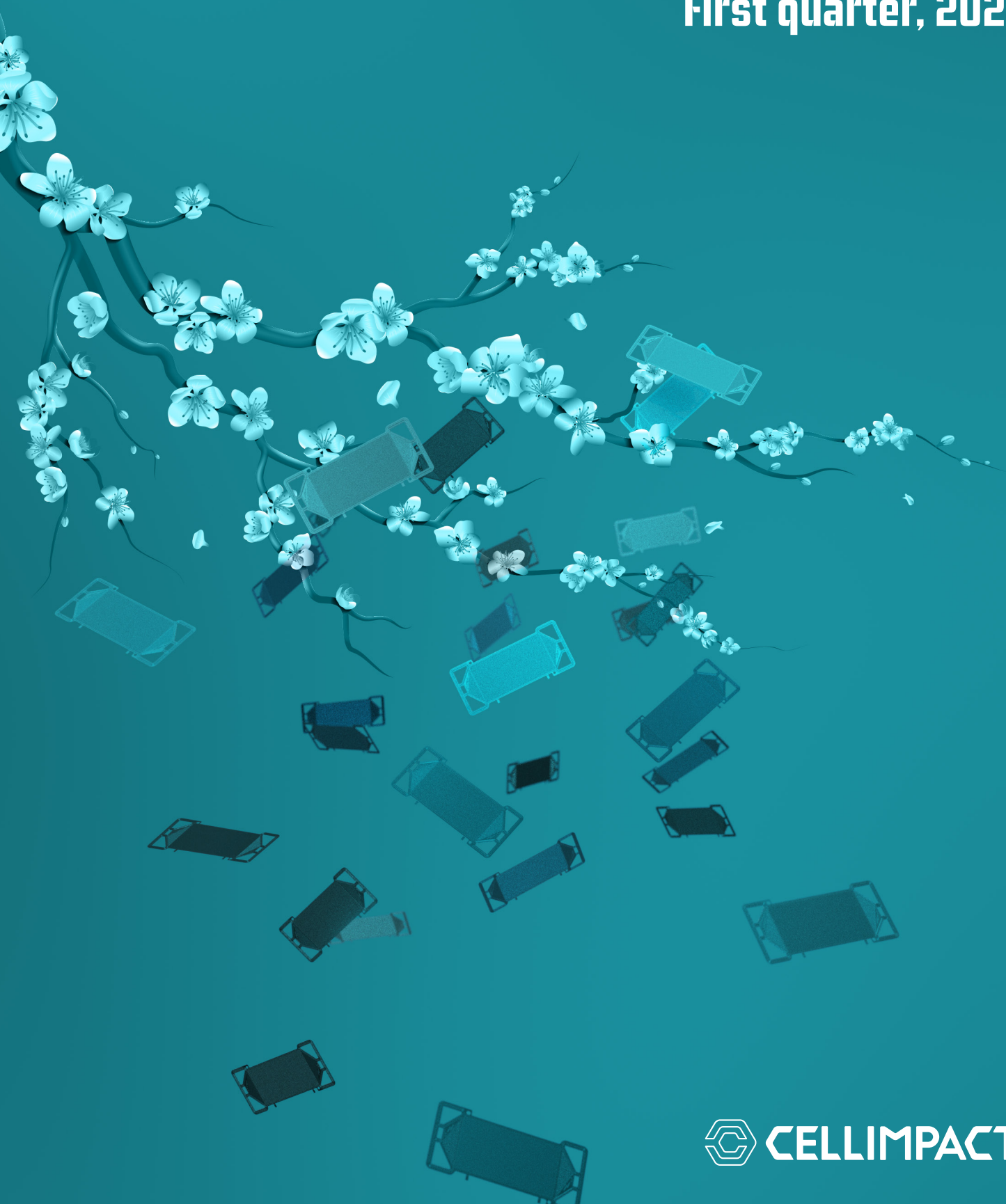


INTERIM REPORT

First quarter, 2021



*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.*

First quarter, 2021

Financial summary

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

- » Revenues for the first quarter totaled SEK 12.1 million, which is growth of 70% for the quarter.
- » Operating result was SEK -14.4 million during the quarter (-11.5).
- » The Group's result after financial items was SEK -14.7 million (-11.5).
- » Earnings per share attributable to the shareholders of the Parent Company totaled SEK -0.25 (-0.25) during the quarter.
- » Equity was SEK 187.2 million (33.6) or SEK 3.18 per share (0.74) on the balance sheet date.
- » Debt/equity ratio was 78% (71%) on the balance sheet date.
- » Cash flows from operating activities amounted to SEK -8.2 million (-12.8) during the quarter.
- » On the balance sheet date, the Group's cash and cash equivalents totaled SEK 129.8 million (2.7).

Significant events in the period

- » January 12, 2021 | Cell Impact appoints Mr Forrest Zhang as China Country Manager
- » March 12, 2021 | Cell Impact receives SEK 42 million order from Plug Power for new production line and flow plates
- » March 15, 2021 | Nowogen Technology places SEK 1.3 million order for serial production of flow plates
- » March 26, 2021 | Cell Impact publishes Annual Report for 2020
- » March 31, 2021 | Cell Impact Japan Inc. office now opened

CEO's message

During the first quarter of 2021, Cell Impact achieved sales of SEK 12.1 million, which is SEK 5.0 million higher than the corresponding quarter last year. The operating result was SEK -14.4 million during the quarter (-11.5). The slightly more negative operating result is due to the significant investments for growth that are now taking place in premises, equipment and personnel.

Positive sales development

The year 2021 started strong with sales at a record level. Our sales mix consisted of flow plates, tools and production equipment, with the latter category constituting the largest share. In the short term, however, flow plates will clearly be the largest revenue-generating product by far. Tool sales are a recurring item that leads to either the sale of a new product or the replacement of an existing tool that has reached the end of its life cycle.

In some cases, Cell Impact's unique forming technology and other production equipment will be sold if it can contribute significantly to the company's strategy to increase long-term sales of flow plates with strategically important manufacturers of fuel cells and electrolyzers. In these cases, there is generally a close customer relationship and conditions in place that guarantee a long-term and successful collaboration based on the same technical platform – Cell Impact Forming™.

