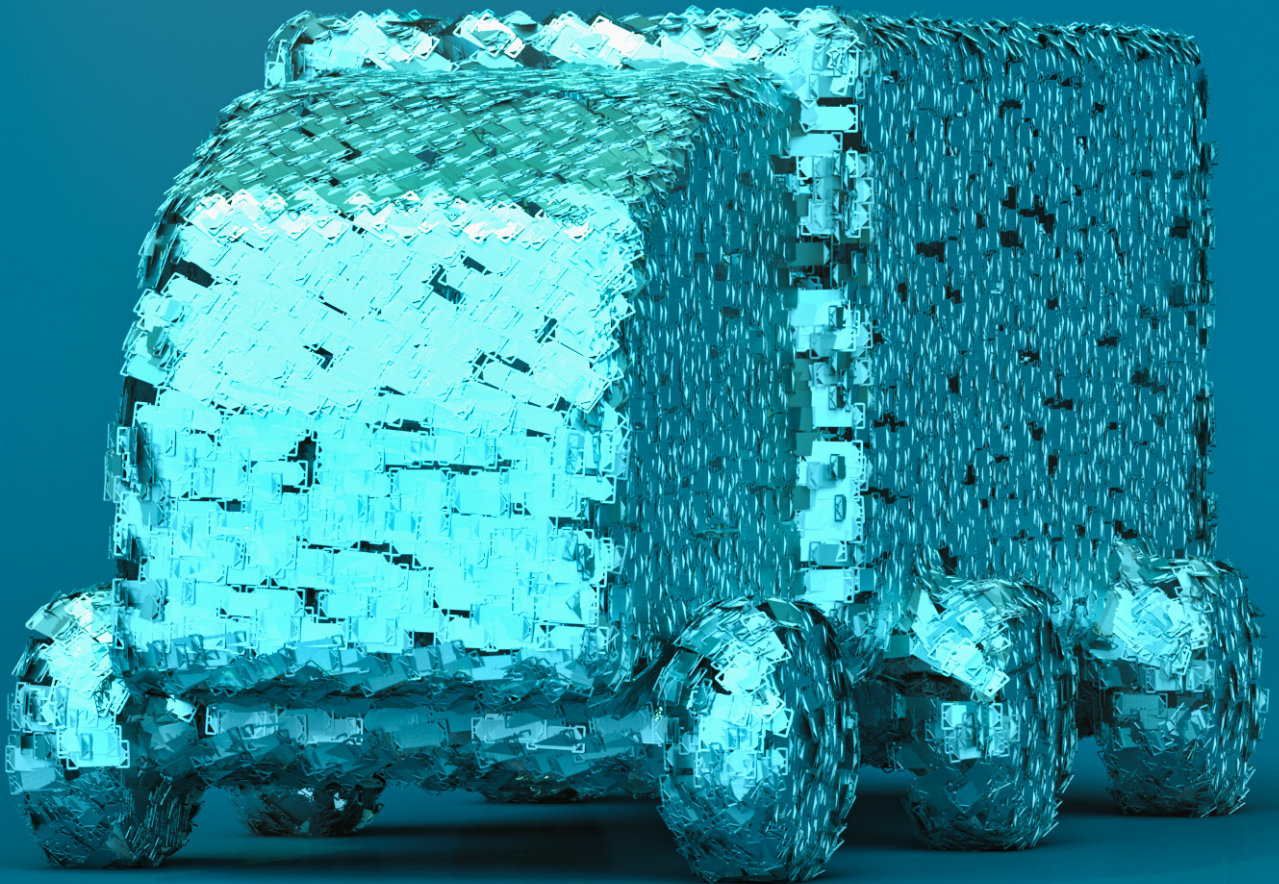


INTERIM REPORT

Q3 2020



Flow plates are an essential component in hydrogen fuel cells and the transformation to a more sustainable transportation system.

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.

Third quarter, 2020

Financial summary

Numbers in () indicate the corresponding period from the previous year.

- » Revenues for the quarter were SEK 8.5 million (3.5).
- » Operating result was SEK -5.7 million during the quarter (-9.0).
- » The Group's result after financial items was SEK -6.1 million (-9.0) during the quarter.
- » Earnings per share, attributable to the shareholders of the Parent Company, totaled SEK -0.12 (-0.20) during the quarter.
- » Equity was SEK 52.3 million (62.2) or SEK 1.01 per share (1.37) as at the balance sheet date.
- » Debt/equity ratio was 58% as at the balance sheet date (85%).
- » Cash flows from operating activities were SEK -3.5 million (-14.2) during the quarter.
- » As at the balance sheet date, the Group's cash and cash equivalents totaled SEK 23.6 million (32.1).

