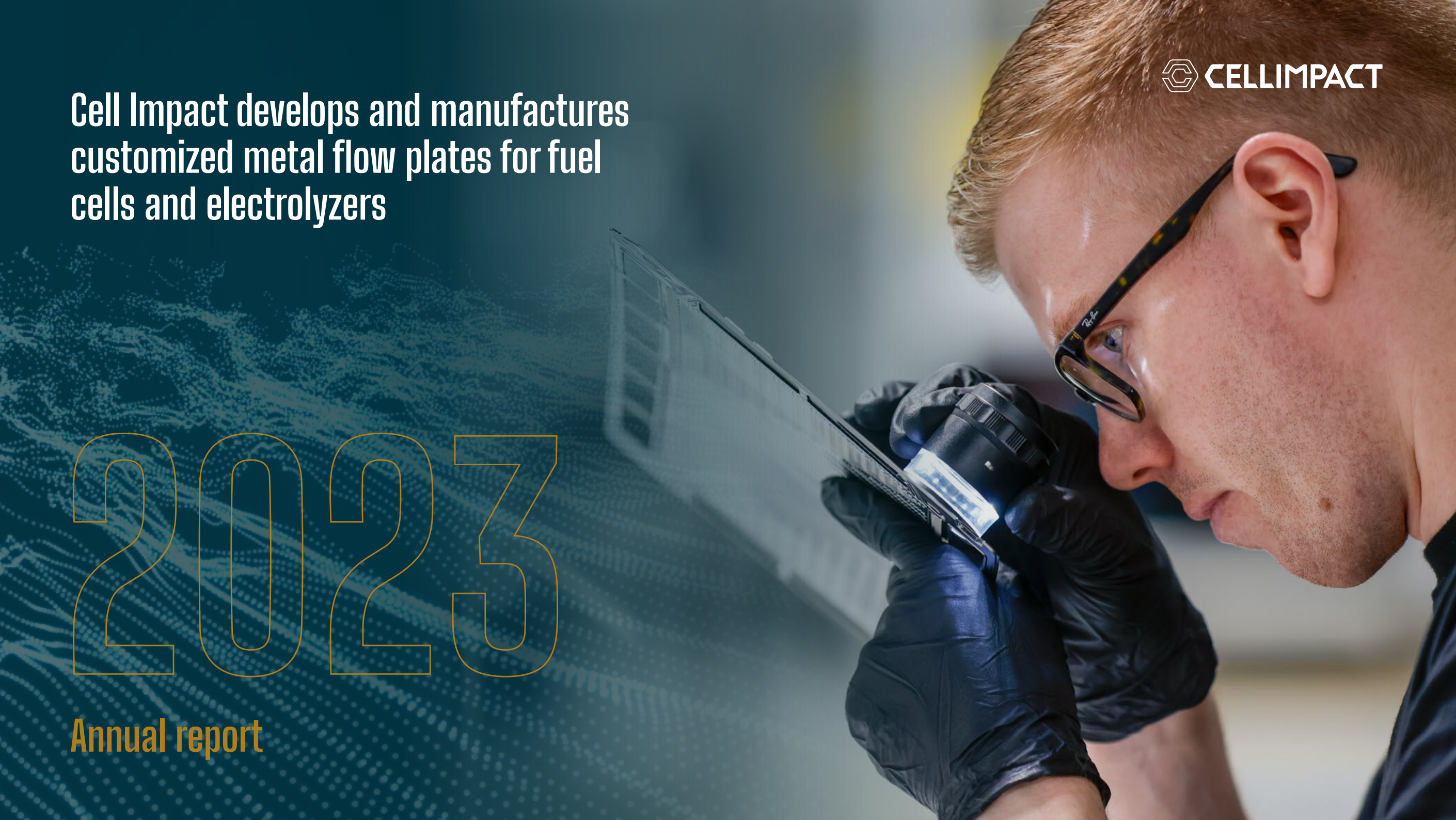


Cell Impact develops and manufactures
customized metal flow plates for fuel
cells and electrolyzers

2023

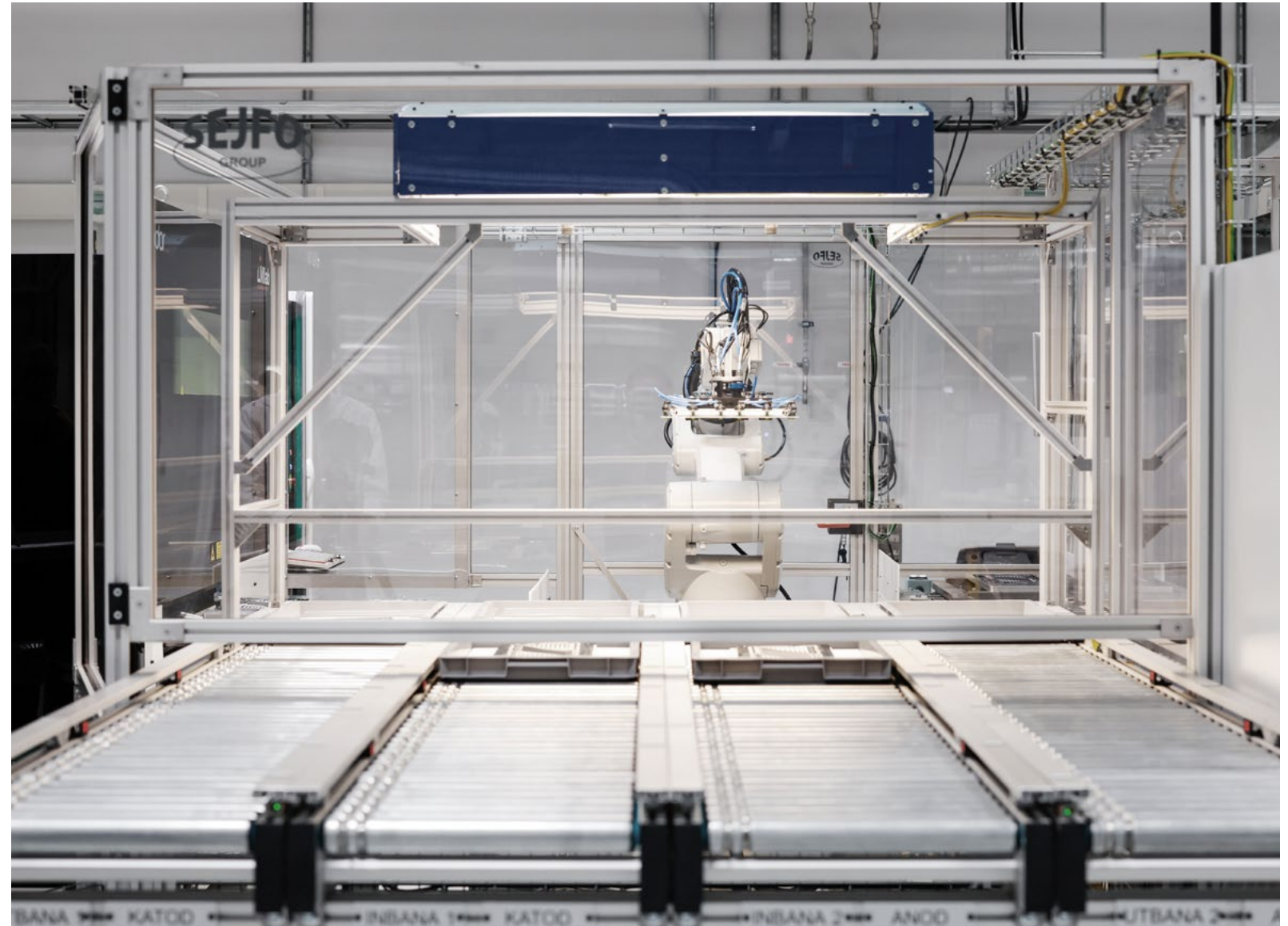
Annual report



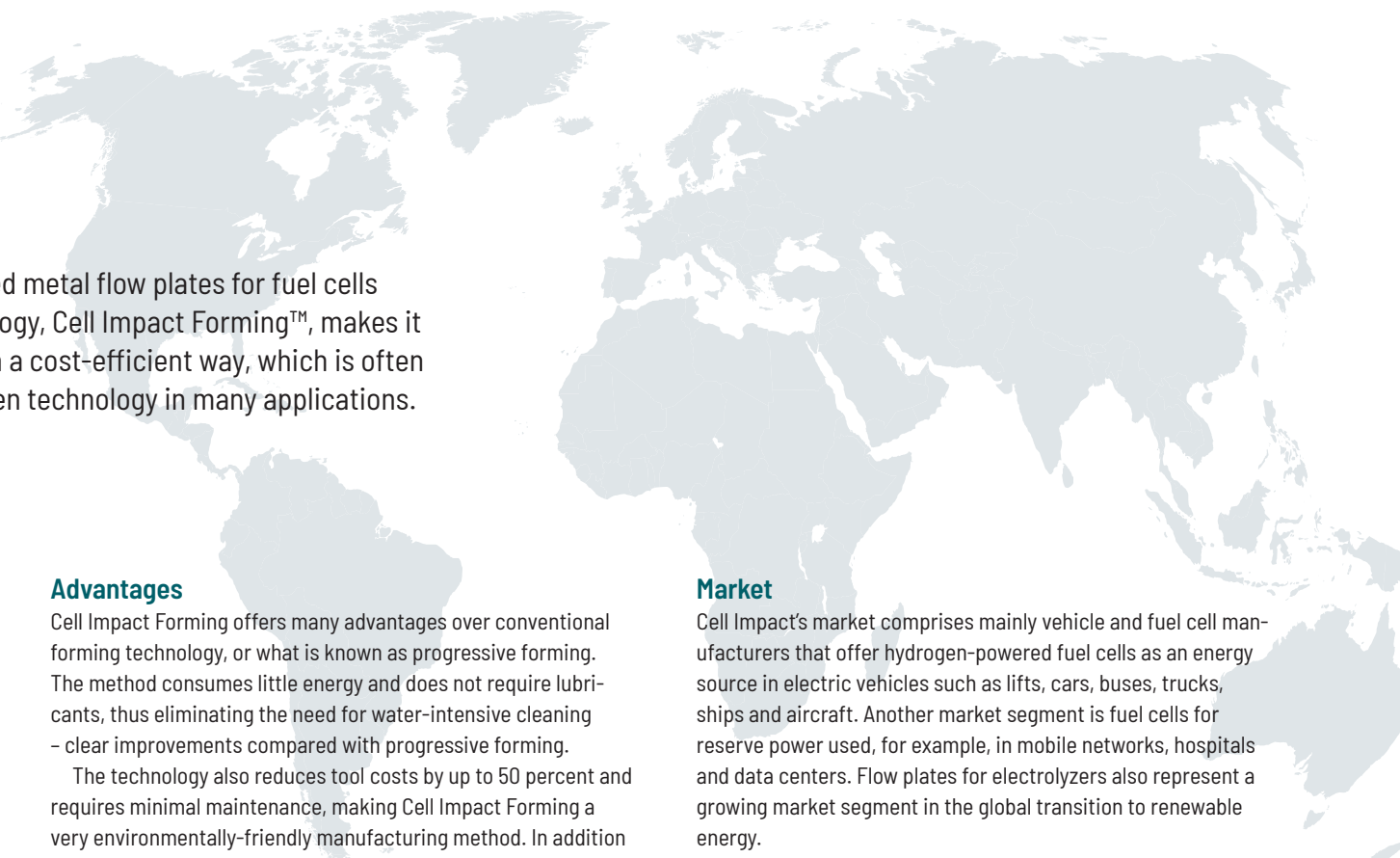


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This English translation of the original document is for convenience purposes only.
 In the event of any discrepancy between the Swedish version and the English translation, the Swedish version shall take precedence.



