

# Interim report third quarter 2020



## Third Quarter, July-September 2020 (last year's figures within brackets)

- Net sales amounted to 16,587 (15,089) thousand SEK
- Operating income, before items affecting comparability, amounted to -22,327 (-16,646) thousand SEK
- Operating income amounted to -27,964 (-16,746) thousand SEK
- Income after tax amounted to -23,822 (-9,718) thousand SEK
- Operating cash flow amounted to 73,657 (-24,316) thousand SEK
- Diluted earnings per share amounted to -0.45 (-0.19) SEK

## Accumulated, January-September 2020 (last year's figures within brackets)

- Net sales amounted to 65,378 (39,867) thousand SEK
- Operating income, before items affecting comparability, amounted to -68,207 (-51,162) thousand SEK
- Operating income amounted to -73,844 (477,171) thousand SEK
- Income after tax amounted to -66,299 (478,988) thousand SEK
- Operating cash flow amounted to 29,961 (390,593) thousand SEK
- Diluted earnings per share amounted to -1.24 (9.22) SEK

## Financial highlights

Thousand SEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Net sales	16,587	15,089	65,378	39,867
Operating income before items affecting comparability	-22,327	-16,646	-68,207	-51,162
Operating income	-27,964	-16,746	-73,844	477,171
Income after tax	-23,822	-9,718	-66,299	478,988
Basic and diluted earnings per share, SEK	-0.45	-0.19	-1.24	9.22
Net debt/equity ratio, %	79.9%	83.1%	79.9%	83.1%
Operating cash flow	73,657	-24,316	29,961	390,593

*Definitions, please see page 16.*

## Important events in July-September 2020

- World's first hydrogen-electric flight of a commercial airplane was made with a fuel cell system from PowerCell Sweden
- PowerCell signed cooperation agreement with Soltech Group regarding fuel cell solutions for solar energy
- Power announced the participation in EU project which will develop and operate a fuel cell refuse truck in Gothenburg
- Richard Berkling was appointed new CEO of PowerCell Sweden AB

### 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

- Nomination Committee appointed for PowerCell's Annual General Meeting 2021

## A Quarter Focusing on Efforts Within New Segments



**PowerCell Sweden grew its sales from MSEK 15.1 to MSEK 16.6 (+10%) during the third quarter as we continued to execute the new strategy that involves increased focus on applications within the marine, stationary and off-road segments. Continued efforts to support our strategy and grow our business have, together with currency effects, resulted in lower operating income before items affecting comparability. The relatively modest increase in sales does not reflect the underlying trend line but is related to the timing of the shipping of individual orders.**

The increase in sales during the third quarter is explained by higher sales to Bosch and by the order for a megawatt system from a leading European shipbuilder reported during the second quarter. In accordance with what we have previously communicated, the order from Bosch will be delivered continuously throughout 2020 and subsequently the order has also been affecting the sales for the third quarter. The same applies to the order for a megawatt system from a leading European shipbuilder which, as previously communicated, will be delivered continuously over a period of three years. The two orders are the main reason why total sales for the first nine months are up by 64 percent compared to the same period last year. The relatively modest increase in sales between the third quarter last year and the same quarter this year, is explained by the timing of the shipments of the individual orders and is not reflecting underlying demand or trend line.

Despite the improved gross margin operating income before items affecting comparability decreased compared to the same quarter last year. The decline is due to increased costs for selling and administration as well as currency effects. The currency effects are attributable to the fluctuation of the Swedish Krona in relation to the Euro in particular. The significant difference in operating income after items affecting comparability, is due to one-time costs related to the change of CEO during the quarter. The difference in operating income after items affecting comparability for the first nine months, is explained by the positive impact of 532,535 TSEK during the second quarter last year, following the licensing agreement with Bosch. The strong cash-flow for the third quarter is explained by a one-time payment of 7.9 MEUR that the company received during the third quarter this year as a result of the license agreement with Bosch where 15 percent of the payment from Bosch was withheld in accordance with German tax regulations.

The ongoing pandemic continues to shape the world economy by the uncertainty it creates and has had some impact on PowerCell's business in China but a limited impact on the company's sales and profitability on an overall level.

