

First quarter 2021



First Quarter, January-March 2021 (last year's figures within brackets)

- Net sales amounted to 29,749 (26,727) thousand SEK
- Operating income, before items affecting comparability, amounted to -22,689 (-17,609) thousand SEK
- Operating income amounted to -23,945 (-17,609) thousand SEK
- Income after tax amounted to -16,499 (7,793) thousand SEK
- Operating cash flow amounted to -11,182 (-32,700) thousand SEK
- Diluted earnings per share amounted to neg (0.16) SEK

Financial highlights

Thousand SEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	29,749	26,727	103,528
Operating income before items affecting comparability	-22,689	-17,609	-97,749
Operating income	-23,945	-17,609	-103,386
Income after tax	-16,499	7,793	-116,622
Basic and diluted earnings per share, SEK	Neg	0.16	neg
Net debt/equity ratio, %	78,8%	82,5%	81,0%
Operating cash flow	-11,182	-32,700	-3,863

Definitions, please see page 15.

Important events in January-March 2021

- PowerCell Sweden AB receives order for fuel cell system from a leading construction equipment manufacturer
- PowerCell Sweden AB receives order for MS-100 fuel cell system from University of Texas
- PowerCell Sweden AB launches PowerCellution – a new brand for products and services
- PowerCell Sweden AB receives order from Prototech AS for a marine fuel cell module
- PowerCell Sweden AB receives follow-on order from fuel cell systems from ZeroAvia worth MSEK 5.1
- PowerCell Sweden's AB CFO Karin Nilsson gets broader responsibilities as Vice President and leaves the role as CFO

Regarding Covid 19

The ongoing Corona virus pandemic has had a very negative impact on society and the world economy and led to extensive human suffering. During the quarter the outbreak has continued to affect our activity level in China specifically but has not had any significant impact on PowerCell's revenues or profitability on an overall level. How the pandemic will affect PowerCell going forward is however currently hard to predict given the high degree of uncertainty surrounding the outbreak and its developments.

Important events after period-end

- PowerCell Sweden AB receives follow-on order for two fuel cell systems from global U.S. agriculture equipment manufacturer
- PowerCell Sweden AB receives 25 MSEK order for fuel cell systems for aerospace drivetrain research
- PowerCell Sweden AB presents comprehensive product portfolio optimized for off-road electrification
- PowerCell Sweden AB establishes presence in the Norwegian market
- PowerCell Sweden AB holds annual general meeting
- PowerCell Sweden AB and Hitachi ABB Power Grids deepen the collaboration within stationary power solutions

Continued sales growth and greater interest in hydrogen-electric solutions

During the first quarter of 2021, PowerCell Sweden increased its sales by 11% to MSEK 29.7 (26.7), making it the best first quarter to date in terms of sales. The increase is a result of sustained high sales to Robert Bosch GmbH.

In parallel, we can see that customers in several new segments are prepared to test hydrogen-electric solutions to meet increasing emissions requirements from both end customers and regulators.

The sales figures reflect, above all, the orders secured from Robert Bosch GmbH at the end of 2020 with delivery during the first quarter. Our sales are at times extensive to our German partner, which within the framework of our joint development and license agreement also has industrialization rights for the licensed product. Robert Bosch GmbH is now preparing to manufacture its own systems based on our technology, and in accordance with our license agreement, and the company recently announced that it has entered into an agreement with a Chinese truck manufacturer to deliver fuel cell systems built on our S3 stack.

Looking ahead we expect sales to Robert Bosch GmbH to decline as a share of total sales as we increase sales to our other prioritized segments, not least to the stationary segment. In this context, it is gratifying to see that after quarter-end we announced a closer collaboration with Hitachi ABB Power Grids in fuel cell-based stationary power solutions. The conditions for our collaboration and a long-standing partnership are excellent. By combining our offer and complementary competencies we can create value for our customers while at the same time strengthen each other in the value chain. With our packaged complete solutions we will be able to jointly address a large and expanding market.