This is Cell Impact

Cell Impact develops and manufactures customized metal flow plates for fuel cells and electrolyzers. Our proprietary forming technology, Cell Impact Forming™, makes it possible to produce large volumes of flow plates in a cost-efficient way, which is often a prerequisite for environmentally friendly hydrogen technology in many applications.

Around the world, a major shift from fossil fuels to renewable energy sources is taking place, and Cell Impact is part of this development. Fuel cells produce electricity and heat through an electrochemical reaction where hydrogen and oxygen are combined. The technology is environmentally-friendly and the only byproduct is clean water. With the help of electrolyzers, electricity from renewable sources can be used to split water and thus produce green hydrogen gas.

Cell Impact Forming

Cell Impact has developed a unique, patented, high-precision method for forming the very thin metallic plates – flow plates – that are used in fuel cells and electrolyzers. The method relies on a hydraulic impact unit that very quickly, and with incredible accuracy, forms a metallic substance between two precision tools. The high energy levels make it possible to utilize special physical properties in the metal to form the exact patterns required for high efficiency in a modern flow plate.

Advantages

Cell Impact Forming offers many advantages over conventional forming technology, or what is known as progressive forming. The method consumes little energy and does not require lubricants, thus eliminating the need for water-intensive cleaning – clear improvements compared with progressive forming. The technology also reduces tool costs by up to 50 percent and requires minimal maintenance, making Cell Impact Forming a very environmentally-friendly manufacturing method. In addition to offering many technical advantages, Cell Impact Forming can also substantially reduce cost per produced plate. It is the rational process with initial low investment and installation costs, combined with subsequent low operating expenses, that enables customers to gain this crucial competitive advantage.

Offering

Cell Impact’s offering includes highly specialized design services for flow plates and tools, prototype series and production of large volumes of flow plates. The company manufactures both single and stacked, or bipolar, flow plates.

Market

Cell Impact’s market comprises mainly vehicle and fuel cell manufacturers that offer hydrogen-powered fuel cells as an energy source in electric vehicles such as lifts, cars, buses, trucks, ships and aircraft. Another market segment is fuel cells for reserve power used, for example, in mobile networks, hospitals and data centers. Flow plates for electrolyzers also represent a growing market segment in the global transition to renewable energy.

Cell Impact addresses a global market with customers primarily in North America and Europe, as well as in Asia where Japan is the main market. In the EU and the US, there is also increased interest in hydrogen fuel, particularly following the large hydrogen investments in the EU within the framework of the European Green Deal and in the US through the Inflation Reduction Act.

High-volume production of customized flow plates for fuel cells & electrolyzers

Organization

80 employees.

Locations

Head office and production facility in Karlskoga, Sweden. Subsidiary in Japan (Cell Impact Japan Inc.) and local presence in Germany.

Cell Impact Forming™

Unique production technology protected by global patents.

Offering

Development and series production of cost and energy-efficient flow plates for fuel cells and electrolyzers.
– DFM (Design for Manufacturing) services
– Tools and prototype series
– Local production combined with license revenue

Business model

– Project revenues
– Sales of flow plates



The year in summary

- Investments in outstanding measuring precision enabled Cell Impact to better support customers' product development.
- Cell Impact initiated cost-reduction programs to address the expected decrease in order inflow and adjusted previously communicated financial goals.
- There was great commercial interest for Cell Impact Forming in Japan.
- Cell Impact participated in the hydrogen trade fair H2 MEET at KINTEX, South Korea, as well as in the hy-fcell conference and exhibition in Stuttgart.
- A Board member of Cell Impact resigned.
- Cell Impact received a SEK 22 million order from Plug Power for delivery during first half-year 2024.
- Cell Impact published an operational update, announced preliminary sales figures and convened an EGM to create flexibility in raising capital.

- Cell Impact's Board of Directors resolved on a rights issue of up to approximately SEK 152 million that was carried out during the year, raising approximately SEK 129 million before issue expenses.
- Stefan Axellie (CFO) and Pär Teike (CEO) announced their intention to resign.

Significant events after the reporting date

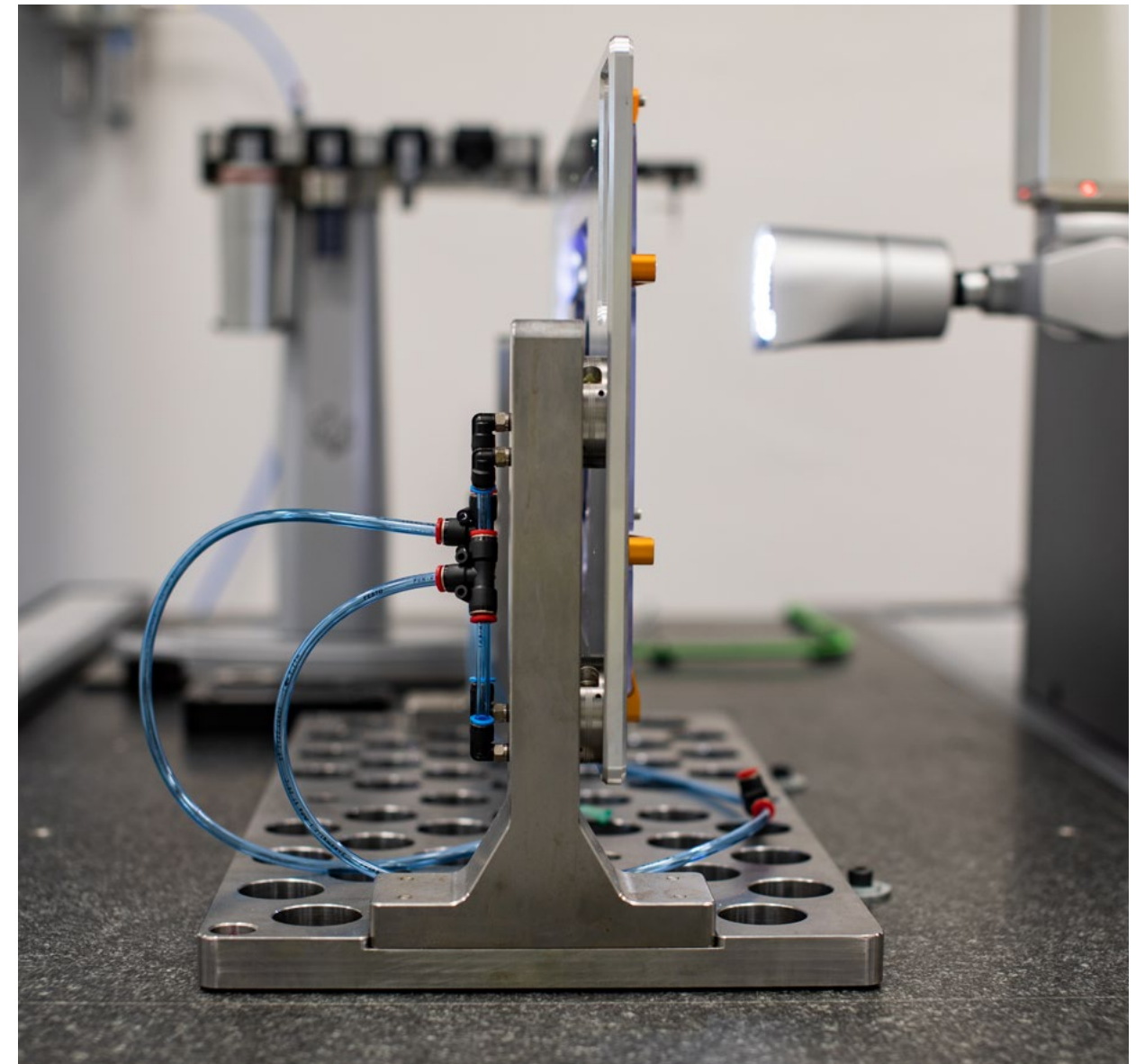
- Daniel Vallin started as interim CEO on January 1, 2024 and Malin Lundberg started as CFO on February 12, 2024.
- Cell Impact received a SEK 18 million order in the area of electrolysis from a new European customer for flow plates, tools and fixtures with delivery scheduled from March 2024 to mid-2026.

The year in figures (SEK thousand)	2023	2022
Revenue	47,261	76,812
Operating profit/loss	-119,490	-103,465
Loss after financial items	-121,364	-104,144
Profit/loss after tax, attributable to the shareholders of the Parent Company	-120,402	-103,721
Cash flows from operating activities	-100,972	-105,931
Earnings per share attributable to the shareholders of the Parent Company (SEK)	-1.11	-1.38
Other operating income	401	900



22 MSEK

ORDER FROM PLUG POWER REGARDING DELIVERIES FOR THE FIRST HALF OF 2024





CEO's comments

Expanding in the electrolyzer market

As we've already mentioned, 2023 was a weak year, but we managed to secure funding for the company's ongoing development before year-end, concluded the cost-reduction program we launched in July 2023 and initiated another one. After the end of the year, we received our first order for flow plates within the area of electrolysis.

As it looks, Cell Impact's sales will gradually increase in contrast with the low sales level we experienced during the most recent quarter. Our full focus now is on continuing to develop our customer projects as well as Phase II, our productivity and profitability program.

Turnover for 2023 amounted to SEK 47.3 million (76.8), a decrease of 38 percent. The loss was SEK -119.5 million (-103.5). The low figure was due to decreased turnover and the impairment needs identified in the final phase of the second ongoing rationalization and cost-reduction program.

New customer, new segment

After the end of the financial year, we received an order that is expected to generate revenues of SEK 18 million through the second half of 2026. The new European customer is a company with unique electrolysis technology, making this deal our first within the electrolyzer segment specifically related to flow plates.

The deal is of great significance to Cell Impact both in terms of scope and strategic direction, as it is a result of marketing efforts we have been making since 2022. The production of hydrogen through electrolysis is growing quickly and around

the world, large sums are being invested to develop and produce electrolyzers. In previous reports, we have shared information about deliveries of prototypes and ongoing customer projects. Our goal is to convert additional projects into larger deals in 2024 and beyond. We have great confidence in the growing market for electrolyzers, where technology is a prerequisite for producing sustainable green hydrogen.

Continuing to develop Cell Impact's offering

We continue to see interest in Cell Impact's products and technology from existing customers and new prospects. Throughout the year, this was evident in activities that are prerequisites for handling future large orders for flow plates for fuel cells and electrolyzers. These involve initial design support and the production of test tools and prototypes to evaluate customers' designs and finished products. At the end of the year, several customer projects were ongoing, involving prototype manufacturing of flow plates with full-scale tools.

In October 2023, we also received a SEK 22 million order from Plug Power to deliver flow plates and related products, with delivery planned during the first half of 2024.



”

Cell Impact Forming™ is a cost-effective and scalable process that enables high-volume, high-quality forming of flow plates.



Boosting efficiency and securing financing

During the year, we initiated two cost-reduction programs, one that we announced in August and another that we decided upon during the fourth quarter. Once they are fully implemented in the spring 2024, these programs will reduce Cell Impact's workforce to about 50 people, more than halving the previous headcount. Going forward we will continue to monitor the company's costs closely.

During the fourth quarter, we also concluded a successful rights issue, raising approximately SEK 129 million before issue expenses. In accordance with what was published in the prospectus, we expect that this capital injection will allow us to finance operations into 2025.