During the quarter, PowerCell has continued to implement measures intended to grow our business and support the shift in strategic focus announced earlier this year and which entails a prioritization of applications within the marine, stationary and the off-road segments, i.e. material handling and construction equipment and different types of commercial vehicles. The measures are wide-ranging and vary from the establishment of a Chinese subsidiary, to increased resources within selling and product development to support the inroads into new segments. These measures have led to increased costs for selling and administration but have already paid off. In June, we announced a memorandum of understanding with Hitachi ABB Power Grids regarding stationary fuel cell power solutions and during the third quarter we announced a cooperation agreement with Soltech Group regarding fuel cell solutions for solar energy. In both cases, the aim is to combine the respective companies' expertise and technology to jointly offer attractive solutions for stationary power generation.

That hydrogen and fuel cells will be an increasingly important part of a more sustainable future energy supply is clear when you look at all the efforts and initiatives that have been announced during the third quarter alone. In July, the European Union launched its long-awaited hydrogen strategy which has afterwards been followed up by national strategies in several countries, among them Germany, Spain and Denmark. The EU strategy includes a 430 billion Euro investment (approximately MSEK 4,300) up to 2030 and comprises a build-up of a 40 GW hydrogen production capacity. In addition to a strong decrease in the cost of hydrogen, the strategy also expects result in an expansion of the distribution network and an increased use of hydrogen in the process industry and for mobile applications such as various types of vehicles.

The hydrogen strategies now launched demonstrate that hydrogen will play a key role in more and more sectors in the transition towards more sustainable energy production and consumption. They are a welcome proof that the transition to the hydrogen society is gaining ground. After quarter-end, PowerCell took part in demonstrating how far-reaching this transition can be from everything from power supply to heating and transportation applications. For the first time in history, a flight was made with a commercial airplane where the power was provided by a hydrogen-electric powertrain. The fact that a fuel cell system from PowerCell was an integral part of the powertrain provided tangible evidence of the reliability of our technology as well as of the future possibilities of the hydrogen society and PowerCell Sweden.

**Karin Nilsson**

Acting CEO PowerCell Sweden AB

# Income and financial position

## THE GROUP

### Total sales and income for the third quarter 2020

Sales for the period July to September 2020 amounted to 16,587 (15,089) thousand SEK. The increase in sales is mainly due to higher sales of fuel cell stacks to Bosch and the order for a megawatt system that PowerCell received from a leading European shipbuilder during the second quarter.

Other operating income for the period, which mainly consists of grants, amounted to 4,247 (6,279) thousand SEK.

Operating income before items affecting comparability amounted to -22,327 (-16,646) thousand SEK for the period July to September 2020. Operating income after items affecting comparability amounted to -27,964 (-16,746) thousand SEK for the period July to September 2020. The reason for the decline in operating income before items affecting comparability is negative currency effects and deliberately higher costs for selling and administration. The difference in operating income after items affecting comparability is explained by the non-recurring cost of -5,637 thousand SEK that the company incurred as a result of the change of CEO.

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 Bosch payment on a Euro account amounted to 4,432 thousand SEK during the quarter.

### Total sales and income accumulated January – September 2020

Sales for the period January to September 2020 amounted to 65,378 (39,867) thousand SEK. The increase is mainly attributable to higher sales of fuel cell stacks to Bosch and to the order for a megawatt system that PowerCell received from a leading European shipbuilder.

Operating income before items affecting comparability amounted to -68,207 (-51,162) thousand SEK for the period January to September 2020. Operating income after items affecting comparability amounted to -73,844 (477,171) thousand SEK for the period.

The reason for the decline in operating income before items affecting comparability is currency effects and deliberately higher costs for selling and administration. The significant difference in operating income after items affecting comparability is explained by the non-recurring positive impact of 532,535 thousand SEK following the licensing agreement with Bosch during the second quarter last year and a non-recurring cost of -5,637 thousand SEK that the company incurred as a result of the change of CEO.

### Liquidity and cash flow

The operating cash flow for the period amounted to 73,657 thousand SEK compared to -24,316 thousand SEK for the same period last year. The significant difference is explained by the payment of 7.9 MEUR that the company received during the third quarter this year as a result of the license agreement with Bosch where 15 percent of the payment from Bosch was withheld in accordance with German tax regulations.

The Group's financial position and liquidity are satisfactory. Cash and cash equivalents at September 30, 2020 amounted to 477,297 thousand SEK.

### Investments

Total investments of 2,601 (173) thousand SEK were made during the period.

## THE PARENTAL COMPANY

### Sales and operating income for the third quarter 2020

Sales for the period July to September 2020 amounted to 16,588 (15,089) thousand SEK. The increase in sales is mainly due to the order for a megawatt system that PowerCell received from a leading European shipbuilder and to higher sales of fuel cell stacks to Bosch.