Significant events in the period

- » July 15, 2020 | Cell Impact secures an order for production tools for serial production.
- » July 31, 2020 | Cell Impact secures an additional order for production tools for serial production.
- » August 4, 2020 | Positive final result of high-volume testing.
- » September 2, 2020 | Beijing Nowogen Technology places an order for the production of flow plates.

Significant events after the period

- » October 6, 2020 | Cell Impact receives a contribution of SEK 175 million before issue expenses in a directed share issue.
- » October 13, 2020 | Cell Impact inaugurates a new flow plate factory in Karlskoga, Sweden.



CEO's message

The company's first high-speed forming machine has now been moved, assembled and put into operation in the new factory. The overhead crane makes it easy to move the heavy steel foundations that are used to dampen the kinetic energy produced by forming flow plates.

During the third quarter, Cell Impact reached sales of SEK 8.5 million, which is SEK 5.0 million higher than the same quarter last year. The operating loss during the quarter was SEK 5.7 million, an improvement of SEK 3.3 million compared with the third quarter 2020. Cell Impact's operating profit/loss has varied considerably over time as the company is still under development. It is gratifying, however, that sales improved compared with the second quarter of the year given the current circumstances.

Positive sales development

Sales went up during the quarter due to a certain increase in production and delivery as well as two new important tool orders. These orders complete an earlier development and prototype phase and have laid the foundation for serial production in early 2021. During the quarter, Beijing Nowogen also placed a small but important order for flow plates. We're happy that we can now perform quality control for this delivery using Cell Impact's new efficient equipment adapted for larger volumes.

The third quarter saw increased production activity compared with the second quarter and customers and prospects also showed a greater level of activity. Overall, we've seen a positive trend in activity among our customers, which we believe will gradually raise Cell Impact's production and sales. Although the coronavirus is

spreading more rapidly at the moment, our impression is that customers are handling the situation in a way that promotes more continuity in our joint activities compared with when the pandemic began.

New factory operational

In September, we completed our move to a newly renovated, larger premises in the Brickegården area of Karlskoga. This is an improvement that will boost Cell



The new machine for carrying out leakage tests is capable of checking both monopolar (single) and bipolar flow plates. The machine works by first creating real negative pressure and then detecting whether helium molecules can pass through the plate or seams. This allows extremely small cracks to be detected. Pictured (from left): Anders Öberg (CTO) and Christian Bruzelius (Production Technician).



Impact's growth potential. It's also a welcome change for our team members who will be able to enjoy a fresh, new work environment.

Machinery and equipment have been put into operation after calibrations and startup tests and are now being used in production. Cell Impact has also taken delivery of new equipment that is important for both production and capacity and additional deliveries will take place during the fourth quarter.

New issue of SEK 175 million

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

Proceeds from the issue will be used to finance continued investments in commercializing Cell Impact's offering. A significant part will be used to increase production capacity as well as to implement a major automation program that will pave the way for competitive serial production. Together with existing cash, proceeds from the issue are expected to be sufficient to finance the company's business plan by the beginning of 2022.

The result of the issue is proof that investors have great confidence in Cell Impact's technology and offering that contributes to making fuel cell manufacturers more competitive, thus helping drive the transition to a greener society.

Some of the members of Cell Impact's Management Team in one of the three large machine halls. Pictured (from left): Stefan Axellie (CFO), Anders Öberg (CTO), Tord Lätt (COO) and Pär Teike (CEO). Absent: Achim Zeiss (Area Manager Europe).



Today, Cell Impact uses CNC fiber lasers to cut flow plates and weld bipolar plates. The machines are easy to scale up, have high accuracy and are also very energy efficient.