Following the rights issue and despite the cost-reduction program, we were able to secure internal core knowledge in all essential areas, which is crucial for delivering existing projects and ensuring our long-term development.

New step in production process

Cell Impact has previously been able to show that Cell Impact Forming™ is a cost-effective and scalable process that enables high-volume, high-quality forming of flow plates. Moreover, during the fourth quarter, we were also able to verify crucial improvements to two of the steps in the manufacturing process for flow plates in our Phase II program: a new punching technique and a faster, more stable welding method. In January 2024, we installed the first of three new fully automated laser

cutting machines with higher capacity than our previous equipment, providing a more stable and flexible process for prototypes and medium-sized volumes.

During the year, we have doubled our production capacity and we thus continue to be a world leader in terms of the ability to manufacture flow plates.

High confidence and commitment

In conclusion, I'd like to say that we are continuing to experience significant interest in our products and confidence in Cell Impact as a participant in the green transition. This is something we've noticed not only from customers and suppliers, but also from the many investors who have chosen to be part of our journey. Without their trust, nothing would be possible.

The same applies, not least, to Cell Impact's employees who are fully focused on and committed to our continued development. Thanks to all of our employees, both those who remain in the organization and those who have earlier made valuable contributions to our business, we have strong momentum.

Cell Impact will be a leader in cost-effective and high-quality manufacturing of flow plates for fuel cell and electrolyzer manufacturers.

Daniel Vallin, Interim CEO
Karlskoga, March 2024



Business idea

Cell Impact develops and manufactures environmentally friendly flow plates for fuel cells and electrolyzers. The company also provides services, tools and production equipment related to its core business. Cell Impact's unique compact, sustainable and scalable forming technology provides cost advantages for customers, which enhances the company's competitiveness. Another competitive edge is Cell Impact's design expertise in shaping flow plates for optimal performance in the fuel cell stack. This helps facilitate production and results in flow plates of high and consistent quality at a low cost.

Due to the high volumes of flow plates expected to be in demand, local production will be necessary to reduce costs and mitigate risks associated with long-distance transportation of large volumes. To meet this need, Cell Impact can establish its unique process in proximity to a customer's factory. Cell Impact strives to retain control over its process through leasing, royalties or similar arrangements with a focus on always contributing the company's expertise.

Business model

Cell Impact's offering includes highly qualified design services for flow plates, tool design, prototype series and production of larger volumes. The company's business consists of four revenue streams:

- 1) series production of flow plates,
- 2) Design for Manufacturing (DFM) and other design services,
- 3) tools and prototypes, and
- 4) local production combined with license revenue.

The primary source of revenue over time should be income from the manufacturing and sale of customized flow plates. To enable large-scale production of flow plates, Cell Impact has invested in a productivity and profitability program called Phase II, where the company has increased capacity and automation levels in various subprocesses to scale up production. Phase II will also increase cost-efficiency, enable more stable production

and result in higher quality flow plates, which will lead to a high grade of utilization at a low production cost. All together, this will increase revenues from the sale of flow plates, and the share of these revenues vis-à-vis total revenue will also rise.

Cell Impact's expertise in design, processes and production allows the company to support customers in designing their own flow plates to make them easier to manufacture with higher and more consistent quality, thereby generating revenue.

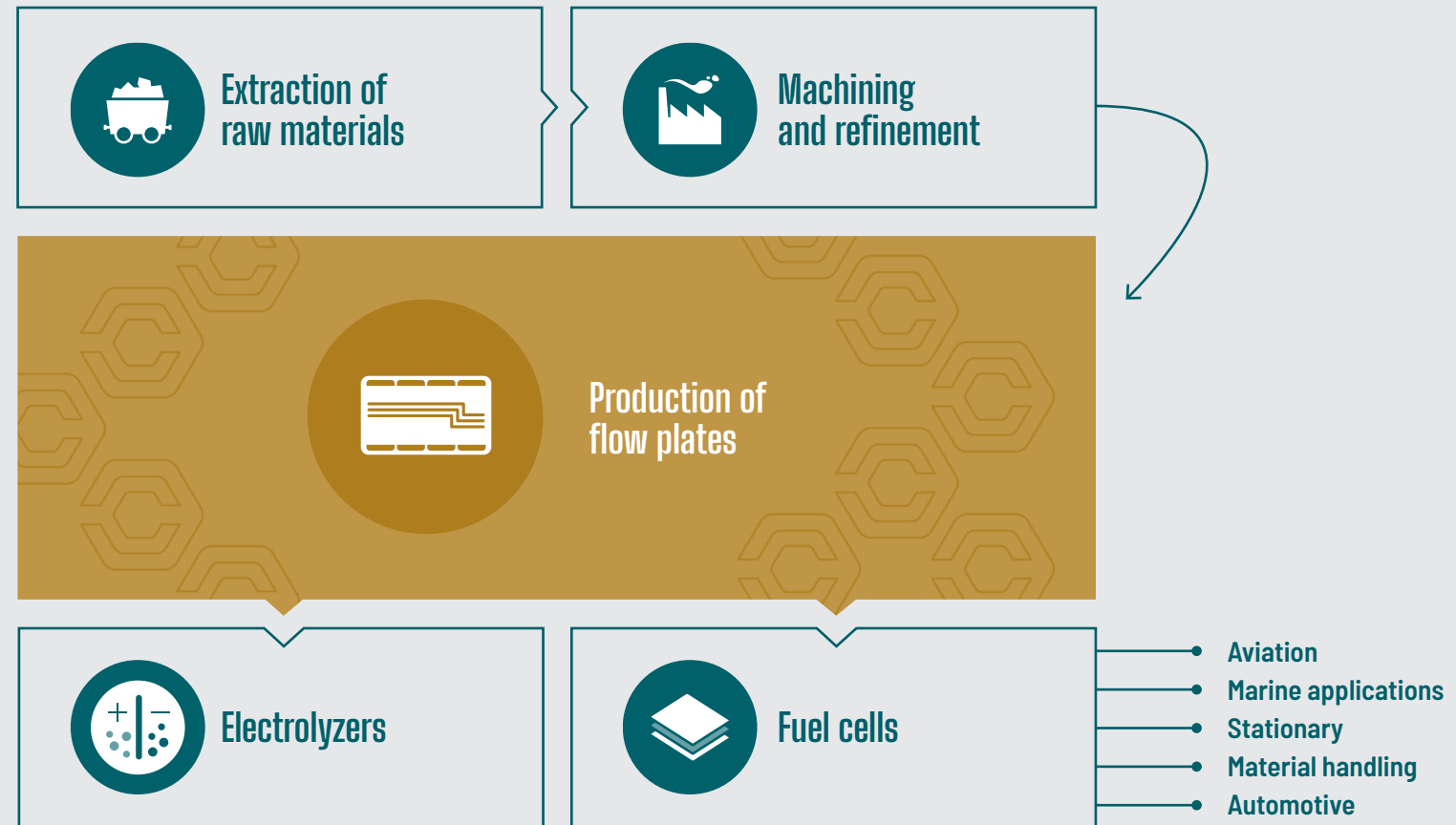
All projects that involve developing customized flow plates include the sale of tools, fixtures and prototypes. This is part of the development process and generates revenue.

In some cases and in markets where it is more challenging to establish operations, Cell Impact may enter into partnerships with buyers of flow plates and sell production equipment. This entails license revenues and additional revenues from services, tools and prototypes.

Value chain

The metal flow plates Cell Impact manufactures are part of a value chain that extends from raw material production to final use in many sectors including the automotive and aviation industries as well as marine and stationary applications. The value chain is complex and involves several critical steps before flow plates can be used by manufacturers of fuel cells and electrolyzers to enable efficient and sustainable alternatives to fossil fuels as well as production of green hydrogen using electricity from renewable energy sources.

The diagram below is a simplified illustration of the current and potential value chain of Cell Impact's flow plates.



More information about Cell Impact's value chain



Extraction of raw materials

Cell Impact manufactures metal flow plates using a process that relies on extracting raw materials such as iron, zinc, nickel, chrome, molybdenum and titanium. These raw materials are extracted from mines around the world but can also be derived from recycled scrap, providing a more circular flow. Virgin production of metals involves prospecting and mining to extract raw materials from the Earth's crust. The raw materials come from regions and suppliers without significant ESG issues.



Machining and refinement

The raw materials undergo several processing steps to purify and refine the materials before the extracted raw material can be metallurgically processed through melting, alloying and forming the desired metal as rolled sheet metal. Metal refining is a critical step in the process to remove impurities and achieve a product of consistent and high quality. This process is highly energy-intensive.



Production of flow plates

Cell Impact has developed Cell Impact Forming™, a unique, patented forming method that enables rapid and cost-effective forming of flow plates. The technology is based on a high-kinetic process where two tools meet at a high and precisely controlled speed, allowing for scalable production of high-quality flow plates. The process is built on the metal remaining cold and dry both before and after processing. This results in lower energy consumption compared with conventional pressing processes. Moreover, Cell Impact can manufacture flow plates with minimal water consumption and without lubricants. Consequently, the manufacturing process has minimal climate and environmental impact. The types of flow plates manufactured by Cell Impact include PEM (Proton Exchange Membrane) plates and plates for SOFC (Solid Oxide Fuel Cells).



Electrolyzers

With electrolysis, it is possible to produce hydrogen through a process where electricity passes through a conductive solution, producing oxygen and hydrogen at the anode and cathode, respectively. Electrolyzers are crucial for producing green hydrogen, that is, hydrogen generated using renewable energy such as wind or solar power. There is significant potential for flow plates for electrolyzers in the green transition to fossil-free energy.



Fuel cells

Another application of flow plates is in manufacturing fuel cells. In this process, bipolar PEM plates facilitate electrochemical reactions that convert hydrogen and oxygen into water and electricity. The process produces significantly cleaner energy compared with using fossil fuels, making hydrogen and fuel cell technology an effective solution to reduce climate impacts and global warming.

The fuel cells are assembled into what are known as fuel cell stacks. These stacks are supplied to manufacturers in various industries with high demands for low environmental impact as well as quiet, safe and emission-free energy production.

Aviation

The aviation industry is a significant source of climate-impacting emissions. Before the pandemic, aviation accounted for 2.5 percent of global CO₂ emissions and after several years with lower emissions, emissions from aviation have now returned to this level. Hydrogen-powered aviation is expected to grow in the coming years, initially for smaller aircraft and shorter distances and then over time for larger planes and longer flights.

Marine applications

The marine industry has a significant impact due to extensive emissions of climate-impacting substances. In terms

of marine transport, the most interesting use of hydrogen-fueled vessels is along coastal routes. The potential to reduce climate-impacting emissions using fuel cell technology is substantial.

Stationary

There is significant potential to increase the use of fuel cell technology as a backup for energy production or in areas where using off-grid solutions is challenging. The market where fuel cell generators could be an alternative to diesel power is expected to grow by 25 percent per year between 2023 and 2030.

Material handling

This segment includes various types of construction machinery, agricultural equipment and forklifts as well as trains. The use of trains run on fuel cells is expected to increase by 28 percent annually between 2026 and 2035.

Automotive

A significant number of automotive industry participants have made great progress in developing fuel cell engines for cars and heavy vehicles. Some are developing their own fuel cell stacks, while others buy them from suppliers. The potential in the sector is significant, and there is a much to leverage – an electric fuel cell car, for example, requires 300 to 500 flow plates, which means that even a limited number of cars that run on fuel cells will lead to a very high demand for flow plates.