Operating income before items affecting comparability amounted to MSEK -22.7 (-17.6) for the first quarter. The lower operating income was largely due to operational currency effects and adjusted for these, the income for the quarter was more or less unchanged year-over-year (-22.5 vs -22.7 MSEK). The items affecting comparability are associated with the development and launch of our new product brand, PowerCellution. Gross margin improved slightly during the quarter, from approximately 29.5% to 32%. The main change in net income was attributable to the substantial positive currency effects that arose during the first quarter of 2020 as a result of the revaluation at the end of the quarter of the assets held in EUR in our EUR account.

Preparations for growth journey

Stricter legal requirements and higher ambition levels to reduce carbon emissions are now accelerating the transition toward electrification in an increasing number of segments. What makes fuel cell technology a commercially attractive technology in this transition is that it does not require customers to fundamentally change their behavior in the operational process; they are offered the same performance with fuel cells and do not need to compromise in terms of drivability, range, up-time or payload capacity. For customers and segments where hydrogen electric solutions will be commercially viable, our combination of an existing industrialized product portfolio and our capability to offer customer adapted solutions, will lower our customers' investments, their technical risk and shorten their time-to-market.

Powercell is now preparing for its growth journey as the technology shift takes place. The measures include improving internal efficiency and clarifying how we can generate long-term value for our customers. As the market and value chain for hydrogen-electric solutions matures, we are taking measures to build long-term relationships where we can demonstrate our expertise

in how our customers use our products to contribute to their value generation. Our success is dependent on the success of our customers. Only when we can make this contribution will we be able to fully leverage the potential offered by our extensive experience and our leading technical know-how in hydrogen-electric solutions.

While I am pleased to have announced the best first quarter ever in terms of sales, we are committed to accelerate growth going forward.

Richard Berkling
CEO PowerCell Sweden AB

Income and financial position

THE GROUP

Total sales and income for the first quarter 2021

Sales for the period January to March 2021 amounted to 29,749 (26,727) thousand SEK. The increase in sales is mainly due to higher sales of fuel cell stacks to Robert Bosch GmbH. Other operating income for the period, which mainly consists of grants, amounted to 5,231 (8,545) thousand SEK.

Operating income before items affecting comparability amounted to -22,689 (-17,609) thousand SEK for the period January to March 2021. Operating income after items affecting comparability amounted to -23,945 (-17,609) thousand SEK for the period January to March 2021. The items affecting comparability are associated with the launch of PowerCellution, the new product and services brand. The decline in operating income both before and after items affecting comparability is attributable to negative operational currency effects. Adjusted for operational currency effects operating income before items affecting comparability was more or less flat (-22,489 vs -22,693 thousand SEK).

The decrease in financial net is mainly attributable to a re-evaluation of bank assets in Euro at period-end. The currency effects related to the re-evaluation of the Robert Bosch GmbH payment on a EUR account amounted to 7,650 thousand SEK during the quarter.

Liquidity and cash flow for the first quarter 2021

The operating cash flow for the period amounted to -11,182 thousand SEK compared to -32,700 thousand SEK for the same period last year. The difference is explained by changes in operating capital mainly linked to higher sales and a subsequent reduction of inventory.

The Group's financial position and liquidity are satisfactory. Cash and cash equivalents at March 31, 2020 amounted to 406,403 thousand SEK.

Investments for the first quarter 2021

Total investments of 4,970 (448) thousand SEK, of which tangible fixed assets 4,277 (488) thousand SEK, financial fixed assets 693 (-) thousand SEK, were made during the period.

THE PARENTAL COMPANY

Sales and operating income for the first quarter 2021

Sales for the period January to March 2021 amounted to 29,288 (26,570) thousand SEK. The increase in sales is mainly due to higher sales of fuel cell stacks to Robert Bosch GmbH.

Other operating income for the period, which mainly consists of grant funding, amounted to 5,415 (8,545) thousand SEK.

Operating income for the period January to March 2021 before items affecting comparability, amounted to -21,927 (-17,275) thousands SEK. Operating income after items affecting comparability amounted to -23,183 (-17,275) thousand SEK. The items affecting comparability are associated with the launch of PowerCellution, the new product and services brand.

The decline in operating income both before and after items affecting comparability is attributable to negative operational currency effects. Adjusted for operational currency effects the change in operating income before items affecting comparability was less significant (-21,711 vs -22,359 thousand SEK).