Order from world-leading Plug Power

During the quarter, we received a SEK 42 million order from Plug Power, the largest in Cell Impact's history. Among other things, it includes the sale of a Cell Impact Forming™ line and our largest order ever for bipolar flow plates. The order is the result of goal oriented cooperation between the companies over several years. Cell Impact has developed and made Cell Impact Forming™ available and contributed knowledge in application and process development. We've collaborated successfully with Plug Power for several years, growing alongside one of the world's leaders in the fuel cell industry. This order can be seen as validation of Cell Impact Forming™ and the company's ability to satisfy demanding customer requirements with knowledge and industrial activity. Cell Impact and Plug Power will continue to work together on the basis that both companies will make flow plates using the same forming technology – Cell Impact Forming™.

As previously announced, the production line will be installed at the Plug Power Innovation Center in Rochester, New York. Both Plug Power's innovation Center

and Cell Impact's production facility in Karlskoga will produce and supply Plug Power with flow plates for fuel cells. This dual production structure aims to reduce the risk in the supply chain by building several production sites for flow plates based on Cell Impact's forming technology.

Production

Compared with the final quarter of 2020, Cell Impact's production increased during the first quarter of 2021. To enable this growth, we recruited about thirty new operators and technicians. This means that the number of employees almost doubled compared with the end of 2020. It is gratifying to note that in the labor market, there is great interest in companies participating in the green transition. This year alone, we have received more than 600 applications for the positions we've advertised.

It is an exciting challenge to be recruiting and putting new equipment into operation. The entire company is committed in various ways to enabling this and boosting activity levels in line with the demand for our products.

Internationalization

Cell Impact Japan Inc. opened in Tokyo during the quarter. The company will focus activities that are already ongoing in addition to positioning Cell Impact in the growing Japanese hydrogen industry by getting fuel cell manufacturers to explore the possibilities of Cell Impact's production technology for flow plates – Cell Impact Forming™.