Karlskoga, November 2020
Pär Teike, President & CEO

Financial performance in brief

Amounts in SEK million	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	8.5	3.5	20.4	10.0	11.9
Operating loss	-5.7	-9.0	-30.7	-30.5	-47.4
Loss after financial items	-6.1	-9.0	-31.5	-31.4	-48.4
Profit/loss after tax, attributable to the shareholders of the Parent Company	-6.1	-9.0	-31.5	-31.4	-48.4
Cash flows from operating activities	-3.5	-14.2	-25.2	-29.9	-41.0
Earnings per share, attributable to the shareholders of the Parent Company (in SEK)	-0.12	-0.20	-0.66	-1.06	1.06

	Sept 30, 2020	Sept 30, 2019	Dec 31, 2019
Cash and cash equivalents as at the balance sheet date	23.6	32.1	16.9
Debt/equity ratio (%)	58%	85%	78%
Equity/share	1.01	1.37	0.99

Revenues

The Group's revenues for the quarter (which were the same as the Parent Company's revenues) were SEK 8.5 million, which is higher than the previous year (SEK 3.5 million). Revenues during the quarter refer to the completion of orders received in 2019 and 2020 and new orders received during the quarter. The revenues chiefly refer to the manufacturing of prototype orders, which are regarded as the first step towards larger orders and serial production for these customers.

Performance

The Group's operating profit for the period was SEK -5.7 million (-9.0). Between 2019 and the third quarter in 2020 the Company has seen an increase in personnel-related costs due to investment in production- and supporting staff. However, the reduced loss is primarily attributable to an increase in sales.

Other information

Financial position

Equity has increased from SEK 45.1 million in 2019 to SEK 52.3 million in 2020. The increase is chiefly due to 2020 stock issues performed up until the third quarter.

Funding and liquidity

Cash flows from operating activities before the change in working capital totaled SEK -4.1 during the quarter, which was primarily due to the loss made in the period. Investments of SEK 6.6 million, aimed at improving Cell Impact's production process and adaptations of new premises, were made during the period. In the third quarter 2020, SEK 0.5 million of the company's non-current liabilities was repaid, with liabilities totaling SEK 14.5 million as at September 30, 2020. The company's cash and cash equivalents fell by SEK 10.8 million during the quarter, from SEK 34.4 million as at June 30, 2020 to SEK 23.6 million as at September 30, 2020.

Employees

Payroll expenses were SEK -6.0 million during the quarter (-4.9). The total number of employees was 35 at the end of the quarter (30). The increase in payroll expenses compared with the comparative period is due to the higher number of employees.

Parent Company

In principle, the difference between the income statements of the Parent Company and the Group is due to items affecting IFRS, as the Finshyttan Hydropower subsidiary is dormant. The balance sheets of the Parent Company and the Group are also basically similar, except for IFRS items and the fact that there is approximately SEK 0.5 million in cash and cash equivalents in the subsidiary.

Share capital

The number of registered A-shares in Cell Impact is 217,800, and the number of registered B-shares is 51,624,534. The total number of votes in the company amounts to 5,380,253, as the A-shares confer a right to one vote per share while the B-shares confer a right to 1/10 vote per share. The total number of shares in Cell Impact, including both A- and B-shares, is 51,842,334 shares. The company's registered share capital was SEK 6,001,069 as at September 30, 2020. The shares have a quota value of approximately 0.12 SEK.

Transactions between related parties

Cell Impact did not purchase any services from related parties during the period.

Risks and uncertainties

Risk and uncertainties were reported in the investor prospectus, which was prepared in connection with the issue in 2019 and is available on Cell Impact's website.

Estimates and judgements

The preparation of Cell Impact's consolidated accounts required a number of estimates and judgments to be made, which may affect the value of assets, liabilities and provisions that were reported at the time when the accounts were closed. In addition, the recognized value of 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 stated by the Company's Board of Directors, Cell Impact received a contribution of SEK 175 million before issue expenses in a directed share issue. The proceeds from the issue shall be used to fund Cell Impact's continued progress towards commercialization and an improvement of the production capacity in the new factory in Karlskoga (Brickegården) to pave the way for increased serial production and promote sales.

Impact of Corona pandemic

Cell Impact is affected in different ways by the Corona pandemic. The company follows the authorities' guidelines, and so far, the company has not had a known case of Covid-19. Precautions to avoid the spread of infection has resulted in some increased absenteeism. Despite the pandemic, we have managed to keep our production line open and carry out other essential activities to the company in a satisfactory manner. During previous quarters, the company's customers' purchasing volumes have decreased due to delays related to the pandemic. After several quarters, we now see that customers and prospects have adapted to the pandemic limitations and achieved better continuity and productivity in their way of working, which has also gradually improved the situation for Cell Impact in terms of ongoing customer projects and order intake. We are hopeful that even if we now enter a new phase with increased spread of infection, our customers will continue to improve their situation, which could mean an increased demand for Cell Impact's services. However, the company closely monitors developments, its impact on customers and prospects, and will adjust its operating costs and investment level if the business situation so requires.