Significant risks for the group and the parental company

Through its operations, PowerCell is exposed to risks and uncertainties. For an extensive information of the most significant risks, please see the risk section on pages 24-25 and 34-36 in the Annual Report for 2020.

Personnel

At quarter-end, the Group had 61 (49) employees measured as full-time equivalents, FTE.

The share

The share is listed on First North at Nasdaq Stockholm (PCELL, ISIN code: SE 000 642 5815, LEI code 549300751J7TGOK3VC02). The share capital of PowerCell amounts per March 31, 2021 to SEK 1,147,133.55 and is divided into 52,142,434 shares with a par value of SEK 0.022.

Ownership per March 31, 2021*

	No of shares	Ownership
Bosch Group	5,848,531	11.2%
Others	46,293,903	88.8%
Total	52,142,434	100.0%

* Source: Euroclear

Note: The German Clearing Bank, Clearstream Banking, had on March 31, 2021, a holding of a total of 16,595,969 PowerCell shares corresponding to an ownership of 31.8%. The company has no means of establishing the actual ownership of this holding.

Upcoming reports

Interim report Q2, 20 August 2021

Interim report Q3, 12 November 2021

Gothenburg, May 11, 2021

Richard Berkling
CEO

This report has not been reviewed by the Company's auditor.

FINANCIAL REPORTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in Thousand SEK	Note	Financial period		
		Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	3	29,749	26,727	103,528
Cost of goods and services sold		-20,104	-18,855	-77,748
Gross profit		9,645	7,872	25,780
Selling and administrative costs	4	-15,197	-13,510	-59,187
Research and development costs		-20,641	-20,393	-73,117
Other operating income	7	5,231	8,545	15,371
Other operating costs	8	-1,034	327	-5,694
Portion of profit after tax from associated companies recognized in accordance with the equity method		-693	-450	-902
Operating income before items affecting comparability		-22,689	-17,609	-97,749
Items affecting comparability	6	-1,256	-	-5,637
Operating profit (loss) after items affecting comparability		-23,945	-17,609	-103,386
Net financial items		7,481	25,444	-13,137
Profit (loss) before tax		-16,464	7,835	-116,523
Income tax		-35	-41	-99
Profit (loss) for the period		-16,499	7,793	-116,622
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Exchange differences from foreign operations		7	80	-176
Other comprehensive income for the period		7	80	-176
Total comprehensive income for the period		-16,492	7,873	-116,798

Profit (loss) for the period and total comprehensive income are, in their entirety, attributable to shareholders of the Parent Company.

Earnings per share, calculated on profit (loss) for the year attributable to Parent Company shareholders of ordinary shares:

Amounts in SEK		Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Earnings per share, basic	5	neg.	0.16	neg.
Earnings per share, diluted	5	neg.	0.16	neg.

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

Amounts in Thousand SEK

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	1,314	1,498	1,083
Right of use (leasing)	45,014	48,759	44,862
Tangible fixed assets	29,075	21,183	26,959
Financial assets	-	162	-
Total non-current assets	75 403	71,601	72,904
Current assets			
Inventories	39,662	51,484	39,825
Current receivables	38,614	139,693	35,117
Cash and cash equivalents	406,403	432,026	416,846
Total current assets	484,679	623,203	491,788
TOTAL ASSETS	560,082	694,804	564,692

Amounts in Thousand SEK

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
Share capital	1,147	1,141	1,147
Other contributed capital	635,007	625,926	635,007
Reserves	-200	49	-207
Retained earnings (including profit (loss) for the year)	-194,886	-53,972	-178,387
Total equity attributable to Parent Company shareholders	441,068	573,144	457,560
LIABILITIES			
Non-current liabilities, interest-bearing	34,286	-	35,131
Non-current liabilities	30,498	70,147	30,457
Current liabilities, interest-bearing	7,662	-	7,273
Current liabilities	46,568	51,513	34,271
Total liabilities	119,014	121,660	107,132
TOTAL EQUITY AND LIABILITIES	560 082	694,804	564,692