Other operating income for the period, which mainly consists of grant funding, amounted to 4,245 (6,277) thousand SEK. The reason for the decline in operating income before items affecting comparability is negative currency effects and deliberately higher costs for selling and administration. The difference in operating income after items affecting comparability is explained by the non-recurring cost of -5,637 thousand SEK that the company incurred as a result of the change of CEO.

## 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 2019.

### Personnel

At quarter-end, the Group had 57 (43) employees measured as full-time equivalents, FTE.

The Group implemented a stock option program for senior executives in September 2018. The program comprises 273,624 options where each warrant gives the right to subscribe to one new share at the subscription price SEK 33.21 during the period May 1, 2020 to May 31, 2020. The dilution from the program amounts to a maximum of 0.5 percent. The program has now been ended and during the subscription period employees subscribed to shares for a total amount of SEK 9,087,055.54.

### 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 September 30, 2020 to SEK 1,147,133.55 and is divided into 52,142,434 shares with a par value of SEK 0.022.

### Ownership per September 30, 2020\*

	No of shares	Ownership
Bosch GmbH	5,848,531	11.2%
Avanza Pension	2,112,656	4.1%
Fouriertransform	1,478,645	2.8%
Others	42,702,602	81.9%
Total	52,142,434	100.0%

\* Source: Euroclear

Note: The German Clearing Bank, Clearstream Banking, had on September 30, 2020, a holding of a total of 19,360,799 PowerCell shares corresponding to an ownership of 37.1%. The company has no means of establishing the actual ownership of this holding.

**Upcoming reports**

End-year report 2020, 25 February 2021

Annual General Meeting 2021, 22 April 2021.

Gothenburg, November 4, 2020

Karin Nilsson, 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				
		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2020	Jan-Dec 2019
Net sales	3	16,587	15,089	65,378	39,867	66,850
Cost of goods and services sold		-11,898	-11,595	-48,329	-28,009	-46,311
<b>Gross profit</b>		<b>4,689</b>	<b>3,494</b>	<b>17,049</b>	<b>11,858</b>	<b>20,539</b>
Selling and administrative costs	4	-13,637	-7,343	-41,694	-24,465	-41,106
Research and development costs		-14,654	-18,235	-51,370	-55,161	-82,917
Other operating income	7	4,247	6,279	18,273	19,346	27,726
Other operating costs	8	-2,800	-764	-9,725	-1,834	-3,129
Portion of profit after tax from associated companies recognized in accordance with the equity method		-172	-77	-740	-906	-1,011
<b>Operating income before items affecting comparability</b>		<b>-22,327</b>	<b>-16,646</b>	<b>-68,207</b>	<b>-51,162</b>	<b>-79,898</b>
Items affecting comparability	6	-5,637	-100	-5,637	528,333	528,306
<b>Operating profit (loss) after items affecting comparability</b>		<b>-27,964</b>	<b>-16,746</b>	<b>-73,844</b>	<b>477,171</b>	<b>448,408</b>
<b>Net financial items</b>		<b>4,161</b>	<b>7,064</b>	<b>7,633</b>	<b>1,898</b>	<b>-10,301</b>
<b>Profit (loss) before tax</b>		<b>-23,803</b>	<b>-9,682</b>	<b>-66,211</b>	<b>479,069</b>	<b>438,107</b>
Income tax		-19	-36	-88	-81	-96
<b>Profit (loss) for the period</b>		<b>-23,822</b>	<b>-9,718</b>	<b>-66,299</b>	<b>478,988</b>	<b>438,011</b>
Other comprehensive income:						
Items that may be reclassified to profit or loss						
Exchange differences from foreign operations		13	15	-46	35	11
<b>Other comprehensive income for the period</b>		<b>13</b>	<b>15</b>	<b>-46</b>	<b>35</b>	<b>11</b>
<b>Total comprehensive income for the period</b>		<b>-23,809</b>	<b>-9,703</b>	<b>-66,345</b>	<b>479,023</b>	<b>438,022</b>

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		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2020	Jan-Dec 2019
Earnings per share, basic	5	-0.45	-0.19	-1.24	9.25	8.41
Earnings per share, diluted	5	-0.45	-0.19	-1.24	9.22	8.38

