

Interim report second quarter 2020



Second Quarter, April-June 2020 (last year's figures within brackets)

- Net sales amounted to 22,064 (15,552) thousand SEK
- Operating income, before items affecting comparability, amounted to -28,270 (-16,713) thousand SEK
- Operating income amounted to -28,270 (513,828) thousand SEK
- Income after tax amounted to -50,269 (508,942) thousand SEK
- Operating cash flow amounted to -10,996 (424,867) thousand SEK
- Diluted earnings per share amounted to -0.96 (9.79) SEK

Accumulated, January-June 2019 (last year's figures within brackets)

- Net sales amounted to 48,790 (24,778) thousand SEK
- Operating income, before items affecting comparability, amounted to -45,880 (-34,517) thousand SEK
- Operating income amounted to -45,880 (493,916) thousand SEK
- Income after tax amounted to -42,476 (488,704) thousand SEK
- Operating cash flow amounted to -43,695 (414,909) thousand SEK
- Diluted earnings per share amounted to -0.79 (9.41) SEK

Financial highlights

Thousand SEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Net sales	22,064	15,552	48,790	24,778
Operating income before items affecting comparability	-28,270	-16,713	-45,880	-34,517
Operating income	-28,270	513,828	-45,880	493,916
Income after tax	-50,269	508,942	-42,476	488,704
Basic and diluted earnings per share, SEK	-0.96	9.79	-0.79	9.41
Net debt/equity ratio, %	81.3%	82.5%	81.3%	82.5%
Operating cash flow	-10,996	424,867	-43,695	414,909

Definitions, please see page 16.

Important events in April-June 2020

- PowerCell signs contract with leading European shipyard regarding order for fuel cell system worth MSEK 77
- PowerCell held annual general meeting where the AGM resolved to newly elect Uwe Hillmann, Riku Peka Hägg and Annette Malm Justad as directors of the board and to re-elect Dirk De Boever, Helen Fasth Gillstedt, Magnus Jonsson and Göran Linder. Magnus Jonsson was re-elected as chairman of the board.
- PowerCell receives orders for fuel cell stacks and fuel cell systems from Bumhan worth MSEK 3.5
- PowerCell signs MOU with ABB PowerGrids regarding stationary fuel cell power solutions
- PowerCell receives order for PowerCell S3 from Bosch at total value of MSEK 26

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

- Richard Berkling appointed new CEO of PowerCell Sweden AB. Until Richard Berkling will assume his new position, which he is expected to do at year-end at the latest, the CFO of the company, Karin Nilsson, will assume the position as acting CEO.
- PowerCell to participate in EU project which will develop and operate refuse truck with fuel cells in Gothenburg
- The 15 percent of the Bosch payment from the license agreement signed in 2019, that has been withheld in accordance with German tax regulations, has been paid out to PowerCell after quarter-end. The amount, 7.9 MEUR, will not affect income but will have a positive cash-flow effect during the third quarter 2020.

The CEO's comments

Higher sales but lower profitability due to lower gross margin, currency effects and higher costs



Total sales for the second quarter amounted to MSEK 22, an increase by 42 percent compared to the same quarter last year. The improvement is related to the order for a megawatt system we received from a leading European shipbuilder during the quarter, but also to continued large sales to Bosch. Operating income before items affecting comparability amounted to MSEK -28.4 which is lower than last year (MSEK -16.7). The decline in operating income is related to lower gross margin and currency effects but also to deliberately higher costs for selling and administration and to higher costs for R&D linked to a technically more advanced customer project.

During the quarter, we announced an order from Bosch for PowerCell S3 with a total value of MSEK 26 and an order for a megawatt system from a leading European shipbuilder worth MSEK 77. In accordance with what we have previously communicated the order from Bosch will be delivered throughout 2020 but the order has already partly affected the second quarter positively. The same applies to the order for a megawatt system from a leading European shipbuilder which, as previously communicated, will be delivered over a period of three years. The two orders are also the reason why total sales for the first six months are up by a solid 97 percent compared to the same period last year.

There are several explanations why the profitability during the quarter did not improve in line with sales but the lack of improvement is generally attributable to higher costs and a lower gross margin. The increase in costs is related to negative currency effects and to higher costs for selling and administration as well as for research and development. The increased costs for selling and administration is in line with plan and is attributable to the recruitment of new sales personnel and to last year's establishment of a subsidiary in China. The increase in costs for research and development is mainly due to a technically advanced customer project that required a great deal of special adaptations but in turn provided us with valuable experience that has strengthened our technological position. The gross margin for the quarter was 20 percent which is well below the figure for the same quarter last year. The decline is linked to specific projects.