Sustainability – Cell Impact’s reason for existing

Cell Impact’s products and high-tech manufacturing processes provide solutions to the planet’s greatest climate challenge: to reduce the world’s dependence on fossil fuels. Sustainability is therefore the company’s raison d’être and the foundation of Cell Impact’s mission and offering.



Targets SDG 7.2, SDG 7.4, SDG 11.2

Cell Impact’s mission is to revolutionize the global energy system and combat the climate change that threatens the planet. With its environmentally friendly and scalable technology, Cell Impact offers the hydrogen society solutions to the significant challenges related to producing flow plates on a large scale. Otherwise, there is a risk that the already urgent transformation of the global energy system will be delayed.

Cell Impact’s flow plates are attractive to manufacturers of electrolyzers and fuel cells. When the electrolysis process is powered by electricity from renewable sources, the result is sustainable, green hydrogen with a very low climate impact.

Green hydrogen is an energy source that can be used in fuel cells where the energy in the hydrogen is extracted and the only emission is water vapor.

By developing and manufacturing flow plates for fuel cells and electrolyzers, Cell Impact is contributing to the green transition.

For Cell Impact, sustainability also includes how the company does business and reduces its own climate impact. Cell Impact views sustainable business practices as a moral obligation and the company is convinced that they are also necessary to ensure a sustainable future for the company, its stakeholders and society at large. Cell Impact’s sustainability initiatives should have a positive impact on the company’s competitiveness and contribute to long-term sustainable economic growth.

This is why sustainability also involves how the business ensures long-term delivery capability. For Cell Impact, it means that the company shall strive to be an attractive employer for existing and potential employees and ensure the efficient use

of both human and natural resources. Cell Impact aims to offer a sustainable work environment that fosters well-being, satisfaction and development.

Cell Impact’s opportunities to achieve stable long-term growth in a somewhat immature and rapidly-evolving industry depend on its ability to quickly adapt skills to market needs, remain curious and innovative and be easy to do business with. This requires an open and safe culture with diverse people and backgrounds. Constantly developing people and the business is crucial for Cell Impact to dare to challenge and be challenged.

This initial communication of the company’s ESG work has started with outlining Cell Impact’s fundamental approach to sustainability. Cell Impact is now laying the foundation to further develop its ESG governance structure in upcoming reports, aiming to improve transparency, clarify objectives and establish sustainable and operationally relevant monitoring within the ESG domain.

Vision

Environmental responsibility

Cell Impact shall revolutionize the global energy system and combat climate change that threatens the world as we know it today. The company shall protect and develop its environmentally friendly and scalable technology, providing sustainable solutions to the challenges that the hydrogen society faces today related to mass producing flow plates.

Social sustainability

Cell Impact’s workplace shall be characterized by diversity. The company is convinced that this creates the best conditions to be an agile, innovative and commercially sustainable business. Everyone shall have the opportunity to contribute to the company’s success and be included in a strong community that allows for constant learning.

Sustainable business management

Cell Impact’s management structure shall be characterized by a long-term perspective. Processes and routines shall be well-organized and clear, illustrating how they serve the company and balance the needs of stakeholders. Management procedures shall also be simple and scalable, meeting real needs by making it easy for people to do the right thing.

The company and its employees shall undertake to adhere to high ethical standards and act responsibly towards each other, shareholders, customers, partners and society.



Environmental responsibility



Targets SDG 12.2, SDG 12.4, SDG 12.5

Greenhouse gas emissions

Cell Impact has a very low climate impact from direct emissions in its operations (Scope 1). Producing flow plates involves a range of different steps including forming, cutting and welding. All machines in Cell Impact's processes are powered by electricity and there is no combustion of fossil fuels. There is also a diesel-fueled van that the company uses for local transportation.

Indirect emissions (Scope 2) include emissions from the electricity and district heating that supply the factory and office in Karlskoga.

Scope 3 downstream emissions include Cell Impact's suppliers' emissions of greenhouse gases from the production of steel. While Scope 1 and Scope 2 have a relatively small climate impact, Scope 3 has a more significant impact due to the steel the company purchases to produce flow plates and forming tools. This also includes the transportation of materials from the manufacturer to Cell Impact's factory in Karlskoga.

When it comes to Scope 3 downstream, Cell Impact has chosen to limit Scope 3 emissions to those that occur from the moment a delivery of flow plates leaves the factory until it arrives at the customer. This means that Cell Impact reports indirect emissions from truck, train, boat and sometimes air

transport. There are also a number of processing procedures at Cell Impact's customers that can also give rise to emissions.

During 2023, Cell Impact was not able to assess the climate impact in Scope 3. The plan is to include the most relevant emissions in the company's calculations during 2024.

Energy consumption

The company's forming technology, Cell Impact Forming™, is significantly less energy-intensive than conventional forming techniques.

Cell Impact's ambition, which is evident in the company's Phase II productivity and profitability program, is to constantly streamline and rationalize processes to reduce energy consumption per flow plate, which is crucial when producing flow plates on a large scale. This will be followed up in more detail in subsequent reports. A total of 32 percent of the electricity Cell Impact uses comes from renewable sources.

Heating at the Karlskoga factory comes from district heating, which according to the supplier derives mainly from renewable sources. In 2022, district heating consisted of 95 percent renewable and recycled energy, with the majority from waste-based fuels composed of fractions that cannot be recycled efficiently.

LED lamps are used for lighting in Cell Impact's manufacturing process.

Water consumption

Cell Impact's manufacturing processes does not require lubricants. For this reason, no water is needed to clean production machinery. The water consumed at Cell Impact's factory relates to drinking water, flushing toilets and cleaning.

Water consumption is therefore unusually low for an industrial company.

For 2023, it has not been possible to quantify Cell Impact's water consumption as the water meter did not cover the entire premises where other activities are also carried out. In 2024, the company will investigate the possibility of installing its own meter.

Waste management and recycling

Already in the design phase of forming tools, recycling is an important factor. Tools are manufactured from a life cycle perspective with a focus on sustainability. With the right material and manufacturing method, Cell Impact can ensure that a tool will maintain its shape and quality for a long time. Well-designed tooling optimizes the forming process to make the most efficient use of material for the flow plates, minimizing waste as much as possible. This makes the manufacturing process highly resource-efficient.

In manufacturing, despite good preparation, there is a need to manage waste and recycling of discarded flow plates and scrap generated when cutting plates. Cell Impact recycles unused sheet metal and reuses discarded plates, for example, for test runs.

Cell Impact's flow plates are primarily made of stainless steel and titanium. Leftover material is recycled, and it is relatively straightforward to recycle, although the coated sheet metal that Cell Impact uses is somewhat more resource-intensive when recycling.

In 2024, Cell Impact will take steps to improve and expand sorting of other recyclable material.

GREENHOUSE GAS EMISSIONS

Emission category, tCO ₂ e	2023	2022
Total greenhouse gas emissions	14.52	14.29
Direct (Scope 1) GHG emissions		
Stationary fuel consumption	0	0
Mobile fuel consumption		
- Own transport	1.73	2.66
- Company cars	5.06	3.94
Indirect (Scope 2) GHG emissions		
Consumption - electricity	9.45	9.63
Consumption - district heating	5.07	4.66

The calculation of CO₂ emissions for internal transport (Scope 1) as well as electricity and district heating (Scope 2) was carried out using actual consumption and converted using a standard calculation in the EcoVadis Carbon Calculator.

WASTE MANAGEMENT & RECYCLING, KG

Category	Total	Land-fill	Energy extraction	Recycling of material
Combustible and wood waste	10,972	0	10,871	101
Office electronics	170	4	47	119
Hazardous waste	356	18	0	338
Iron	11,531	638	513	10,381
Metals	599	0	0	599
Stainless steel	36,925	0	0	36,925
Paper	1,160	0	0	1,160



Social sustainability



Targets SDG 8.5, SDG 8.8

Sickness absence and rehabilitation

During the year, Cell Impact had an average sickness absence of 8.5 percent. Those who are collectively employed had a higher rate of sickness absence than the company's white-collar employees.

To manage sickness absence, the company has had rehabilitation meetings and support from occupational health services and has received rehabilitation support from the Swedish Social Insurance Agency (*Försäkringskassan*). Internally, during the year, Cell Impact developed clearer procedures for reporting sickness and better, more frequent rehabilitation meetings.

Diversity

During its recent expansive years, Cell Impact has made a conscious and strategic effort to attract talent to the company. Recruiting is based on the needs of the business and an analysis of the expertise and skills required to perform a job effectively. Until the redundancies in 2023, this competency-based recruitment contributed to diversity among employees in terms of gender, age, ethnicity and religion as well as educational and industry backgrounds.

As a consequence of the redundancies in 2023, however, diversity has decreased significantly. Despite this, the company has managed to maintain a relatively even gender distribution compared with the manufacturing industry as a whole.

Expertise and training

Cell Impact operates in an industry that is prone to change and that is also experiencing substantial growth. With its unique and extensive experience in manufacturing flow plates, Cell Impact is a center of knowledge in the industry. Expertise and training are therefore central. To be successful, it is crucial for Cell Impact to have employees who are constantly learning and developing in their work.

Through periodic employee surveys, Cell Impact continuously monitors how employees perceive their learning experience. In 2023, the number of employees who stated that they learn and develop continuously in their work increased from 80 percent to 63 percent. The lower level in the fourth quarter is considered temporary due to the period's smaller workforce and personnel reductions.

At Cell Impact, employees are frequently engaged in cross-functional projects and support and assist with tasks beyond their regular roles. This is often perceived as stimulating and helps employees learn from each other. Cell Impact also ensures that the right information is delivered to the right person at the right time and conducts individual check-ins where knowledge, skills and learning are on the agenda.

Onboarding programs, internal training and competency matrices are other crucial elements in the company's learning culture. Cell Impact uses these to monitor development and ensure that both new and experienced employees have the right conditions to grow in their roles.

Accidents and incidents

Cell Impact's efforts to ensure a good work environment lay the foundation for a safe, health and developmental workplace for all employees. It is therefore important for the company to

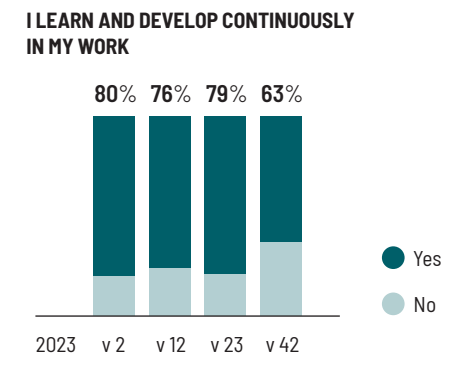
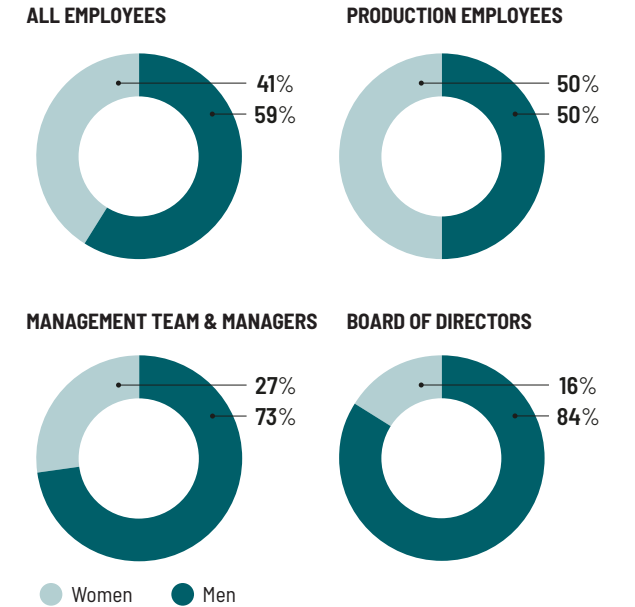
work systematically, always report near misses, identify risks and address areas of concern. Through safety rounds and an occupational health and safety committee, Cell Impact conducts analyses and follows up on accidents and near misses, especially within production where the risk of accidents and near misses is greatest.