**CONDENSED GROUP STATEMENT OF FINANCIAL POSITION**

Amounts in Thousand SEK

	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		1,221	1,774	1,636
Right of use (leasing)		46,487	52,304	50,423
Tangible fixed assets		24,870	22,863	21,887
Financial assets		-	717	612
<b>Total non-current assets</b>		<b>72,578</b>	<b>77,658</b>	<b>74,558</b>
<b>Current assets</b>				
Inventories		46,628	49,667	43,309
Current receivables		39,832	117,532	124,398
Cash and cash equivalents		477,297	485,147	440,948
<b>Total current assets</b>		<b>563,757</b>	<b>652,346</b>	<b>608,655</b>
<b>TOTAL ASSETS</b>		<b>636,335</b>	<b>730,004</b>	<b>683,213</b>

Amounts in Thousand SEK

	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Parent Company shareholders</b>				
Share capital		1,147	1,141	1,141
Other contributed capital		635,007	625,926	625,926
Reserves		-78	-7	-31
Retained earnings (including profit (loss) for the year)		-128,064	-20,788	-61,765
<b>Total equity attributable to Parent Company shareholders</b>		<b>508,012</b>	<b>606,272</b>	<b>565,271</b>
<b>LIABILITIES</b>				
Non-current liabilities		67,338	82,049	71,505
Current liabilities		60,985	41,683	46,437
<b>Total liabilities</b>		<b>128,323</b>	<b>123,732</b>	<b>117,942</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>636,335</b>	<b>730,004</b>	<b>683,213</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Thousand SEK

	Note	Attributable to shareholders of the Parent Company				
		Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
<b>Opening balance at January 1, 2019</b>		<b>1,141</b>	<b>625,926</b>	<b>-42</b>	<b>-499,776</b>	<b>127,249</b>
Profit (loss) for the period		-	-	-	478,988	478,988
Other comprehensive income for the period		-	-	35	-	35
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>35</b>	<b>478,988</b>	<b>479,023</b>
<b>Closing balance at September 30, 2019</b>		<b>1,141</b>	<b>625,926</b>	<b>-7</b>	<b>-20,788</b>	<b>606,272</b>
<b>Opening balance at October 1, 2019</b>		<b>1,141</b>	<b>625,926</b>	<b>-7</b>	<b>-20,788</b>	<b>606,272</b>
Profit (loss) for the period		-	-	-	-40,977	-40,977
Other comprehensive income for the period		-	-	-24	-	-24
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-24</b>	<b>-40,977</b>	<b>-41,001</b>
<b>Closing balance at December 31, 2019</b>		<b>1,141</b>	<b>625,926</b>	<b>-31</b>	<b>-61,765</b>	<b>565,271</b>
	Note	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
<b>Opening balance at January 1, 2020</b>		<b>1,141</b>	<b>625,926</b>	<b>-31</b>	<b>-61,765</b>	<b>565,271</b>
Profit (loss) for the period		-	-	-	-66,299	-66,299
Option proceeds	6	9,081	-	-	-	9,087
Other comprehensive income for the year		-	-	-47	-	-47
<b>Total comprehensive income for the year</b>		<b>6</b>	<b>9,081</b>	<b>-47</b>	<b>-66,299</b>	<b>-57,259</b>
<b>Closing balance at September 30, 2020</b>		<b>1,147</b>	<b>635,007</b>	<b>-78</b>	<b>-128,064</b>	<b>508,012</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Financial period