The Swedish krona has weakened against several important currencies during the quarter which led to negative currency effects that have impacted our result significantly. The weakening of the krona also impacted our financial result which fluctuates between the quarters as a result of the continued revaluations at quarter-end of the Euro assets we have as a result of our agreement with Bosch. The 15 percent of the Bosch payment that has been withheld in accordance with German tax regulations, has after quarter-end been paid out to PowerCell. The total amount, MEUR 7.9, will not impact profitability but will have

a positive cash flow effect in the third quarter. The Group's liquidity remains satisfactory. Cash and cash equivalents at June 30, 2020 amounted to SEK 403,476 thousand SEK.

Increased focus on sustainability during the pandemic

Despite the fact that PowerCell's sales and income have not been affected specifically during the second quarter, it remains hard to predict how the Covid-19 pandemic might affect the company going forward. The uncertainty about how the pandemic will develop and how it will affect countries and the economy during the fall and the winter is still too high. Something that has become clear over the past months, however, is the increased willingness to invest in sustainability. Heads of States and Governments as well as the European Union and international think-tanks have all called for the increased support measures that are now being launched to focus on broad investments in sustainability. Hydrogen has been highlighted as one such area. When, for example, the European Commission in early July presented its plan for a reduction of the carbon dioxide emissions to 2050, the Commission mentioned the need for a strong increase in production of renewable hydrogen specifically.

PowerCell expects these efforts to benefit the company and is well-positioned to take advantage of this development which we believe will positively impact several of the areas we operate in. Our new strategic priorities entail an increased focus on the marine and stationary segments and in addition to an important order for a marine megawatt system, we were also able to announce a memorandum of understanding with ABB PowerGrids regarding stationary fuel cell power solutions during the quarter. The aim of the cooperation is to leverage the companies' existing technologies to jointly develop a complete solution for the market.

With strong partners, a solid cash position, leading technology and good market positions, we look forward to continuing to contribute to and to benefit from the increasingly extensive investments and efforts within sustainability.

Karin Nilsson

Acting CEO PowerCell Sweden AB

Income and financial position

THE GROUP

Total sales and income for the second quarter 2020

Sales for the period April to June 2020 amounted to 22,064 (15,552) thousand SEK (TSEK). 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 grants, amounted to 3,877 (4,958) TSEK.

Operating income before items affecting comparability amounted to -28,270 (-16,713) TSEK for the period April to June 2020. Operating income after items affecting comparability amounted to -28,270 (513,828) TSEK for the period April to June 2020. The reason for the decline in operating income before items affecting comparability is lower gross margin due to a specific project, currency effects and deliberately higher costs for selling and administration. Increased costs for research and development, linked to specific project, have also negatively affected the operating income. The difference in operating income after items affecting comparability is explained by the positive impact of 532,535 TSEK following the licensing agreement with Bosch during the second quarter last year. following our licensing agreement.

The increase in financial income is mainly attributable to a re-evaluation of bank assets in Euro at period-end. The re-evaluation of the Bosch payment on a Euro account affected the financial net during the quarter positively by a total of 23,633 thousand SEK.

Total sales and income accumulated January – June 2020

Sales for the period January to June 2020 amounted to 48,790 TSEK (24,778 TSEK). 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 -45,880 (-34,517) TSEK for the period January to June 2020. Operating income after items affecting comparability amounted to -45,880 (493,916) TSEK for the period. The reason for the decline in operating income before items affecting comparability is lower gross margin due to a specific project, currency effects and deliberately higher costs for selling and administration as well as for research and development. The difference in operating income after items affecting comparability is explained by the positive impact of 532,535 TSEK following the licensing agreement with Bosch during the second quarter last year.

Liquidity and cash flow

The operating cash flow for the period amounted to -10,996 TSEK compared to 424,867 TSEK for the same period last year. The difference is explained by the lump sum payment of 452,655 TSEK that the company received during the second quarter last year due to the licensing agreement with Bosch.

The 15 percent of the Bosch payment that has been withheld in accordance with German tax regulations, has been paid out to PowerCell after quarter-end. The amount, 7.9 MEUR, will not affect income but will have a positive cash-flow effect during the third quarter 2020.