Biden sets ambitious new climate goals

US President Joe Biden set a new target to reduce the the country's carbon emissions by at least 50 percent by 2030 – a significant increase in ambition in its work to reduce climate change – and hydrogen is expected to play an important role in these plans. Biden announced the new goal in connection with the climate summit held in Washington DC in April, which the US initiated to challenge and stimulate increased ambitions among other countries with high emission levels.

To achieve the new US goal, the Biden administration aims to take rapid measures, create new business opportunities through federal initiatives and drive the country's competitiveness by stimulating innovation. These initiatives support President Biden's goal to create a carbon-free power sector by 2035 and a net zero emissions economy by 2050.

Net zero economies

Along with the US, most major economies have made ambitious commitments to reduce greenhouse gas emissions. Although they may still not be enough to achieve the Paris Agreement's 1.5°C goal, they represent a significant change compared with the global situation just a year ago. Net zero goals for large companies and countries in the long term are the new buzz words and the major driving force to avoid a climate catastrophe, as well as to stimulate climate-smart capital investments.

With Biden's climate policy and the US as an active participant in global initiatives to reduce climate change, green services and products will be increasingly in demand in the global market. Cell Impact has positioned itself to grow in this environment through efficient technology, a high level of expertise to adapt production to the design of flow plates and continuous expansion in capacity to meet the demand for flow plates from manufacturers of fuel cells and electrolysis equipment.



Some interesting hydrogen news to share

As usual, here are some of the more interesting headlines from the news feed during the quarter:

- Green hydrogen production is now gaining momentum. Globally, in 2020, at least USD 150 billion worth of projects that intend to use renewable energy sources to produce hydrogen were announced.
[Read more](#)
- Total global investments are growing at record speed. All together, hydrogen investments now amount to USD 300 billion.
[Read more](#)
- The big news in the automotive world is the collaboration between Toyota, Isuzu and Hino to develop the commercial vehicles of the future. The key word for the new company is CASE (Connected, Autonomous, Shared and Electric) and it covers the development of the entire vehicle transport sector.
[Read more](#)
- American truck manufacturer Hyzon, which is perhaps somewhat lesser-known to us here in Sweden, announced that it will now offer drivelines with fuel cells. With falling prices, better infrastructure and new business models, the majority of manufacturers of heavy vehicles are now investing in hydrogen technology.
[Read more](#)
- The expansion of hydrogen infrastructure in Europe is continuing. European Hydrogen Backbone (EHB) has announced plans to partially use existing pipelines to build a large hydrogen distribution network covering 11 European countries.
[Read more](#)
- The collaboration between Volvo Trucks and Daimler to develop fuel cell technology for heavier trucks seems to be progressing rapidly. In this video from Volvo, Lars Stenqvist (CTO) explains how it is intended to work.
[Watch video](#)
- For anyone who loves racing, I can recommend Extreme-E! This is where fast battery and hydrogen-powered off-road cars compete against each other in a championship with lofty environmental goals. Right now, team Nico Rosberg with Swedish Johan Kristoffersson and Australian Molly Taylor is in the lead. The next competition will take place in Senegal on May 29 and 30.
[Read more](#)
- Finally, I'll wrap up with some light entertainment. What do you get when you combine K-Pop, hydrogen and Hyundai's new Nexo? This inspirational commercial!
[Watch it here](#)

Pär Teike, President & CEO
Karlskoga, April

Financial performance in summary

	2021	2020	2020
Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	12.1	7.1	29.3
Operating result	-14.4	-11.5	-43.1
Result after financial items	-14.7	-11.5	-44.3
Profit/loss after tax, attributable to the shareholders of the Parent Company	-14.7	-11.5	-44.3
Cash flows from operating activities	-8.2	-12.8	-47.6
Earnings per share attributable to the shareholders of the Parent Company (in SEK)	-0.25	-0.25	-0.88

	03/31/21	03/31/20	12/31/20
Cash and cash equivalents on the balance sheet date	129.8	2.7	151.9
Debt/equity ratio (%)	78%	71%	83%
Equity/share	3.18	0.74	3.43

Revenue

The Group's revenues for the quarter (which are the same as the Parent Company's) were SEK 12.1 million (7.1), which is higher than the previous year and represents growth of 70 percent for the quarter.