Financial statements

Summary consolidated statement of Income

	2020	2019	2020	2019	2019
Amounts in SEK million	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenue	8.5	3.5	20.4	10.0	11.9
Operating expenses					
Purchase of products and services	-1.5	-1.3	-7.0	-5.5	-8.8
Other external expenses	-4.9	-5.3	-19.4	-18.3	-25.1
Payroll expenses	-6.0	-4.9	-20.0	-13.5	-20.7
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-1.9	-0.9	-4.7	-3.1	-4.7
Other operating expenses	0.0	0.0	-0.1	0.0	0.0
Total operating expenses	-14.2	-12.4	-51.1	-40.5	-59.4
Operating loss	-5.7	-9.0	-30.7	-30.5	-47.4
Profit/loss from financial investments					
Financial income	0.0	0.0	0.0	0.0	0.0
Financial expenses	-0.4	0.0	-0.8	-0.9	-1.0
Loss after financial items	-6.1	-9.0	-31.5	-31.4	-48.4
Tax on profit for the year	0.0	0.0	0.0	0.0	0.0
Loss attributable to the shareholders of the Parent Company	-6.1	-9.0	-31.5	-31.4	-48.4
Earnings per weighted number of shares, before and after dilution, Attributable to the Parent Company's shareholders (in SEK)	-0.12	-0.20	-0.66	-1.06	-2.67
Weighted number of shares during the period	51,842,334	44,528,979	47,618,776	29,513,787	33,461,929
Total number of shares at the end of the period	51,842,334	45,448,661	51,842,334	45,448,661	45,448,661

Summary consolidated statement of comprehensive income

	2020	2019	2020	2019	2019
Amounts in SEK million	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Loss for the period	-6.1	-9.0	-31.5	-31.4	-48.4
Total comprehensive income for the period	-6.1	-9.0	-31.5	-31.4	-48.4
Total comprehensive income for the period, attributable to the shareholders of the Parent Company	-6.1	-9.0	-31.5	-31.4	-48.4

Summary consolidated balance sheet

Amounts in SEK million	30 September 2020	30 September 2019	31 December 2019
Non-current assets			
Intangible assets	5.5	6.7	6.3
	50.8	25.0	27.0
Total non-current assets	56.3	31.7	33.3
Current assets			
Inventories	5.3	1.0	2.1
Current receivables	4.2	8.2	5.8
Cash and cash equivalents	23.6	32.1	16.9
Total current assets	33.1	41.4	24.8
Total assets	89.5	73.0	58.0
Equity and liabilities			
Equity			
Share capital	6.0	5.3	5.3
Non-restricted reserves	77.8	88.3	88.2
Profit for the period	-31.5	-31.4	-48.4
Total equity	52.3	62.2	45.1
Non-current liabilities	14.5	1.1	0.1
Current liabilities	22.7	9.8	12.9
Total liabilities and equity	89.5	73.0	58.0

Summary consolidated statement of changes in equity

Amounts in SEK million	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Equity at the beginning of the period	58.4	66.1	45.1	19.1	19.1
New issue of shares	0.0	5.0	0.0	83.5	83.4
Unregistered share capital	0.0	0.0	0.0	0.0	0.0
Exercising of share warrants	0.0	0.0	38.4	0.0	0.0
Received option premiums	0.0	0.2	2.3	0.2	0.2
New issue expenses	0.0	-0.1	-2.0	-9.2	-9.3
Total comprehensive income for the period	-6.1	-9.0	-31.5	-31.4	-48.4
Total equity at the end of the period	52.3	62.2	52.3	62.2	45.0