Preventive initiatives involve systematic occupational health and safety initiatives where Cell Impact considers occupational health and safety aspects in all significant decisions related to the company's operations. Cell Impact conducts risk assessments, for example, during the installation of new machinery, changes in processes and tasks or changes in personal conditions, leading to safer ways of working.

Through periodic employee surveys, all employees are engaged in occupational health and safety issues. In these, employees' responses are transparent and can be reviewed in real-time by everyone within an anonymity threshold of three responses. The data is used to prioritize safety efforts and it also creates awareness among everyone regarding occupational health and safety issues.

Handling redundancies

2023 was a challenging and tumultuous year with cost-reduction programs that led to redundancies and people witnessing their colleagues leaving the company. Negotiation processes were carried out with positive cooperation from union representatives, focusing on securing expertise and enabling sustainable and profitable operations. During the course of this process, Cell Impact communicated constantly. Thanks to an efficient process, the company managed to reduce the amount of time that employees had to spend wondering about their future.





Governance



Targets SDG 8.2, SDG 8.8

Processes and steering documents

Cell Impact is certified according to ISO 9001, a standard for quality management that supports the establishment of an agreed-upon structure and working methods between management, employees and subcontractors, ensuring that relevant procedures are in place for the company's operations.

Cell Impact is also certified according to ISO 14001, a standard for environmental management systems. ISO 14001 provides a framework to improve the company's environmental performance in line with its environmental policy commitments. According to ISO 14001, Cell Impact is required to identify and understand the environmental aspects of its operations, flow plates and design services as well as how they impact the environment.

Cell Impact has several steering documents and guiding policies that provide support in daily operations and facilitate robust and sustainable business practices. Examples of steering documents and policies include:

- Code of Conduct
- IT Policy
- HSQE Policy
- Supplier Code of Conduct
- Communication Policy
- Stakeholder Analysis
- Business Contingency Plan

EcoVadis

In 2022, Cell Impact was awarded a silver medal by EcoVadis for its sustainability initiatives. EcoVadis is one of the world's largest providers of sustainability ratings for companies. Their methodology is based on international sustainability standards, including the Global Reporting Initiative, the UN Global Compact and ISO 26000. In 2024, Cell Impact aims to undergo a new evaluation with the goal of achieving at least silver from EcoVadis.

Business ethics

Cell Impact's Code of Conduct outlines how the company should behave in its roles as a business partner toward customers and suppliers, as employees in the workplace and as participants in society. The code is not just a set of rules but it also serves as a moral compass in matters related to values and ethics.

The Code of Conduct is part of the onboarding program that all new employees undergo when they join the company. It has been used as a guiding principle to navigate decisions in complex issues related to procedures and values. It has also been shared with the company's partners to help guarantee their supply chains.

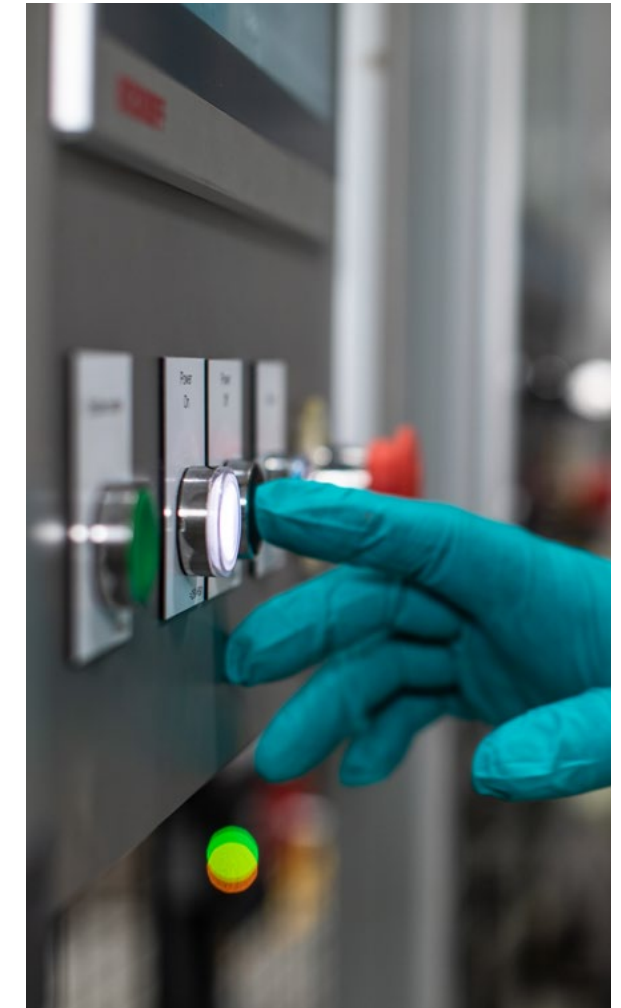
In cases where employees or other stakeholders feel that the company or any of its employees have acted improperly, Cell Impact has a whistleblowing service. This service facilitates handling of serious issues related to violations of Swedish or EU legislation, as well as other situations where it may be deemed of significant interest that a matter be brought to attention. To prevent tracing of informants' identities, the whistleblowing service is hosted by an external party, allowing

the whistleblower to provide information about irregularities anonymously. Cell Impact also strictly enforces a total prohibition against retaliation. This means that there is a zero-tolerance policy against actions intended to punish anyone reporting misconduct, whether real or perceived. In 2023, no reports were filed.

Since Cell Impact was founded in 1999, the company has not been fined or incurred any losses related to corruption. The company has also not been involved in any public legal cases related to corruption directed against the organization or its employees. There have also not been any confirmed cases of corruption, nor has the company taken any disciplinary action or dismissed employees for issues related to corruption.

UN Global Compact and UN's Sustainable Development Goals (SDGs)

Cell Impact is a member of the UN Global Compact (UNGC) which means that it has committed to promoting several of the UN's 17 Sustainable Development Goals and its ten principles for sustainable business regarding human rights, labor, environment and anti-corruption. In 2024, the commitment will be renewed through a new COP (Communication on Progress).



Share and shareholders

Cell Impact is listed on Nasdaq First North Growth Market and traded under the ticker symbol CI with ISIN code SE0017885379.

Shares and share capital

According to Cell Impact's Articles of Association, the share capital shall be no less than SEK 46,302,500 and no more than SEK 185,210,000, divided into no fewer than 400,000,000 shares and no more than 1,600,000,000 shares. As at December 31, 2023, the registered share capital in Cell Impact amounted to SEK 68,463,980 divided into 591,450,032 shares. In connection with the rights issue in 2023, the share capital increased by SEK 59,686,547 and 515,623,104 shares. All shares are of the same type and confer equal rights in the company as well as equal rights to the company's assets and profits. The shares have a quota value of approximately SEK 0.12. There are no restrictions on the transferability of the shares. The company's shares are not subject to any offer made due to an obligation to launch a bid, a redemption right or a buy-out obligation. The company's shares have also not been subject to a public takeover bid during the current or previous financial year. For more information, see Note 28.

Trading facility

Cell Impact's shares are listed on Nasdaq First North Growth Market, an alternative market operated by the Nasdaq OMX exchanges. Nasdaq First North Growth Market does not have the same legal status as a regulated market. This means that

companies on the marketplace are regulated by the rules of Nasdaq First North Growth Markets and not by the legal requirements imposed for trading on a regulated market. An investment in a company traded on the Nasdaq First North Growth Market can therefore be considered to be riskier than an investment in a company listed on a regulated market.

Dividend policy

Resolutions regarding dividends are passed by the Annual General Meeting and payments are processed by Euroclear Sweden. To be entitled to dividends, shareholders must be registered as shareholders in the share register kept by Euroclear Sweden on the record date for the dividend that is determined by the general meeting. Dividends are generally paid by Euroclear Sweden as an amount in cash per share. If a shareholder cannot be reached for the payment of a dividend, the shareholder's claim on the company remains and is only limited by general statutes of limitation. In the event of time barring, the entire amount will fall to the company. Cell Impact does not apply any restrictions or special procedures for dividends in cash to shareholders residing outside Sweden; except for any limitations imposed by the bank and clearing system, their dividends are paid in the same way as for shareholders residing in Sweden. However, shareholders who do not reside in Sweden for tax purposes are still subject to Swedish withholding tax.

DEVELOPMENT OF SHARE CAPITAL

Year	Event	A shares	B shares	A shares	B shares	Total	Quota value	Share capital
1999	New establishment	0	3,800,000	0	3,800,000	3,800,000	1.00	3,800,000
2012	Directed share issue	0	1,200,000	0	5,000,000	5,000,000	0.10	500,000
2012	Reverse split	0	-680,574	0	4,319,426	4,319,426	0.12	500,000
2012	Conversion	72,600	-72,600	72,600	4,246,826	4,319,426	0.12	500,000
2013	Rights issue	72,600	4,246,826	145,200	8,493,652	8,638,852	0.12	1,000,000
2016	Directed share issue	0	526,000	145,200	9,019,652	9,164,852	0.12	1,060,888
2016	Rights issue	72,600	4,509,826	217,800	13,529,478	13,747,278	0.12	1,591,332
2018	Rights issue	0	3,901,218	217,800	17,430,696	17,648,496	0.12	2,098,485
2018	Directed share issue	0	480,000	217,800	17,910,696	18,128,496	0.12	2,098,485
2018	Directed share issue	0	7,999,968	217,800	25,910,664	26,128,464	0.08	2,098,485
2019	Rights issue	0	18,128,496	217,800	44,039,160	44,256,960	0.06	2,638,677
2019	Directed share issue	0	1,191,701	217,800	45,230,861	45,448,661	0.12	5,260,962
2020	Exercise of warrants	0	6,393,673	217,800	51,624,534	51,842,334	0.10	5,260,962
2020	Directed share issue	0	7,000,000	217,800	58,624,534	58,842,334	0.12	6,811,362
2021	Rights issue	0	16,812,094	217,800	75,436,628	75,654,428	0.12	8,757,466
2022	Restamping	-217,800	217,800	0	75,654,428	75,654,428	0.12	8,757,466
2022	Exercise of warrants	0	172,500	0	75,826,928	75,826,928	0.12	8,777,433
2023	Rights issue	0	515,623,104	0	591,450,032	591,450,032	0.12	68,463,980

Except for dividends, there is no right to receive any part of the company's profits. So far, Cell Impact has not paid any dividends. There are also no guarantees that a dividend will be proposed or resolved on in any given year. The Board of Directors of Cell Impact does not intend to propose a dividend in the near future. The intention is to reinvest any profit in the company's operations to use for continued growth. The Board of Directors intends to review the adopted dividend policy on an annual basis.

Warrants in connection with the rights issue in 2023

Through the rights issue in 2023, 128,905,776 warrants were issued. Each warrant entitles the holder to subscribe for one (1) new share in the company during the period from September 16, 2024 up to and including September 30, 2024.