Revenues during the quarter refer to the completion of orders received in 2020 and 2021 and new orders received during the quarter. Revenues are mainly related to the large order the company received from Plug Power in March.

Performance

The Group's operating result for the period was SEK -14.4 million (-11.5). During the quarter, the company had increased personnel expenses due to a targeted investment in production and human resources.

Other information

Financial position

Equity has declined since the beginning of 2021, from SEK 201.9 million to SEK 187.2 million in the first quarter of 2021. The decrease is primarily related to increased operating costs and production-related investments.

Funding and liquidity

Cash flows from operating activities before the change in working capital totaled SEK -12.6 million during the quarter, which was primarily due to the loss made in the period.

Investments of SEK 13.3 million aimed at improving Cell Impact's production process and adaptations of new premises were made during the period. During the first quarter 2021, SEK 0.5 million of the company's non-current liabilities was repaid, with liabilities totaling SEK 17.7 million as at March 31, 2021. The company's cash and cash equivalents dropped by SEK 22.1 million during the quarter from SEK 151.9 million as of December 31, 2020 to SEK 129.8 million as of March 31, 2021 primarily as a result of increased production costs and production-related investments.

Employees

Staff costs amounted to SEK -10.5 million during the quarter (-6.9). The total number of employees was 48 (38) at the end of the quarter.

Staff costs in relation to the comparison period are attributable to the fact that there were more employees during the period and no capitalized staff costs.

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 Hydro-power subsidiary is dormant. The balance sheets for the Parent Company and the Group are also essentially the same, with the exception of IFRS items and the fact that among other items, 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 58,624,534. The total number of votes in the company amounts to 6,080,253, 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 58,842,334 shares. The company's registered share capital was SEK 6,811,362 as at March 31, 2021. 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 that was prepared in connection with the share issue in 2019 and is available at cellimpact.com.

Estimates and judgments

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 the company's Board of Directors stated in the fourth quarter of 2020, Cell Impact received a contribution of SEK 175 million before issue expenses in a directed share issue. The proceeds from the issue will 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 Covid-19 pandemic

Cell Impact has been affected in different ways by the ongoing pandemic. The company follows the authorities' recommendations for Covid-19 and there have been three cases of Covid-19 among employees at Cell Impact. Precautions to avoid the spread of infection have led to a certain increase in absenteeism. Despite the pandemic, however, the company has managed to keep its production line open and carry out other essential activities in a satisfactory manner.

During previous quarters, the company's customers' purchasing volumes decreased due to delays related to the pandemic. After several quarters, it is now apparent that customers and prospects have adapted to the pandemic limitations and achieved better continuity and productivity in the way they work, which has also gradually improved the situation for Cell Impact in terms of ongoing customer projects and order intake. Cell Impact is hopeful that even if we are in a phase with a high level of infection, the company's customers will continue to gradually improve their own situations, which could mean an increase in demand for Cell Impact's services.

The company is continuing to closely monitor developments and their impact on customers, suppliers and prospects, and will adjust operating costs and investment levels if the business situation so requires.