Amounts in Thousand SEK

	Note	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Cash flow from operating activities</b>						
Operating profit (loss)		-27,964	-16,746	-73,844	477,171	448,408
Adjustments for non-cash items		3,100	3,024	9,383	8,863	13,811
Interest paid		-277	-152	-877	-457	-1,386
<b>Cash flow from operating activities before changes in working capital</b>		<b>-25,141</b>	<b>-13,874</b>	<b>-65,338</b>	<b>485,577</b>	<b>460,833</b>
<b>Cash flow before changes in working capital</b>						
Increase/decrease of inventories		920	-7,483	-3,318	-16,944	-10,586
Increase/decrease of current receivables		90,936	2,877	85,259	-74,357	-81,442
Increase/decrease of current liabilities		6,942	-5,836	13,358	-3,683	341
<b>Total changes in working capital</b>		<b>98,798</b>	<b>-10,442</b>	<b>95,299</b>	<b>-94,984</b>	<b>-91,687</b>
<b>Cash flow from operating activities</b>		<b>73,657</b>	<b>-24,316</b>	<b>29,961</b>	<b>390,593</b>	<b>369,146</b>
<b>Cash flow from investing activities</b>						
Acquisitions of tangible and intangible assets		-2,601	-173	-6,387	-266	-1,666
Shareholder contribution to associated companies		-	-	-	-	-
<b>Cash flow from investing activities</b>		<b>-2,601</b>	<b>-173</b>	<b>-6,387</b>	<b>-266</b>	<b>-1,666</b>
<b>Cash flow from financing activities</b>						
Amortization		-	-1,054	-	-1,054	-9,854
Repayment of leasing liability		-1,672	-1,954	-4,823	-5,764	-6,018
Option proceeds		-	-	9,087	-	-
<b>Cash flow from financing activities</b>		<b>-1,672</b>	<b>-3,008</b>	<b>4,264</b>	<b>-6,818</b>	<b>-15,872</b>
<b>Decrease/increase of cash and cash equivalents</b>		<b>69,384</b>	<b>-27,497</b>	<b>27,838</b>	<b>383,509</b>	<b>351,608</b>
Opening cash and cash equivalents		403,476	505,086	440,948	98,254	98,254
Effects of exchange rate changes on cash and cash equivalents		4,437	7,558	8,511	3,384	-8,914
<b>Closing cash and cash equivalents</b>		<b>477,297</b>	<b>485,147</b>	<b>477,297</b>	<b>485,147</b>	<b>440,948</b>

## CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in Thousand SEK	Financial period					
	Not	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net sales		16,588	15,089	65,254	39,867	66,850
Cost of goods and services sold		-11,899	-11,594	-48,332	-28,009	-46,311
<b>Gross profit</b>		<b>4,689</b>	<b>3,495</b>	<b>16,922</b>	<b>11,858</b>	<b>20,539</b>
Selling and administrative costs		-13,443	-5,387	-41,205	-24,480	-42,190
Research and development costs		-14,678	-20,512	-51,535	-56,334	-83,250
Other operating income		4,245	6,277	13,279	19,346	27,613
Other operating costs		-2,800	-764	-4,770	-1,834	-3,129
<b>Operating income (loss) before items affecting comparability</b>		<b>-21,987</b>	<b>-16,891</b>	<b>-67,309</b>	<b>-51,444</b>	<b>-80,417</b>
Items affecting comparability		-5,637	-99	-5,637	528,333	528,306
<b>Operating profit (loss)</b>		<b>-27,624</b>	<b>-16,990</b>	<b>-72,946</b>	<b>476,889</b>	<b>447,889</b>
<b>Total profit (loss) from financial items</b>		<b>4,432</b>	<b>7,404</b>	<b>8,508</b>	<b>2,927</b>	<b>-11,606</b>
<b>Profit (loss) after financial items</b>		<b>-23,192</b>	<b>-9,586</b>	<b>-64,438</b>	<b>479,816</b>	<b>436,283</b>
Tax on profit (loss) for the period		-	-	-	-	-
<b>Profit (loss) for the period</b>		<b>-23,192</b>	<b>-9,586</b>	<b>-64,438</b>	<b>479,816</b>	<b>436,283</b>

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

	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		1,222	1,774	1,636
Tangible fixed assets		24,853	22,863	21,887
Financial assets		6,194	3,777	2,173
<b>Total non-current assets</b>		<b>32,269</b>	<b>28,414</b>	<b>25,696</b>
<b>Current assets</b>				
Inventories		46,628	49,667	43,309
Current receivables		41,067	118,997	125,524
Cash and bank		474,544	484,190	439,130
<b>Total current assets</b>		<b>562,239</b>	<b>652,854</b>	<b>607,963</b>
<b>TOTAL ASSETS</b>		<b>594,508</b>	<b>681,268</b>	<b>633,659</b>

Amounts in Thousand SEK

	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>EQUITY AND LIABILITIES</b>				
<b>Restricted equity</b>				
Share capital		1,147	1,141	1,141
<b>Total restricted equity</b>		<b>1,147</b>	<b>1,141</b>	<b>1,141</b>
<b>Non-restricted equity</b>				
Share premium reserve		555,507	546,426	546,426
Retained loss		16,890	-419,393	-419,393
Profit (loss) for the period		-64,438	479,816	436,283
<b>Total non-restricted equity</b>		<b>507,959</b>	<b>606,849</b>	<b>563,316</b>
<b>Total equity</b>		<b>509,106</b>	<b>607,990</b>	<b>564,457</b>
<b>LIABILITIES</b>				
Non-current liabilities		30,000	38,800	30,000
Current liabilities		55,402	34,478	39,202
<b>Total liabilities</b>		<b>85,402</b>	<b>73,278</b>	<b>69,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>594,508</b>	<b>681,268</b>	<b>633,659</b>

## 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 consolidated financial statement for publication on November 4, 2020.