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Thousand SEK

Attributable to shareholders of the Parent Company

	Note	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
Opening balance at January 1, 2020		1,141	625,926	-31	-61,765	565,271
Profit (loss) for the period		-	-	-	7,793	7,793
Other comprehensive income for the period		-	-	80	-	80
Total comprehensive income for the period		-	-	80	7,793	7,873
Closing balance at March 31, 2020		1,141	625,926	49	-53,972	573,144
	Note	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
Opening balance at April 1, 2020		1,141	625,926	49	-53,972	573,144
Profit (loss) for the period		-	-	-	-124,415	-124,415
Option proceeds		6	9,081	-	-	9,087
Other comprehensive income for the year		-	-	-256	-	-256
Total comprehensive income for the year		6	9,081	-256	-124,415	-115,584
Closing balance at December 31, 2020		1,147	635,007	-207	-178,387	457,560
	Note	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
Opening balance at January 1, 2021		1,147	635,007	-207	-178,387	457,560
Profit (loss) for the period		-	-	-	-16,499	-16,499
Other comprehensive income for the year		-	-	7	-	7
Total comprehensive income for the year		-	-	7	-16,499	-16,492
Closing balance at March 31, 2021		1,147	635,007	-200	-194,886	441,068

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in Thousand SEK	Note	Financial period		
		Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Cash flow from operating activities				
Operating profit (loss)		-23,945	-17,609	-103,386
Adjustments for non-cash items		4,060	3,304	11,296
Interest paid		-266	-334	-1,158
Cash flow from operating activities before changes in working capital		-20,151	-14,639	-93,248
Cash flow before changes in working capital				
Increase/decrease of inventories		163	-8,174	3,485
Increase/decrease of current receivables		-3,230	-14,946	89,602
Increase/decrease of current liabilities		12,036	5,059	-3,702
Total changes in working capital		8,969	-18,061	89,385
Cash flow from operating activities		-11,182	-32,700	-3,863
Cash flow from investing activities				
Acquisitions of tangible and intangible assets		-4,277	-448	-10,501
Change in financial assets		-693	-	-290
Cash flow from investing activities		-4,970	-448	-10,791
Cash flow from financing activities				
Repayment of leasing liability		-2,043	-1,551	-6,547
Option proceeds		-	-	9,087
Cash flow from financing activities		-2,043	-1,551	2,540
Decrease/increase of cash and cash equivalents		-18,195	-34,699	-12,114
Opening cash and cash equivalents		416,846	440,948	440,948
Effects of exchange rate changes on cash and cash equivalents		7,752	25,777	-11,988
Closing cash and cash equivalents		406,403	432,026	416,846

CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in Thousand SEK	Note	Financial period		
		Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales		29,288	26,570	103,139
Cost of goods and services sold		-20,086	-18,835	-77,761
Gross profit		9,202	7,735	25,378
Selling and administrative costs		-14,573	-13,412	-57,680
Research and development costs		-20,922	-20,470	-73,763
Other operating income		5,415	8,545	16,068
Other operating costs		-1,049	327	-5,694
Operating income (loss) before items affecting comparability		-21,927	-17,275	-95,691
Items affecting comparability		-1,256	-	-5,637
Operating profit (loss)		-23,183	-17,275	-101,328
Total profit (loss) from financial items		6,960	25,781	-12,879
Profit (loss) after financial items		-16,223	25,781	-114,207
Tax on profit (loss) for the period		-	-	-
Profit (loss) for the period		-16,223	8,506	-114,207

In the Parent Company, there are no items recognized as other comprehensive income, which is why total comprehensive income corresponds to profit (loss) for the year.

CONDENSED PARENT COMPANY BALANCE SHEET

Amounts in Thousand SEK

	Mar 31 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	1,315	1,498	1,083
Tangible fixed assets	29,061	21,162	26,946
Financial assets	3,462	2,173	3,462
Total non-current assets	33,838	24,833	31,491
Current assets			
Inventories	39,662	51,484	39,825
Current receivables	43,055	140,663	38,976
Cash and bank	403,862	430,902	413,465
Total current assets	486,579	623,049	492,266
TOTAL ASSETS	520,417	647,882	523,757