Financial statements

Summary consolidated income statement

	2021	2020	2020
Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
Revenue (Notes 2,3)			
Net sales	12.1	7.1	29.3
Other revenue	0.4	–	–
Total revenue	12.5	7.1	29.3
Operating costs			
Raw materials and consumables	-5.0	-2.5	-10.2
Other external costs	-9.3	-7.8	-26.4
Staff costs	-10.5	-6.9	-28.9
Depreciation and amortization	-2.1	-1.5	-6.7
Other operating expenses	0.0	-0.1	-0.2
Total operating expenses	-26.8	-18.8	-72.4
Operating profit/loss	-14.4	-11.5	-43.1
Net finance costs	-0.3	0.1	-1.2
Profit/loss before tax	-14.7	-11.5	-44.3
Tax on profit/loss for the year	0.0	0.0	0.0
Profit/loss attributable to the shareholders of the Parent Company	-14.7	-11.5	-44.3
Earnings per weighted number of shares, before and after dilution, attributable to the Parent Company's shareholders (in SEK)	-0.25	-0.25	-0.88
Weighted number of shares during the period	58,842,334	45,448,661	50,325,244
Total number of shares at the end of the period	58,842,334	45,448,661	58,842,334

Summary consolidated statement of comprehensive income

	2021	2020	2020
Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
Profit/loss for the period	-14.7	-11.5	-44.3
Total comprehensive income for the period	-14.7	-11.5	-44.3
Total comprehensive income for the period, attributable to the Parent Company's shareholders	-14.7	-11.5	-44.3

Summary consolidated balance sheet

Amounts in SEK million	Mar 31 2021	Mar 31 2020	Dec 31 2020
Non-current assets			
Intangible assets	5.0	6.0	5.2
Property, plant and equipment	56.7	26.8	44.4
Right-of-use assets	15.0	–	15.9
Total non-current assets	76.7	32.8	65.6
Current assets			
Inventories	10.3	3.3	8.4
Current receivables	23.6	8.6	17.0
Cash and cash equivalents	129.8	2.7	151.9
Total current assets	163.7	14.6	177.3
Total assets	240.4	47.4	242.9
Equity and liabilities			
Equity			
Share capital	6.8	5.3	6.8
Other contributed capital	428.8	39.8	388.5
Retained earnings including profit for the year	-248.3	-11.5	-193.4
Total equity	187.2	33.6	201.9
Non-current liabilities	17.7	0.0	18.6
Current liabilities	35.4	13.8	22.4
Total liabilities and equity	240.4	47.4	242.9

Summary consolidated statement of changes in equity

Amounts in SEK million	2021	2020	2020
	Jan-Mar	Jan-Mar	Jan-Dec
Equity at the beginning of the period	201.9	45.1	45.0
New issue of shares	–	–	175.0
Exercising of share warrants	–	–	38.4
Received option premiums	–	–	2.3
New issue expenses	–	–	-14.6
Total comprehensive income for the period	-14.7	-11.5	-44.3
Total equity at the end of the period	187.2	33.6	201.9

Summary consolidated statement of cash flows

	2021	2020	2020
Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
Operating activities			
Operating result before financial items	-14.4	-11.5	-43.1
Non-cash items	2.1	1.5	6.7
Net finance income	-0.3	–	-1.2
Cash flow from operating activities before changes in working capital	-12.6	-10.0	-37.5
Increase/decrease in inventories	-1.9	-1.2	-6.2
Increase/decrease in current assets	-6.6	-3.9	-11.3
Increase/decrease in operating liabilities	12.9	2.2	7.4
Cash flows from operating activities	-8.2	-12.8	-47.6
Investing activities			
Investments in property, plant and equipment	-13.4	-1.0	-22.0
Disposals of property, plant and equipment	–	–	0.1
Cash flows from investing activities	-13.3	-1.0	-22.0
Financing activities			
New issues	–	–	175.0
Issue costs	–	–	-14.6
Exercising of warrants	–	–	38.4
Received option premiums	–	–	2.3
Repayments	–	-0.3	-1.5
Principal elements of lease payments	-0.5	–	–
Borrowings	–	–	5.0
Cash flows from financing activities	-0.5	-0.3	204.6
Cash flows for the period	-22.1	-14.2	135.0
Cash and cash equivalents at the beginning of the period	151.9	16.9	16.9
Cash and cash equivalents at the end of the period	129.8	2.7	151.9