Upon full exercise of the warrants of series 2023/2024 (T02) covered by the rights issue, the number of shares may increase by up to an additional 128,905,776 shares, from 591,450,032 to 720,355,808, and the share capital may increase by up to an additional approximately SEK 14,921,636.70, from approximately SEK 68,463,980.24 to about SEK 83,385,616.93, provided that all warrants are exercised. For more information, see Note 28.

Share-based incentive programs

Cell Impact currently has four ongoing incentive programs of which two are aimed at senior executives and other employees and two are aimed at the members of the Board of Directors. All of the incentive programs were adopted by the Annual General Meeting in each respective year and the scope of the maximum number of warrants offered was determined as follows:

1) Program 2020/2024 for Board members included 450,000 warrants, of which 375,000 were acquired by Board members. The warrants can be used to subscribe for shares during the period from June 1, 2024 to June 30, 2024.

2) Program 2021/2024 for senior executives and other employees included 530,000 warrants, of which 72,550 were acquired by senior executives and other employees in the company. The warrants can be used to subscribe for shares during the period from June 3, 2024 to July 2, 2024.

3) Program 2022/2025 for senior executives and other employees included 330,000 warrants, of which 225,000 were acquired by senior executives and other employees in the company. The warrants can be used to subscribe for shares during the period from September 1, 2025 to September 29, 2025.

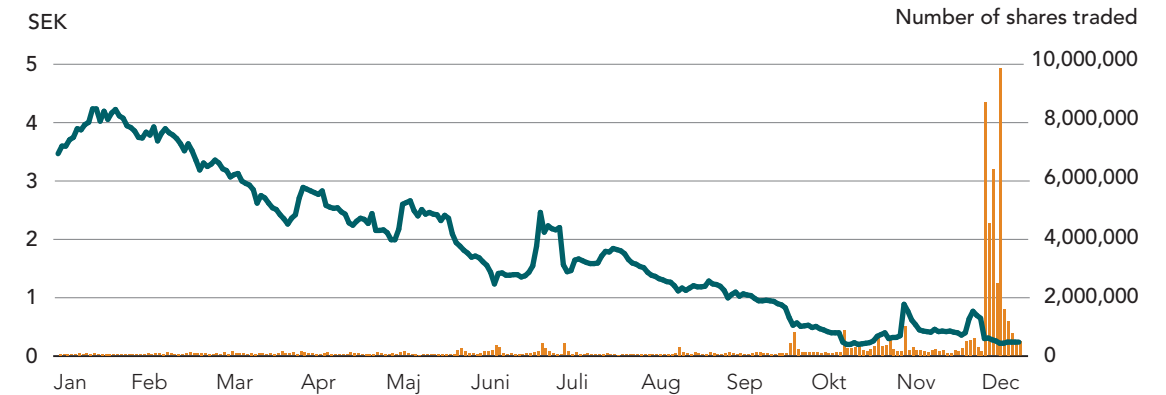
4) Program 2022/2026 for Board members included 150,000 warrants, of which 75,000 were acquired by Board members. The warrants can be used to subscribe for shares during the period from September 1, 2026 to September 29, 2026.

Subject to the restatement of the number of shares for which each warrant confers a right to subscribe, due to certain events pursuant to the terms and conditions of the warrants, the warrants entitle the participants to subscribe for the same number of shares in the company at a strike price per share for each year over a fixed period. However, due to the rights issues that were carried out in December 2021 and 2023, the strike price and number of shares that the warrant-holders are entitled to were recalculated in accordance with the terms and conditions resolved upon by the Annual General Meetings 2020, 2021 and 2022 regarding the warrants that were allotted. For more information, see Note 12.

THE 10 LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2023

Name	B shares	Holdings, %
Avanza Pension	41,502,794	7.02
Östersjöstiftelsen	34,661,763	5.86
Nordnet Pensionsförsäkring	33,074,032	5.59
Formue Nord A/S	19,901,424	3.36
Exelity AB	11,500,816	1.94
Movestic Livförsäkring AB	10,808,200	1.83
Lennart Larsson	9,660,000	1.63
Arian Ismail	6,450,000	1.09
Oliver Aleksov	5,000,000	0.85
Philip Rasmusson	4,827,888	0.82
Other	414,063,115	70.01
Total	591,450,032	100.00

SHARE PERFORMANCE, 2023



Directors' report

The Board of Directors and the CEO of Cell Impact AB (publ), corporate identity number 556576-6655, hereby present the annual accounts and consolidated financial statements for the 2023 financial year. The following income statements and balance sheets, statements of changes in equity, statements of cash flows and notes are an integrated part of the annual accounts and have been reviewed by the company's auditors. Unless otherwise stated, all amounts are in SEK thousands. Figures in parentheses refer to the previous year.

Information on Cell Impact's operations

Cell Impact AB (publ) is a global supplier with development and manufacturing of advanced flow plates primarily for use within the fuel cell, electrolysis and hydrogen industries. The company has developed and patented a unique method for high-velocity adiabatic forming, Cell Impact Forming™, which makes it possible to manufacture environmentally flow plates in a more scalable, cost-efficient way than conventional forming methods. Cell Impact Forming is a sustainable forming method that uses very little electricity and no water. Cell Impact is listed on the Nasdaq First North Growth Market with FNCA Sweden AB as its Certified Advisor.

Group structure

The company is the Parent Company of Finshyttan HydroPower AB, corporate identity number 556703-5752, which has its registered office in Filipstad, Sweden. No operations are conducted in Finshyttan HydroPower AB; all operations are conducted in the Parent Company. During 2021, Cell Impact started a subsidiary in Japan, Cell Impact Japan Inc., 0104-01-158383, with its registered office in Tokyo to support ongoing customer projects and enable sales in the local currency. The company markets Cell Impact's offering to Japanese manufacturers of fuel cells and electrolyzers.

Significant events in the financial year

- Investments in outstanding measuring precision enabled Cell Impact to better support customers' product development.

- Cell Impact initiated cost-reduction programs to address the expected decrease in order inflow and adjusted previously communicated financial goals.
- There was great commercial interest for Cell Impact Forming in Japan.
- Cell Impact participated in the hydrogen trade fair H2 MEET at KINTEX, South Korea, as well as in the hy-fcell conference and exhibition in Stuttgart.
- A Board member of Cell Impact resigned.
- Cell Impact received a SEK 22 million order from Plug Power for delivery during first half-year 2024.
- Cell Impact published an operational update, announced preliminary sales figures for the third quarter 2023 and convened an EGM to create flexibility in raising capital.
- Cell Impact's Board of Directors resolved on a rights issue of up to approximately SEK 152 million that was carried out during the year, raising approximately SEK 129 million before issue expenses.
- Stefan Axellie (CFO) and Pär Teike (CEO) announced their intention to resign.

Additional events during the financial year Adjustment of financial targets

In connection with the publication of Cell Impact's interim report for the second quarter of 2023, the company's financial goals were adjusted. The background for the revision and adjustment was that the company's order intake was lower

than expected. The previously communicated sales target for 2024 was adjusted downward and deferred, and the goal to achieve sales exceeding SEK 600 million in 2027 was deferred by one year. The company's profitability targets and the expected timing of an EBITDA break-even remain unchanged for the time being. Cell Impact's financial targets

- Sales target 2025: SEK 200-250 million
- Sales target 2028: >SEK 600 million
- Profitability targets: EBITDA > 15% in medium term

Cell Impact expects to reach EBITDA break-even in 2025 driven by greatly improved productivity through the company's Phase II program and higher sales volumes. In the longer term, Cell Impact sees potential for substantially higher EBITDA margins than the company's profitability targets for the medium term.

Greater efficiency and new verified technique

Cell Impact has previously been able to show that Cell Impact Forming™ is a cost-effective and scalable process that enables high-volume, high-quality forming of flow plates. Moreover, during the fourth quarter 2023, the company was also able to verify crucial improvements to two of the steps in the manufacturing process for flow plates in its Phase II program: a new punching technique and a faster, more stable welding method. In addition to this, during the year, Cell Impact implemented new measurement technology that enhances both the product offering and productivity while better meeting customers' development goals.

Continuing to develop Cell Impact's offering

There is continued high interest in Cell Impact's products and technology from existing customers and new prospects. Throughout the year, this was evident in a number of activities that are prerequisites for handling future larger orders for flow plates for fuel cells and electrolysis. These involve initial design support and the production of test tools and prototypes to evaluate customers' designs and finished products. At the end of the year, several customer projects were ongoing, involving prototype manufacturing of flow plates with full-scale tools.

The forming line that was installed at F.C.C. Japan during the fourth quarter was evaluated in 2023, attracting great interest from potential customers. During the demonstration period, some 20 Japanese fuel cell and electrolyzer manufacturers visited the demonstration line. This and other local activities focused on developing potential future production of flow plates in Japan.

Significant events after the reporting date

- Daniel Vallin started as interim CEO on January 1, 2024 and Malin Lundberg started as CFO on February 12, 2024.
- Cell Impact received a SEK 18 million order in the area of electrolysis from a new European customer for flow plates, tools and fixtures with delivery scheduled from March 2024 to mid-2026.



Sales and performance

Cell Impact's total revenue for the financial year amounted to SEK 47.8 million (76.8), a decrease of 38 percent compared with the previous financial year. Sales during the quarter consisted mainly of flow plates, while tooling and development projects accounted for a smaller share of sales. As communicated in the year-end report, Cell Impact expects the company's revenue to gradually increase in the next quarters from the low level during the fourth quarter.

The operating loss was SEK -119.5 million (-103.5). This is primarily due to low revenues, impairments of inventory and fixed assets, as well as costs for furloughed personnel. During the year, the company implemented two cost-reduction programs that resulted in reduced operating expenses. The programs are expected to have full effect in 2024.

Cash and financial position

The Group's total assets as at December 31, 2023 amounted to SEK 381.9 million (401.5). Equity attributable to the Parent Company's shareholders was SEK 303.4 million (324.3) during the quarter. The company's debt/equity ratio as at December 31, 2023 was SEK 79 million (81). Cash and cash equivalents as at December 31, 2023 amounted to SEK 99.9 million (164.7). The decrease in cash and cash equivalents is mainly attributable to production-related investments and operating expenses. The company's cash and cash equivalents were supplemented by contributions from the rights issue carried out in December 2023

Acquisition of new capital

By virtue of the authorization granted by the Extraordinary General Meeting held on November 3, 2023, on November 8, 2023, Cell Impact's Board of Directors resolved on a previously announced rights issue of units corresponding to new shares and warrants of up to approximately SEK 152 million. The rights issue was guaranteed up to approximately 85 percent through a combination of subscription undertakings and guarantee

commitments. The final outcome of the rights issue was comprised of not more than 75,826,928 units, of which 50,681,027 units corresponding to approximately 67 percent of the offered units were subscribed for with unit rights. Additionally, applications to subscribe for 2,415,237 units without unit rights, corresponding to approximately 3 percent of the offered units, were received. Consequently, the rights issue was subscribed to approximately 70 percent of the offered units with and without exercise of unit rights. Guarantee commitments of 11,356,624 units, corresponding to approximately 15 percent of the offered units, will be utilized.

Through the rights issue, the number of shares in Cell Impact increased by 515,623,104 shares, from 75,826,928 to 591,450,032, and the share capital went up by about SEK 59,686,546.78, from approximately SEK 8,777,433.46 to around SEK 68,463,980.24. Upon full exercise of the warrants of series 2023/2024 (T02) covered by the rights issue, the number of shares may increase by up to an additional 128,905,776 shares, from 591,450,032 to 720,355,808, and the share capital may increase by up to an additional approximately SEK 14,921,636.70, from approximately SEK 68,463,980 to about SEK 83,385,616.93, provided that all warrants are exercised. For more information, see Note 28.

