812,094	16,812,094	–	1,946	18,054
Received option premiums	–	–	–	–	–	585
Translation reserve	–	–	–	–	–	4
As at Dec 31, 2021	**217,800**	**75,436,628**	**75,654,428**	**6,811**	**1,946**	**407,119**
Conversion A shares	–217,800	217,800	–			
Share issue in December 2021	–	–	–	1,946	–1,946	283,016
Exercising of warrants	–	172,500	172,500	20	–	2,350
Received option premiums	–	–	–	–	–	536
Translation reserve	–	–	–	–	–	14
As at Dec 31, 2022	**–**	**75,826,928**	**75,826,928**	**8,777**	**0**	**693,034**

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, and a B share confers a right to 1/10 vote. No shares are held by the company or its subsidiaries.

During the financial year, at the request of the A shareholders, all A shares in Cell Impact were converted into B shares. Cell Impact now has only B shares, where all 75,826,928 shares in the company confer the same voting rights. The company's registered share capital was SEK 8,777,433 as at December 31, 2022. The shares have a quota value of approximately SEK 0.12.

Subscribed share capital not paid
When the rights issue was carried out in December 2021, an additional 16,812,094 shares were subscribed for, corresponding to share capital of SEK 1,946,103. The shares were registered by the Swedish Companies Registration Office in January 2023 and were reported as unsubscribed share capital in the balance sheet as at December 31, 2022. Since January 2022, this SEK 1,945,103 has been recognized in the Parent Company's share capital.

Other contributed capital
Other contributed capital comprises capital contributed by the company's shareholders, premiums for shares subscribed for, warrant premiums paid and other funding recognized as equity.

Note 30 Loan receivables

Maturity dates (SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Part of non-current liabilities that is due for payment more than 5 years after the reporting date				
Liabilities to credit institutions	–	1,072	–	1,072
Lease liabilities	–	1,255	–	–
Liabilities to Group companies	–	–	2,537	2,500
Total	**–**	**2,326**	**2,537**	**3,572**
Due for payment between 1 and 5 years				
Liabilities to credit institutions	23,839	2,857	23,839	2,857
Lease liabilities	9,502	10,892	–	–
Total	**33,341**	**13,749**	**23,839**	**2,857**
Total non-current liabilities	**33,341**	**16,075**	**26,376**	**6,428**

Current interest-bearing liabilities (SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Liabilities to credit institutions	8,214	714	8,214	714
Lease liabilities	3,145	2,723	–	–
Total	**11,360**	**3,438**	**8,214**	**714**

Borrowings refer to a loan from Almi Företagspartner Mälardalen AB ("Almi") that was granted on May 8, 2020. The loan has an interest rate of 6.26 percent for 96 months. During the financial year, the loan was repaid monthly in installments of SEK 59,524. 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 company also has a new loan from Nordea that was granted on September 29, 2022 and that will be repaid quarterly in installments of SEK 1,875,000 over 48 months. The loan is subject to financial covenants with a debt/equity ratio of more than 40 percent. The interest rate is 5.476 percent.

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 (6.0) percent.

Note 31 Invoiced income not yet accrued

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Invoicing of customer projects in progress	15,803	6,344	15,803	6,344
Accrued income, projects in progress	–15,213	–3,044	–15,213	–3,044
Total	**590**	**3,300**	**590**	**3,300**

Note 32 Accrued expenses and deferred income

(SEK thousand)	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Accrued vacation pay	7,259	5,421	7,259	5,421
Accrued social security contributions	2,786	2,264	2,786	2,141
Accrued special employer contribution	3,160	2,127	3,156	2,127
Other accrued expenses	2,234	45,670	2,574	45,939
Total	**15,439**	**55,482**	**15,775**	**55,627**

Note 33 Assets pledged as security and contingent liabilities

(SEK thousand) Own provisions and liabilities	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Floating charges	30,000	6,000	30,000	6,000
Total	**30,000**	**6,000**	**30,000**	**6,000**

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

Note 34 Transactions between related parties

The Parent Company has a related party relationship to its subsidiaries, see Note 35.

Summary of transactions with related parties

Parent Company (SEK thousand)	Year	Sale of goods/ services to related parties	Purchase of goods/ services from related parties	Other (e.g. interest, dividend)	Receivables from related parties as at December 31	Liabilities to related parties as at December 31
Related party relationship						
Subsidiaries	2022	1,640	3,119	45	2,634	2,990
Subsidiaries	2021	5,076	2,825	37	4,079	2,500

Transactions with key management personnel

There were no transactions with key management personnel in 2022.

Achim Zeiss and Guan Tingting were previously reported as key personnel in the company. In an analysis of the Parent Company's transactions over the year, it emerged that the services provided to the Group by Achim Zeiss and Guan Tingting were not subject to the disclosure requirement in IAS 24.

Note 35 Participations in Group companies

Parent Company	Registered office	Share of equity, %	Share of votes, %	Number of shares	Carrying value, 2022 (SEK)	Carrying value, 2021 (SEK)
Finshyttan HydroPower AB (556703-5752)	Filipstad	100	100	10,000	72,000	72,000
Cell Impact Japan Inc. (0104-01-158383)	Tokyo	100	100	10,000	390,389	390,389
Total					**462,389**	**462,389**

Note 36 Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting 2022 (SEK):	2022-12-31
Share premium reserve	672,199,383
Retained earnings	–263,343,998
Profit/loss for the year	–103,720,803
Total	**305,134,582**
The Board of Directors proposes that the following amount be carried forward:	305,134,582
Total	**305,134,582**

Note 37 Events after the reporting date

The company has not been directly affected by the ongoing war in Ukraine. However, it is not unlikely that raw materials and energy prices as well as the availability of components may be affected by the situation in the global markets, depending on how the conflict continues to develop.

A Cell Impact Forming™ demonstration line was installed at F.C.C Japan during the first quarter of 2023.

ASSURANCE

The undersigned certify that the annual accounts were prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The annual accounts give a fair presentation of the Parent Company and Group'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 on the day shown by our electronic signature

Robert Sobocki
Chairman of the Board

Lars Bergström
Board member

Thomas Carlström
Board member

Mikael Eurenius
Board member

Anna Frick
Board member

Mattias Silfversparre
Board member

Pär Teike
CEO

Our auditors' report was submitted on the date that appears on our electronic signatures.

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 2022. The annual accounts and consolidated accounts of the company are included on pages 19–56 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, 2022 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, 2022 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 adopt 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.

TO BE ADDED BY AUDITORS

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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 and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to a 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 responsibilities

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 it is not a guarantee that an audit conducted in accordance with ISA 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 aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of 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 website of the Swedish Inspectorate of Auditors: 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 2022 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 proposed appropriation of 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 and the Group's type of operations, size and risks place on the size of the Parent Company and the Group's 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, the management of assets and the company's financial affairs in general 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 things 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 responsibilities

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 website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Karlskoga, on the date that appears on our electronic signatures

PricewaterhouseCoopers AB

Gert-Ove Levinsson
Authorized Public Accountant

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