The Group's financial position and liquidity are satisfactory. Cash and cash equivalents at June 30, 2020 amounted to 403,476 TSEK.

Investments

Total investments of 3,337 (146) TSEK were made during the period.

THE PARENTAL COMPANY

Sales and operating income for the second quarter 2020

Sales for the period April to June 2020 amounted to 22,096 (15,552) TSEK. 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 3,840 TSEK (4,958 TSEK).

Operating income before items affecting comparability amounted to -28,047 TSEK (-16,785 TSEK) for the period. The reason for the decline in operating income before items affecting comparability is lower gross margin due to a specific project, currency effects and deliberately higher costs for selling and administration. Increased costs for research and development linked to a technically more advanced customer projects have also negatively affected the operating income.

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 35-36 in the Annual Report for 2019.

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. So far the outbreak has had a clear impact on PowerCell's activities in China specifically but has not had any significant impact on revenues or profitability on an overall level. How the pandemic will affect PowerCell going forward is currently however hard to predict given the high degree of uncertainty surrounding the outbreak and its developments.

Personnel

At quarter-end, the Group had 56 (43) employees measured as full-time equivalents, FTE.

The Group implemented a stock option program for senior executives in June 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 June 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 June 30, 2020*

	No of shares	Ownership
Bosch GmbH	5,848,531	11.2%
Fouriertransform	2,086,454	4.0%
Avanza Pension	2,086,116	4.0%
Midroc New Technology	1,581,605	3.0%
Finindus	1,472,149	2.8%
Others	39,067,579	74.9%
Total	52,142,434	100.0%

* Source: Euroclear

Note: The German Clearing Bank, Clearstream Banking, had on June 30, 2020, a holding of a total of 18,889,386 PowerCell shares corresponding to an ownership of 36.2%. The company has no means of establishing the actual ownership of this holding.

Upcoming reports

Interim report Q3, 5 November 2020

End-year report 2020, 25 February 2021

Gothenburg, August 20, 2020

Magnus Jonsson Chairman of the Board	Dirk De Boever Director of the Board	Helen Fasth Gillstedt Director of the Board
Riku-Pekka Hägg Director of the Board	Göran Linder Director of the Board	Uwe Hillmann Director of the Board
Annette Malm Justad Director of the Board	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	Financial period				
		Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Net sales	3	22,064	15,552	48,790	24,778	66,850
Cost of goods sold		-17,576	-9,830	-36,430	-16,415	-46,311
Gross profit		4,488	5,722	12,360	8,363	20,539
Selling and administrative costs	4	-14,547	-12,076	-28,057	-18,985	-41,106
Research and development costs		-16,323	-14,651	-36,716	-35,065	-82,917
Other operating income	7	3,877	4,958	12,421	12,690	27,726
Other operating costs	8	-5,648	-288	-5,320	-691	-3,129
		-117	-378	-568	-829	-1,011
Portion of profit after tax from associated companies recognized in accordance with the equity method						
Op income before items affecting comparability		-28,270	-16,713	-45,880	-34,517	-79,898
Items affecting comparability	6	-	530,541	-	528,433	528,306
Operating profit (loss) after items affecting comparability		-28,270	513,828	-45,880	493,916	448,408
Net financial items		-21,970	-4,859	3,473	-5,166	-10,301
Profit (loss) before tax		-50,240	508,969	-42,407	488,750	438,107
Income tax		-29	-27	-69	-46	-96
Profit (loss) for the period		-50,269	508,942	-42,476	488,704	438,011
Other comprehensive income:						
Items that may be reclassified to profit or loss						
Exchange differences from foreign operations		-139	15	-59	22	11
Other comprehensive income for the period		-139	15	-59	22	11
Total comprehensive income for the period		-50,408	508,957	-42,535	488,726	438,022

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:

		Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Amounts in SEK						
Earnings per share, basic	5	-0.96	9.82	-0.79	9.44	8.41
Earnings per share, diluted	5	-0.96	9.79	-0.79	9.41	8.38