Together with existing cash as at December 31, 2023, after repaying the bridge loan, the net proceeds from the rights issue are expected to be sufficient to finance the company's business plan into 2025.

Employees and incentive programs

Employees

The total number of employees during the financial year was 80 (113) of which 30 (48) were women.

Staff costs totaled SEK 80.3 million (80.9) during the year. During the year, the company initiated two cost-reduction programs, including staff reductions, the effects of which had not yet materialized by the end of 2023. Once fully implemented in the spring 2024, these programs will lead to a reduction of Cell Impact's workforce to about 50 people.

Incentive programs

Cell Impact AB (publ) has outstanding warrant programs under which employees and others have purchased warrants. For more information, see Note 12.

Risks and uncertainties

This section describes the risk factors and significant circumstances considered significant to the Group's operations and future development. The risk factors relate to the Group's operations and market, encompassing legal risks as well as financial risks.

Uncertainty regarding future market developments

Cell Impact develops, manufactures and markets advanced flow plates for use in fuel cells and electrolyzers, and pursues compatible activities. The company's innovative technology has many areas of application and at present, the production of flow plates for fuel cells is the foremost of these. There is a risk that Cell Impact's flow plates and manufacturing methods will not be widely accepted in the market. The market may come to prefer other more established technologies, and other new technologies may be developed. Also, market segments may develop more slowly or not develop as well as Cell Impact has assumed in its priority of customer segments. The market for hydrogen may also be affected by political decisions in the energy sector in ways that Cell Impact has not anticipated.

Suppliers and partners

Cell Impact is dependent on third parties and can only produce and deliver its products if input goods/components and services (for example, transport) are available from these parties and if the parties meet the agreed requirements on quantity, quality and delivery dates. The lack of availability for certain components and transport services has, for example, been a consequence of the Covid-19 pandemic and the war in Ukraine. Cell Impact has, however, not yet seen any significant impact on its operations from the war in Ukraine. However, it is not

unlikely that raw materials and energy prices as well as the availability of components may be affected, depending on how this and other conflicts in the world develop. Incorrect or missed deliveries from suppliers or carriers may lead to the company's production being delayed or deliveries not being possible, which in the short term may result in reduced or no sales. If current or future external parties do not meet their commitments or remain within the expected time frame, ongoing production and sales may be disrupted, delayed or completely suspended, which could have a negative impact on the company's sales, financial position and future prospects.

Dependency on key people and employees

Cell Impact has a relatively small organization and is dependent on the Board, Management Team and other key people's knowledge, experience and engagement. Within Cell Impact's operations, it is critical, for example, to successfully recruit and retain employees such as engineers with specialized expertise in application and process development within flow plates and fuel cells. Cell Impact's ability to recruit and retain such people depends on several factors, some of which are outside the company's control, for example, competition in the market. The loss of a senior executive or key person due to a resignation, for example, may lead to a loss of key knowledge, the inability to meet set goals or a negative impact on Cell Impact's business strategy. If existing key people leave Cell Impact or if Cell Impact is unable to employ or retain qualified and experienced management or key people, there may be interruptions or disruptions in the company's development and growth.

Dependency on customers

So far, Cell Impact has focused on developing and maintaining relationships with larger customers that are strategically and commercially important and associated with industrial development, which means that the company currently has a limited number of customers. The ability to generate orders is therefore mainly limited to these customers. Maintaining strong

relationships with existing customers and building relationships with new customers is necessary to ensure Cell Impact's sales and growth. The number of new orders Cell Impact receives is influenced by factors such as customers' financing capabilities and/or customer-related delays, which in turn can be due to factors such as component shortages and long lead times, as well as customers' own products undergoing unplanned changes that require time-consuming validation. Cell Impact's sales goals are based on its larger customers' market positions, and the somewhat sporadic development of customers and the industry has an impact on the company and its order intake. There is also a risk that the company may not succeed in converting prospects into paying customers or otherwise contracting new customers at the pace expected by the company. The company's revenues and financial results are therefore at risk of being negatively affected if a major customer, especially the company's largest customer, should choose to terminate its relationship and development work, go bankrupt or select another supplier, or if there are delays in the customer pipeline, leading to a postponement of expected order intake.

Product and service risk

Cell Impact's products and services are generally supplied within the scope of customer-specific development in close cooperation with the customer. Since fuel cells are products

under development, the parties can collaborate to address any technical issues that may arise. In the long term, the company intends to deliver products where quality adheres to a certain specification and control plan. If it were found that the company's products contain faults or deficiencies, this could lead to liability for damages, which may amount to significant sums depending on the circumstances in the individual case, thereby having a negative impact on the company's financial results and position. Furthermore, such claims for damages and associated negative publicity, regardless of the outcome, could harm the company's brand and reputation, which in turn could damage the company's relationships with customers, suppliers, employees and other parties and have a negative impact on the company's operations.

Ability to manage growth

Cell Impact's operations may grow substantially due to a sudden and unexpected increase in demand for the company's products, which could make significant demands on the management as well as on operations and financial infrastructure. As the number of employees and the company's operations continue to grow, Cell Impact must implement efficient planning and management processes to carry out its business plan effectively in a rapidly evolving market. There is a risk that strong growth in the future could lead to increased demand, that increased order intake may result in a significant reduc-

tion in the company's inventory levels, and that the company's measures to counteract insufficient inventory levels may not be sufficient. If Cell Impact fails to manage these risks, they could lead to loss of revenue and thus negatively impact the company's financial performance.

The company intends to increase its production, primarily by expanding production capacity and efficiency. There is a risk that such an expansion may be delayed or more costly than the company has calculated. In addition, there is a risk that, in the event of increased production, it may not be possible to maintain the same high quality that the company currently has for its products. There is also a risk that the company may not succeed in achieving the capacity that is planned, or that production may not be as cost-effective as planned, which could have a negative impact on the company's operating costs, financial position and performance.

Competition

Cell Impact operates in a competitive industry characterized by innovation, constant improvement of performance and product features and changing regulations and industry standards for customers. Competition is being driven, among other things, by factors such as product innovation and improvements in product characteristics, quality, production capacity and capability, the ability to produce and scale up production in line with customer demand as well as changes in laws, industry standards and other regulations. Cell Impact competes with a number of other participants in the market for flow plates for fuel cells and electrolyzers. Cell Impact's competitors can also include participants involved in the transition from fossil fuels to renewable energy sources that are alternative suppliers of fuel cells and electrolyzers.

Increased competition in the markets the company operates in is a constant risk. There is a risk that a substantial investment in the development of products and methods in the fuel cell and hydrogen industry by one or more competitors could potentially negatively impact the demand for the company's products, leading to lower sales volumes. In addition, there is a

risk that competing products that are alternatives to fuel cells and/or electrolyzers may prove to be more efficient, safer and/or less expensive than the products that Cell Impact develops and manufactures. Increased competition in these markets where other alternatives with similar or different characteristics and/or prices emerge could drive customers to purchase products from competitors instead. The company's competitors may also have access to greater capacity for marketing and distribution than Cell Impact. The market for flow plates in the fuel cell and hydrogen industry, as well as the technological development of such products, may also undergo rapid and substantial changes. In this environment, product and process development are critical factors for maintaining the company's production levels and margins, as well as for enabling sales growth. Such technical development could present problems that result in needing more time to develop and manufacture products, leading to delays in getting products to market. Competitors with significantly greater financial, technical and human resources may also be able to drive more efficient development, manufacturing and sales processes than Cell Impact. If the company's production is delayed or completely absent as a result compared with its competitors, this may mean a reduction in or no sales, which may have a negative impact on Cell Impact's sales, financial position and future prospects.

There is also a risk that Cell Impact may not be successful in scaling up its production capacity at the pace expected by the market and according to the company's plans, for example through the Phase II program and the ongoing upgrade of the facility in Karlskoga, which is expected to increase the company's production capability in line with the new production concept that includes straight flows, which could lead to difficulties for Cell Impact in retaining market share and competitiveness, as well as achieving its financial goals. In the event that Cell Impact is unable to adapt its operations and products to the market's requirements for performance and demand, there is a risk that Cell Impact may not or will not be able to maintain the competitiveness required to achieve success in the market.

Five-year summary, Group

	2023	2022	2021	2020	2019
Income (SEK thousand)	48,575	93,033	81,800	29,309	11,920
Profit/loss after financial items (SEK thousand)	-121,364	-104,144	-79,730	-44,258	-48,401
Total assets (SEK thousand)	381,933	401,513	238,725	242,875	58,037
Debt/equity ratio (%)	79.4	80.8	59.7	83.1	77.6

This, in turn, could have a negative impact on Cell Impact's sales volumes, revenues and financial performance as well as its ability to achieve expected revenues and overall future prospects.

Patents and intellectual property rights

Cell Impact's intellectual property rights, primarily its patented forming technology Cell Impact Forming, constitute a significant and valuable part of the company's operations, forming the basis of its offerings. The company's commercial success is thus dependent on its ability to protect existing and potential future intellectual property rights against external parties challenging them, as well as successfully asserting these rights against external entities.

There are no guarantees that Cell Impact will be able to protect its patents, trademarks and other intellectual property rights or that submitted applications for registration will be granted. In some countries where the company operates, laws and processes may make it more challenging for the company to protect and enforce intellectual property rights compared with, for example, the US or Europe. New technologies and products could be developed that circumvent or replace Cell Impact's intangible assets. A significant deterioration in the protection of intellectual property rights could weaken the company's competitive advantages regarding its products in the affected countries. There is also a risk that the intellectual property rights Cell Impact owns may be challenged or invalidated, or that other parties may circumvent the company's patents with their own designs. Furthermore, there is a risk that other parties may assert intellectual property rights that infringe on certain aspects of Cell Impact's technologies, patents or products. If in its product development the company discovers that its solutions or innovations are already covered by the intellectual property rights of other parties, the company may be forced to redesign or adapt its products. This could render the company's product development more challenging, expensive and time-consuming.

There is also a risk that disputes and claims related to patents or other intellectual property rights could be expensive and divert the attention of the Management Team and key employees away from the company's business operations. Cell Impact could also be forced to pay royalties to continue using certain patents or trademarks if the company were to infringe on another party's intellectual property rights. The company may also be liable to pay significant damages or be subject to injunctions prohibiting the development, production and sale of certain products. This could have a negative impact on the company's financial performance and position.

Confidentiality and expertise

Cell Impact is dependent on confidentiality and expertise to carry out its operations. Should employees, consultants, advisors or other persons hired act in breach of confidentiality agreements regarding confidential information, or should confidential information be otherwise disclosed and exploited by competitors, it could have an adverse effect on the company's operations.

Disputes

There is a risk that the company may become involved in a legal dispute or other legal proceeding. Such disputes may, for example, relate to alleged infringements of intellectual property rights, the validity of certain patents, potential damages associated with the company's products or other commercial issues. Disputes regarding liability for compensation may also arise for Cell Impact if the company terminates a customer, supplier or partnership agreement. Changes in interpretations of the laws and regulations that the company is subject to or legal standards in one or more jurisdictions where Cell Impact operates could increase the company's liability exposure. Regardless of the facts or final outcome, a dispute or claim can be time-consuming, disrupt operations, relate to significant financial amounts or fundamentally important issues and entail significant costs, and can thus have a negative impact on

Cell Impact's performance and financial position. Furthermore, legal and administrative proceedings could result in negative publicity, potentially harming Cell Impact's brand and reputation, regardless of the outcome of the proceedings.