Amounts in Thousand SEK

	Mar 31 2021	Mar 31, 2020	Dec 31, 2020
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1,147	1,141	1,147
Total restricted equity	1,147	1,141	1,147
Non-restricted equity			
Share premium reserve	555,507	546,426	555,507
Retained loss	-97,317	16,890	16,890
Profit (loss) for the period	-16,223	8,506	-114,207
Total non-restricted equity	441,967	571,822	458,190
Total equity	443,114	572,963	459,337
LIABILITIES			
Non-current liabilities	30,000	30,000	30,000
Current liabilities	47,303	44,919	34,420
Total liabilities	77,303	74,919	64,420
TOTAL EQUITY AND LIABILITIES	520,417	647,882	523,757

Notes to the consolidated statements

1 General

PowerCell Sweden AB (publ) (PowerCell), Corp. Id. No 556759-8353 is a Parent Company registered in Sweden and domiciled in Gothenburg, with address Ruskvädersgatan 12, 418 34 Gothenburg, Sweden.

The Board has approved this full year consolidated financial statement for publication on May 11, 2021.

All amounts are stated in thousand SEK unless stated otherwise. Amounts in brackets refer to the comparative year.

2 Accounting policies

Powercell applies IFRS as endorsed by the EU. The accounting policies and definitions adopted are consistent with those described in the Powercell Group Annual Report 2020. This full year financial statement has been 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.

3 Net sales

Revenue

When income from external parties is reported to the CEO, they are valued in the same way as in the Group's statement of comprehensive income. Sales are reported as revenue when control of the goods is transferred to the customer, which normally coincides with its delivery. The majority of the revenue reported was sold at one point.

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Revenue from external customers			
Hardware	25,217	26,009	86,563
Services	1,031	718	2,642
Projects according to successive profit recognition	3,501	-	14,323
Total	29,749	26,727	103,528

Revenue from external customers per country, based on where customers are located:	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Sweden	61	655	5,124
Germany	21,764	22,770	64,603
China	1,011	466	3,738
Netherlands	4,281	-	14,648
Other	2,632	2,836	15,415
Total	29,749	26,727	103,528

4 Related party transactions

Since December 19, 2014, PowerCell Sweden AB (publ) is listed on Nasdaq First North Growth Stockholm. Principal shareholder at Mars 31, 2021 is Bosch GmbH with 11.2 percent of the shares.

No transactions have taken place with related parties.

5 Earnings per share

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
SEK			
Earnings per share, basic	neg	0.16	neg
Earnings per share, diluted	neg	0.16	neg

Performance measures used in the calculation of earnings per share

Profit/loss attributable to the shareholders of the Parent Company used in the calculation of earnings per share, basic and diluted

Profit (loss) attributable to Parent Company shareholders, Thousand SEK	-16,223	8,506	-114,207
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Number

Weighted average number of ordinary shares at the calculation of earnings per share, basic

	52,142,434	51,868,810	52,005,622
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Adjustment for the calculation of earnings per share, diluted

	52,142,434	52,098,118	52,242,877
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Options

Weighted average number of ordinary shares and potential ordinary shares used as the denominator at the calculation of earnings per share, diluted

	-	229,308	-
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6 Items affecting comparability

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Costs related to severance pay and change of CEO	-	-	-5,637
Costs related to new brand PowerCellution	-1,256		
Total	-1,256	-	-5,637

7 Other operating income

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Currency exchange gains	833	4,757	3,082
Grants	4,398	3,788	12,289
Total	5,231	8,545	15,371

8 Other operating cost

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Currency exchange losses	-1,034	-327	-5,694
Total	-1,034	-327	-5,694

Definitions

Solidity

Equity in relation to total assets.

Earnings per share

Profit after tax in relation to the number of shares.

PowerCell Sweden AB in brief

The business is conducted in the parent company in Sweden and through subsidiaries in Germany and China. PowerCell Sweden AB (publ) develops and produces fuel cell stacks and fuel cell systems for stationary and mobile applications with a world class energy density. The fuel cells are powered by hydrogen, pure or reformed, and produce electricity and heat with no emissions other than water. As the stacks and systems are compact, modular and scalable, they are easily adjusted to any customer need.

PowerCell was founded in 2008 as an industrial spinout from the Volvo Group. The share (PCELL) is since 2014 subject to trade at Nasdaq First North Stockholm with G&W Fondkommission as Certified Adviser.

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The English version is an in house-translation. In case of any discrepancy, the Swedish text will prevail.