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

Amounts in Thousand SEK

	Note	June 30, 2020	June 30, 2019	Dec 31, 2019
ASSETS				
Non-current assets				
Intangible assets		1,360	1,913	1,636
Right of use (leasing)		47,328	50,969	50,423
Tangible fixed assets		23,406	25,008	21,887
Financial assets		44	794	612
Total non-current assets		72,138	78,684	74,558
Current assets				
Inventories		47,549	42,183	43,309
Current receivables		130,753	120,360	124,398
Cash and cash equivalents		403,476	505,086	440,948
Total current assets		581,778	667,629	608,655
TOTAL ASSETS		653,916	746,313	683,213

Amounts in Thousand SEK

	Note	June 30, 2020	June 30, 2019	Dec 31, 2019
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders				
Share capital		1,147	1,141	1,141
Other contributed capital		635,007	625,926	625,926
Reserves		-91	-21	-31
Retained earnings (including profit (loss) for the year)		-104,241	-11,072	-61,765
Total equity attributable to Parent Company shareholders		531,822	615,974	565,271
LIABILITIES				
Non-current liabilities		67,859	82,514	71,505
Current liabilities		54,235	47,825	46,437
Total liabilities		122,094	130,339	117,942
TOTAL EQUITY AND LIABILITIES		653,916	746,313	683,213

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Thousand SEK

Attributable to shareholders of the Parent Company

	Note	Share capital	Ongoing new share issue	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
Opening balance at January 1, 2019		1,141		625,926	-42	- 499,776	127,249
Profit (loss) for the period		-	-	-	-	488,704	488,704
Other comprehensive income for the period		-	-	-	21	-	21
Total comprehensive income for the period		-	-	-	21	488,704	488,725
Closing balance at June 30, 2019		1,141	-	625,926	-21	-11,072	615,974
Opening balance at July 1, 2019		1,141		625,926	-21	-11,072	615,974
Profit (loss) for the period		-	-	-	-	-50,693	-50,693
Other comprehensive income for the period		-	-	-	-10	-	-10
Total comprehensive income for the period		-	-	-	-10	-50,693	-50,703
Closing balance at June 30, 2019		1,141	-	625,926	-31	-61,765	565,271
Opening balance at January 1, 2020		1,141		625,926	-31	- 61,765	565,271
Profit (loss) for the period		-	-	-	-	-42,476	-42,476
Option proceeds				9,081			9,081
Other comprehensive income for the year	6		-	-	-60	-	-54
Total comprehensive income for the year		6	-	9,081	-60	-42,476	-33,449
Closing balance at June 30, 2020		1,141	-	635,007	-91	104,241	531,822

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in Thousand SEK	Financial period				
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
	Note				
Cash flow from operating activities					
Operating profit (loss)	-28,270	513,828	-45,880	493,916	448,408
Adjustments for non-cash items	2,978	1,907	6,283	5,839	13,811
Interest paid	-266	-153	-600	-304	-1,386
Cash flow from operating activities before changes in working capital	-25,558	515,582	-40,197	499,451	460,833
Cash flow before changes in working capital					
Increase/decrease of inventories	3,936	-3,347	-4,239	-9,461	-10,586
Increase/decrease of current receivables	9,269	-83,426	-5,676	-76,109	-81,442
Increase/decrease of current liabilities	1,357	-3,942	6,417	1,028	341
Total changes in working capital	14,562	-90,715	-3,498	-84,542	-91,687
Cash flow from operating activities	-10,996	424,867	-43,695	414,909	369,146
Cash flow from investing activities					
Acquisitions of tangible and intangible assets	-3,337	-146	-3,785	-94	-1,666
Shareholder contribution to associated companies	-	-	-	-	-
Cash flow from investing activities	-3,337	-146	-3,785	-94	-1,666
Cash flow from financing activities					
Amortization	-	-	-	-	-9,854
Repayment of leasing liability	-1,601	-2,299	-3,152	-3,810	-6,018
Option proceeds	9,087	-	9,087	-	-
Cash flow from financing activities	7,486	-2,299	5,935	-3,810	-15,872
Decrease/increase of cash and cash equivalents	-6,847	422,422	-41,545	411,005	351,608
Opening cash and cash equivalents	432,026	87,023	440,948	98,254	98,254
Effects of exchange rate changes on cash and cash equivalents	-21,703	-4,359	4,073	-4,173	-8,914
Closing cash and cash equivalents	403,476	505,086	403,476	505,086	440,948

CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in Thousand SEK	Note	Financial period				
		Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net sales		22,096	15,552	48,666	24,778	66,850
Cost of goods sold		-17,598	-9,830	-36,433	-16,415	-46,311
Gross profit		4,498	5,722	12,233	8,363	20,539
Selling and administrative costs		-14,350	-11,769	-27,762	-19,093	-42,190
Research and development costs		-16,387	-15,408	-36,857	-35,822	-83,250
Other operating income		3,840	4,958	12,385	12,690	27,613
Other operating costs		-5,648	-288	-5,321	-691	-3,129
Operating income (loss) before items affecting comparability		-28,047	-16,785	-45,322	-34,553	-80,417
Items affecting comparability		-	530,541	-	528,433	528,306
Operating profit (loss)		-28,047	513,756	-45,322	493,880	447,889
Total profit (loss) from financial items		-21,704	-4,511	4,076	-4,477	-11,606
Profit (loss) after financial items		-49,752	509,245	-41,246	489,403	436,283
Tax on profit (loss) for the period		-	-	-	-	-
Profit (loss) for the period		-49,752	509,245	-41,246	489,403	436,283

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	June 30, 2020	June 30, 2019	Dec 31, 2019
ASSETS				
Non-current assets				
Intangible assets		1,360	1,913	1,636
Tangible fixed assets		23,388	25,008	21,887
Financial assets		4,108	3,561	2,173
Total non-current assets		28,856	30,482	25,696
Current assets				
Inventories		47,549	42,184	43,309
Current receivables		132,102	121,622	125,524
Cash and bank		401,618	504,332	439,130
Total current assets		581,269	668,138	607,963
TOTAL ASSETS		610,125	698,620	663,659

Amounts in Thousand SEK				
	Note	June 30, 2020	June 30, 2019	Dec 31, 2019
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		1,147	1,141	1,141
Total restricted equity		1,147	1,141	1,141
Non-restricted equity				
Share premium reserve		555,507	546,426	546,426
Retained loss		16,890	-419,392	-419,393
Profit (loss) for the period		-41,246	489,403	436,283
Total non-restricted equity		531,151	616,437	563,316
Total equity		532,298	617,578	564,457
LIABILITIES				
Non-current liabilities		30,380	39,854	30,000
Current liabilities		47,447	41,187	39,202
Total liabilities		77,827	81,041	69,202
TOTAL EQUITY AND LIABILITIES		610,125	698,620	633,659

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 August 20, 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.

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Revenue from external customers					
Hardware	22,047	14,473	48,773	23,431	61,178
Services	17	1,079	17	1,347	5,672
Total	22,064	15,552	48,790	24,778	66,850
Revenue from external customers per country, based on where customers are located:					
Sweden	236	-	891	-	6,453
Germany	7,853	5,051	30,623	9,186	20,126
China	2,461	8,801	2,927	8,801	17,855
USA	-	952	-	3,241	12,048
Other	11,514	748	14,349	3,550	10,368
Total	22,064	15,552	48,790	24,778	66,850

4 Related party transactions

Since December 19, 2014, PowerCell Sweden AB (publ) is listed on Nasdaq First North Stockholm. Principal shareholder at June 30, 2020 is Bosch GmbH and Fouriertransform who's participating interest is 15.2%.

The following related party transactions have been performed:	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
(a) Purchases of services					
André Martin Consulting	-	-	-	13	132
Total	-	-	-	13	132

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 during 2017 and 2018 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

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
SEK					
Earnings per share, basic	-0.96	9.82	-0.79	9.44	8.41
Earnings per share, diluted	-0.96	9.79	-0.79	9.41	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	-49,752	509,245	-41,246	489,403	436,283
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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	52,005,622	52,028,344	52,005,622	52,004,333	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	-	159,534	-	135,523	173,170
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6 Items affecting comparability

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Costs related to the initiation process to move to Nasdaq	-	-1,994	-	-4,102	-4,229
Initial license payment from Bosch	-	529,101	-	529,101	529,101
One-time currency effect relating to the Bosch payment	-	3,434	-	3,434	3,434
Total	-	530,541	-	528,433	528,306

7 Other operating income

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Currency exchange gains	141	184	4,897	319	690
Grants	3,736	4,774	7,524	12,371	27,036
Total	3,877	4,958	12,421	12,690	27,726

8 Other operating cost

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Currency exchange losses	-5,648	-288	-5,320	-691	-3,129
Total	-5,648	-288	-5,320	-691	-3,129

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.

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