Summary consolidated statement of cash flows

	2020	2019	2020	2019	2019
Amounts in SEK million	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Current operations					
Operating loss before financial items	-5.7	-9.0	-30.7	-30.5	-47.4
Non-cash items	2.0	0.9	4.7	3.1	4.7
Net financial income/expense	-0.4	0.0	-0.8	-0.9	-1.0
Cash flow from operating activities before changes in working capital	-4.1	-8.1	-26.8	-28.3	-43.7
Increase/decrease in inventories	-1.1	-0.2	-3.2	0.2	-0.9
Increase/decrease in current assets	-1.0	-0.7	1.5	-3.5	-1.5
Increase/decrease in operating liabilities	2.6	-5.2	3.2	1.7	5.1
Cash flows from operating activities	-3.5	-14.2	-25.2	-29.9	-41.0
Investing activities					
Investments in intangible assets	0.0	0.0	0.0	0.0	0.0
Investments in property, plant and equipment	-6.6	-3.4	-10.6	-9.0	-12.5
Cash flows from investing activities	-6.6	-3.4	-10.6	-9.0	-12.5
Financing activities					
New issues	0.0	5.0	0.0	73.7	74.2
Issue expenses	0.0	0.0	-2.0	0.0	0.0
Received option premiums	0.0	0.0	38.4	0.0	0.0
Repayments	0.0	0.2	2.3	0.2	0.2
Repayments	-0.5	-0.3	-1.1	-17.7	-18.7
Borrowings	0.0	0.0	5.0	6.8	6.8
Increase/decrease in current financial liabilities	0.0	0.0	0.0	0.0	0.0
Cash flows from financing activities	-0.5	4.9	42.6	63.0	62.4
Cash flow for the period	-10.7	-12.7	6.7	24.1	8.9
Cash and cash equivalents at the beginning of the period	34.3	44.9	16.9	8.0	8.0
Cash and cash equivalents at the end of the period	23.6	32.1	23.6	32.1	16.9

Summary Parent Company income statement

	2020	2019	2020	2019	2019
Amounts in SEK million	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating income					
Net sales	8.5	3.5	20.4	10.0	12.0
Total revenue	8.5	3.5	20.4	10.0	12.0
Operating expenses					
Purchase of products and services	-1.5	-1.3	-7.0	-5.5	-8.8
Other external expenses	-5.6	-5.5	-20.4	-18.9	-26.0
Payroll expenses	-6.0	-4.9	-20.0	-13.5	-20.7
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-1.3	-0.7	-3.8	-2.5	-3.8
Other operating expenses	0.0	0.0	-0.1	0.0	-0.1
Total operating expenses	-14.3	-12.4	-51.2	-40.5	-59.4
Operating loss	-5.8	-8.9	-30.8	-30.5	-47.4
Profit/loss from financial investments					
Financial income	0.0	0.0	0.0	0.0	0.0
Financial expenses	-0.1	0.0	-0.1	-0.9	-0.9
Loss after financial items	-5.8	-8.9	-30.8	-31.4	-48.3
Tax on profit for the year	-	-	-	-	-
Loss for the period	-5.8	-8.9	-30.8	-31.4	-48.3

Summary Parent Company balance sheet

Amounts in SEK million	30 September 2020	30 September 2019	31 December 2019
Non-current assets			
Intangible assets	5.5	6.7	6.3
	34.2	24.0	26.6
Financial assets	0.1	0.1	0.1
Total non-current assets	39.8	30.7	33.0
Current assets			
Inventories	5.3	1.0	2.1
Current receivables	4.9	8.2	6.0
Cash and cash equivalents	23.2	31.9	16.7
Total current assets	33.3	41.1	24.7
Total assets	73.1	71.9	57.7
Equity and liabilities			
Equity			
Share capital	6.0	5.1	5.3
Restricted equity	5.9	6.5	6.0
Non-restricted equity	38.1	50.0	33.2
Total equity	50.0	61.6	44.5
Non-current liabilities	2.4	0.7	0.4
Current liabilities	20.6	9.6	12.8
Total liabilities and equity	73.1	71.9	57.7

Note I – Accounting policies

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. The accounting policies used are consistent with the financial year that ended on December 31, 2019. No new IFRS or IFRIC interpretations with application as of 2020 or later are expected to have a material impact on the Group.

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the company and describes the significant risks and uncertainties faced by the company.

Karlskoga, November 5, 2020

Robert Sobocki, *Chairman*

Börje Vernet

Thomas Carlström

Anna Frick

Kjell Östergren

Pär Teike, *CEO*

Future set dates for information

Year-end report 2020	February 19, 2021
Interim report for the first quarter 2021	May 7, 2021
Interim report for the second quarter 2021	August 18, 2021
Interim report for the third quarter 2021	November 5, 2021
Year-end report 2021	February 18, 2022

Certified Adviser

FNCA Sweden AB (+46 8 528 003 99) has been appointed Certified Adviser for Cell Impact.

This interim report has not been the subject of any review by the company's auditors.

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