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 2019. This Interim Financial Report 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

As revenue from external parties are reported to the CEO, it is valued in the same way as in the consolidated statement of comprehensive income. The main part of revenue is recognized at one point in time.

	<b>Jul-Sep 2020</b>	<b>Jul-Sep 2019</b>	<b>Jan-Sep 2020</b>	<b>Jan-Sep 2019</b>	<b>Jan-Dec 2019</b>
<b>Revenue from external customers</b>					
Hardware	12,863	11,773	53,760	35,205	61,178
Services	-	3,316	734	4,662	5,672
Projects according to successive profit recognition	3,724	-	10,884	-	-
<b>Total</b>	<b>16,587</b>	<b>15,089</b>	<b>65,378</b>	<b>39,867</b>	<b>66,850</b>
Revenue from external customers per country, based on where customers are located:					
Sweden	11	1	902	1,128	6,453
Germany	11,969	4,205	42,592	13,391	20,126
China	-	7,142	3,051	17,418	17,855
USA	-	453	-	3,694	12,048
Other	4,607	3,288	18,833	4,236	10,368
<b>Total</b>	<b>16,587</b>	<b>15,089</b>	<b>65,378</b>	<b>39,867</b>	<b>66,850</b>

#### 4 Related party transactions

Since December 19, 2014, PowerCell Sweden AB (publ) is listed on Nasdaq First North Stockholm. Principal shareholder at September 30, 2020 is Bosch GmbH and Avanza Pension who's participating interest is 15.3%.

The following related party transactions have been performed:	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>(a) Purchases of services</b>					
André Martin Consulting	-	-	-	13	132
<b>Total</b>	-	-	-	<b>13</b>	<b>132</b>

The above transactions are deemed to constitute related party transactions, as the principal of the related party company is a member of the Company's Board of Directors. Purchased services comprise solely consulting services. Services are purchased from and sold to related parties at arm's length and are in accordance with the current transfer pricing policy. Services are purchased at full cost, and are, too, regulated by the valid current transfer pricing policy.

#### 5 Earnings per share

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>SEK</b>					
Earnings per share, basic	-0.45	-0.19	-1.24	9.25	8.41
Earnings per share, diluted	-0.45	-0.19	-1.24	9.22	8.38

#### 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	-23,192	-9,586	-64,438	479,816	436,283
---	---------	--------	---------	---------	---------

#### Number

Weighted average number of ordinary shares at the calculation of earnings per share, basic	52,005,622	51,868,810	52,005,622	51,868,810	51,868,810
Adjustment for the calculation of earnings per share, diluted	52,245,178	52,040,578	52,242,133	52,019,669	52,048,033

#### Options

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

	-	-	-	150,859	173,170
--	---	---	---	---------	---------



## 6 Items affecting comparability

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Costs related to the initiation process to move to Nasdaq	-	-100	-	-4,202	-4,229
Costs related to severance pay and change of CEO	-5,637	-	-5,637	-	-
Initial license payment from Bosch	-	-	-	529,101	529,101
One-time currency effect relating to the Bosch payment	-	-	-	3,434	3,434
<b>Total</b>	<b>-5,637</b>	<b>-100</b>	<b>-5,637</b>	<b>528,333</b>	<b>528,306</b>

## 7 Other operating income

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Currency exchange gains	542	1,969	7,044	2,665	690
Grants	3,705	4,310	11,229	16,681	27,036
<b>Total</b>	<b>4,247</b>	<b>6,279</b>	<b>18,273</b>	<b>19,346</b>	<b>27,726</b>

## 8 Other operating cost

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Currency exchange losses	-2,800	-764	-9,725	-1,834	-3,129
<b>Total</b>	<b>-2,800</b>	<b>-764</b>	<b>-9,725</b>	<b>-1,834</b>	<b>-3,129</b>

# 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

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.

For further information, please contact:

CEO Karin Nilsson +46 (0) 31 720 36 20

Email: [karin.nilsson@powercell.se](mailto:karin.nilsson@powercell.se)

Website: [www.powercell.se](http://www.powercell.se)

Head of IR, Mårten Wikforss, +46 (0)705591149

Email: [marten.wikforss@powercell.se](mailto:marten.wikforss@powercell.se)

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