Summary Parent Company income statement

	2021	2020	2020
Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
Operating income			
Net sales	12.1	7.1	29.3
Changes in inventory and work in progress	0.4	–	–
Total revenue	12.5	7.1	29.3
Operating costs			
Raw materials and consumables	-5.0	-2.5	-10.2
Other external costs	-10.1	-7.8	-28.1
Staff costs	-10.5	-6.9	-28.9
Depreciation and amortization	-1.4	-1.5	-5.1
Other operating expenses	0.0	–	-0.2
Total operating expenses	-27.0	-18.7	-72.5
Operating profit/loss	-14.5	-11.5	-43.2
Net finance costs	-0.1	–	-0.2
Profit/loss before tax	-14.6	-11.5	-43.3
Tax on profit/loss for the year	–	–	–
Profit/loss for the period	-14.6	-11.5	-43.3

Parent Company's statement of comprehensive income

	2021	2020	2020
Amounts in SEK million	Jan-Mar	Jan-Mar	Jan-Dec
Profit/loss for the period	-14.6	-11.5	-43.3
Other comprehensive income	–	–	–
Comprehensive income for the year attributable to Parent Company's shareholders	-14.6	-11.5	-43.3

Summary Parent Company balance sheet

Amounts in SEK million	Mar 31 2021	Mar 31 2020	Dec 31 2020
Non-current assets			
Intangible assets	5.0	6.0	5.2
Property, plant and equipment	56.7	26.8	44.4
Financial assets	0.1	0.1	0.1
Total non-current assets	61.7	32.9	49.7
Current assets			
Inventories	10.3	3.3	8.4
Current receivables	24.3	8.6	17.7
Cash and cash equivalents	129.3	2.5	151.5
Total current assets	163.9	14.3	177.5
Total assets	225.6	47.2	227.2
Equity and liabilities			
Restricted equity			
Share capital	6.8	5.3	6.8
Development expenditure reserve	4.9	6.1	5.2
	11.7	11.4	12.0
Non-restricted equity			
Share premium reserve	368.8	171.5	368.8
Retained earnings	-180.6	-138.5	-137.4
Profit/loss for the period	-14.6	-11.5	-43.4
	173.6	21.6	188.0
Total equity	185.3	33.0	200.0
Non-current liabilities	7.1	0.4	7.1
Current liabilities	33.2	13.8	20.1
Total liabilities and equity	225.6	47.2	227.2

NOTE 1 – ACCOUNTING POLICIES

The interim report of the Group was prepared in accordance with the Swedish Annual Accounts Act and IAS 34. The Parent Company applies the Swedish Annual Accounts Act and RFR 2. The accounting policies used are consistent with the financial year that ended on December 31, 2020, except for new or revised standards that have been applied as of January 1, 2021. No new IFRS or IFRIC interpretations with application as of 2021 or later are expected to have a material impact on the Group.

NOTE 2 – DISTRIBUTION OF REVENUE

	Group		Parent Company	
	2021	2020	2021	2020
Revenue includes the sale of:				
Goods	12.1	7.1	12.1	7.1
Services	–	–	–	–
Total	12.1	7.1	12.1	7.1
Other revenue includes revenue from:				
Changes in inventory and work in progress	0.4	–	0.4	–
Total	0.4	–	0.4	–

NOTE 3 – REVENUE BY GEOGRAPHIC MARKET

	Group		Parent Company	
	2021	2020	2021	2020
Revenue is distributed over geographic markets as follows:				
Sweden	0.1	0.0	0.1	0.0
Other Europe	–	–	–	–
North America	11.9	4.9	11.9	4.9
Asia	0.1	2.2	0.1	2.2
Total	12.1	7.1	12.1	7.1
Revenue from major customers				
Customer A	–	4.4	–	4.4
Customer B	–	2.0	–	2.0
Customer C	–	–	–	–
Customer D	0.1	0.7	0.1	0.7
Customer E	11.9	–	11.9	–

The Board of Directors and the CEO affirm that this year-end 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, May 7, 2021

Robert Sobocki, Chairman

Mattias Silfversparre

Thomas Carlström

Anna Frick

Mikael Eurenus

Pär Teike, CEO

Financial calendar

Interim report for the second quarter 2021	August 25, 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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