The company could also be investigated or subjected to sanctions for actions deemed inappropriate or illegal. This could result in legal or other costs to defend against such allegations, potentially having a negative impact on Cell Impact's operations, cash flow, performance, and financial position. If Cell Impact were to fail to comply with applicable laws and regulations, such as the EU Market Abuse Regulation, it could result in limitations on the company's operations, increased operating costs, fines or other penalties.

Earning capacity and future capital requirements

Cell Impact has not yet reported sufficient sales revenue to make a profit and has depended on the injection of additional capital on several occasions to fund its operating activities. It cannot be said with certainty when Cell Impact will be profitable, or if the company will even be profitable. It cannot be taken for granted that new capital can be raised as and when needed, that it can be raised on favorable terms or that the capital raised would be sufficient to fund the operations according to Cell Impact's requirements, which could have a negative impact on the company's development and investment opportunities. If Cell Impact fails to raise capital when there is a need, there is a risk of a company reorganization or bankruptcy.

Credit risk

Cell Impact normally gives customers a 30 to 45-day credit period and may be negatively impacted by customers' insolvency or bankruptcy. Cell Impact is exposed to the risk that customers may not pay for products or services ordered, or that they may pay later than expected. The risk may increase during periods of economic downturn or uncertainty. This, in turn, could have a negative impact on Cell Impact's operations, performance and financial position.

Foreign exchange risk

Foreign exchange risk arises when flows of foreign currencies are translated into Swedish kronor. Cell Impact is exposed to foreign exchange risk as it has sales and purchases materials and services in foreign currencies. The Parent Company's reporting currency is Swedish kronor (SEK), which means that in its interactions with international operators, the company is exposed to currency-related transaction risks, which could have a negative impact on the company's performance and financial position.

Taxes

Cell Impact operates with legal entities in Sweden and Japan, including a subsidiary in Japan. The company makes regular sales in several countries, but the majority take place directly through the Swedish legal entity, Cell Impact AB (publ). A certain portion of the company's sales are conducted through the subsidiary in Japan. The company is thus subject to local tax legislation in Japan, and its operations require robust procedures for accounting, monitoring and paying taxes, customs duties and fees. There is a risk that Cell Impact's understanding and interpretation of tax legislation, international tax agreements, regulations and other regulatory matters may not be correct in all respects, and that declared tax information could turn out to be inaccurate. If the tax authorities successfully assert such claims, it could lead to increased tax costs, including tax penalties and interest, which could have a negative impact on Cell Impact's financial performance.

Ownership structure and shares

As at December 31, 2023, the number of registered Class B shares was 591,450,032, with each share conferring the right to 1/10 vote. The company's registered share capital amounted to SEK 68,463,980. The shares have a quota value of approximately SEK 0.12.

Parent Company

The Parent Company's total revenues for the financial year amounted to SEK 47.8 million (92.1), a decrease of 48 percent compared with the previous financial year. Sales during the quarter consisted mainly of flow plates, while tooling and development projects accounted for a smaller share of sales.

The operating loss was SEK -120.6 million (-103.8). This is primarily due to low revenues, impairments of inventory and fixed assets, as well as costs for furloughed personnel. During the year, the company implemented two cost-reduction programs that resulted in reduced operating expenses. The programs are expected to have full effect in 2024.

Remuneration to senior executives

According to the guidelines for remuneration to senior executives, the company shall strive to offer its senior executives remuneration on market levels. Remuneration shall comprise the following elements: fixed base salary, variable salary, pension benefits, fringe benefits and severance pay.

Fixed salary

The remuneration shall be based on the importance of the duties and the skills, experience and performance required. Fixed salary is subject to an annual review to ensure that the salary is market level and competitive.

Variable salary and pension

Remuneration to the interim CEO consists of a base salary and the possibility to receive a bonus of no more than 40 percent of the fixed salary per year. The payment of a bonus is at the discretion of the Board of Directors. The interim CEO also has the right to a pension in accordance with the regular ITP plan. The retirement age according to the ITP plan is 65.

Fringe benefits

Fringe benefits are available to a limited extent. During 2023, these included company cars and insurance for the company's Management Team.

Notice periods and severance pay

If the company terminates the interim CEO for any other reason than because the CEO has grossly neglected his or her duties, the CEO is entitled to a notice period of six (6) months. The notice period is mutual. The interim CEO is bound by a non-compete clause that applies for 12 months after the end of employment. If the company invokes the non-compete clause, remuneration of no more than 60 percent of the previous monthly salary over the 12-month period (during the period for which the non-compete is invoked) will be paid.

Investments

Investments made during the year amounted to SEK 51,781 (68,394) thousand for the Parent Company and SEK 51,781 (68,398) thousand for the Group.

Environmental impact

The company's operations are not subject to an environmental permit (categories A or B). According to the Swedish Environmental Code (SFS 1998:808 and the Ordinance concerning Environmentally Hazardous Activities and the Protection of Public Health, 1998:899), the company's operations are classified in category C, which means that the operations are subject to notification. Consequently, the operations have been notified to the Environment & Public Health Department in Karlskoga as a company that conducts operations as category C. The company complies with all statutes and regulations governing to environmental impact.

Dividend

The Board of Directors proposes that no dividend be paid for the 2023 financial year.

Performance and financial position

The Group and Parent Company's loss and financial position at year-end are presented in the following income statements and balance sheets with accompanying notes.

Five-year summary, Parent Company

	2023	2022	2021	2020	2019
Net sales (SEK thousand)	46,857	76,754	71,467	29,309	11,919
Profit/loss after financial items (SEK thousand)	-120,296	-103,721	-79,312	-43,372	-48,333
Total assets (SEK thousand)	364,818	390,000	508,034	227,227	57,712
Debt/equity ratio (%)	82.9	82.6	83.5	88.0	77.1

Future development

At the end of 2020, Cell Impact moved to the newly renovated and larger production facility in the Brickegården area of Karlskoga, Sweden. Since then, Cell Impact has built up a complete and robust production system covering approximately half of the Karlskoga factory's total 5,000 m² of production space. To meet expected future demand, the remaining 2,500 m² of space has been completed. This is where the company's Phase II operations will be carried out to substantially improve productivity by reducing cycle times. This phase includes more integrated productive process technologies, which is crucial for lowering costs and improving financial results.

The goal is to create the conditions necessary to raise the Cell Impact's EBITDA margin to a level that is higher than the company's stated financial targets in the medium term through highly automated production in combination with a large pool of expertise within application, tool design and production.

Considering the significant political initiatives taken within the EU, the US and a number of other countries where markets have become more national or regional with elements of localization requirements, the company expects increased demand for manufacturing flow plates domestically, that is, near or at the customer's site. This could include collaborations with local partners. In light of this, Cell Impact's Karlskoga factory should be seen as a model factory rather than a facility intended to meet a large international demand for flow plates.

Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting:

SEK	2023
Share premium reserve	712,995,930
Retained earnings	-367,866,047
Profit/loss for the year	-120,295,747
Total	224,834,136

The Board of Directors and the CEO propose that SEK 224,834,136 be carried forward.

Consolidated income statement

(SEK thousand)	Note	2023	2022
Revenue	6, 7, 8	47,261	76,812
Changes in inventory and work in progress	7	913	14,715
Own work capitalized		-	607
Other operating income		401	900
Total revenue		48,575	93,033
<i>Operating expenses</i>			
Raw materials and consumables		-22,721	-54,587
Other external expenses	9, 10	-39,695	-43,128
Payroll expenses	11, 12	-80,348	-80,870
Depreciation and amortization	10, 17, 18, 19, 20, 21	-23,657	-16,384
Other operating expenses		-1,643	-1,529
Total operating expenses		-168,065	-196,498
Operating profit/loss		-119,490	-103,465
Finance income	13	1,180	859
Finance costs	14	-3,054	-1,538
Net finance income		-1,874	-679
Profit/loss before tax		-121,364	-104,144
Tax on profit for the year	15	-38	-70
Profit/loss for the year attributable to the Parent Company's shareholders		-121,402	-104,215
Earnings per share, before and after dilution	16	-1.11	-1.38

Consolidated statement of comprehensive income

(SEK thousand)	2023	2022
Profit/loss for the year	-121,402	-104,215
Other comprehensive income		
<i>Items that have been or may be transferred to profit/loss for the period</i>		
Translation differences for the year in the translation of foreign operations	-57	14
Other comprehensive income for the period after tax	-57	14
Comprehensive income	-121,460	-104,201
Total comprehensive income for the year attributable to the Parent Company's shareholders	-121,460	-104,201

Consolidated statement of financial position

(SEK thousand)	Note	2023-12-31	2022-12-31
ASSETS			
Non-current assets			
Patents, licenses and software	17	827	1,088
Capitalized development costs	18	9,164	8,368
Leasehold improvements	19	14,474	11,957
Plant and machinery	20	86,450	67,222
Equipment, tools, fixtures and fittings	21	11,418	6,445
Right-of-use assets	10	17,227	10,831
Assets under construction	22	69,634	57,750
Other non-current liabilities	23	15	16
Total non-current assets		209,209	163,677
Current assets	23		
Raw materials and consumables		37,985	22,169
Work in progress		6,840	12,594
Finished goods inventory		19,064	12,018
Trade receivables	24, 5	571	16,421
Other current receivables	25	7,502	8,806
Prepaid expenses and accrued income	26	871	1,157
Cash and cash equivalents	27	99,893	164,670
Total current assets		172,725	237,835
TOTAL ASSETS		381,933	401,513

(SEK thousand)	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	28		
Share capital		68,464	8,777
Other contributed capital		733,773	693,035
Retained earnings including profit for the year		-498,868	-377,466
Total equity attributable to the Parent Company's shareholders		303,369	324,346
Non-current liabilities			
Liabilities to credit institutions	29	15,625	23,839
Lease liabilities	10, 29	14,751	9,502
Total non-current liabilities		30,376	33,341
Current liabilities	23		
Liabilities to credit institutions	29	8,214	8,214
Lease liabilities	10, 29	4,158	3,145
Trade payables	5	9,288	13,334
Other current liabilities		1,977	3,102
Invoiced income not yet accrued	30	0	590
Accrued expenses and deferred income	31	24,550	15,439
Total current liabilities		48,188	43,825
TOTAL EQUITY AND LIABILITIES		381,933	401,513

Consolidated statement of changes in equity

(SEK thousand)	Note	Share capital	Unregistered share capital	Other contributed capital	Reserves	Retained earnings including profit/loss for the year	Total
Equity, opening balance, as at Jan 1, 2022		6,811	1,946	407,114	4	-273,251	142,624
Profit/loss for the year		-	-	-	-	-104,215	-104,215
Other comprehensive income for the year		-	-	-	14	-	14
Total comprehensive income for the year		-	-	-	14	-104,215	-104,201
<i>Owner-related expenses:</i>							
New issue of shares		1,946	-1,946	328,851	-	-	328,851
Exercising of warrants		20	-	2,350	-	-	2,370
Issue costs		-	-	-45,835	-	-	-45,835
Received option premiums	12	-	-	536	-	-	536
Total transactions with owners		1,966	-1,946	285,902	-	-	285,922
Equity, closing balance, as at Dec 31, 2022		8,777	-	693,016	18	-377,466	324,346
Equity, opening balance, as at Jan 1, 2023		8,777	-	693,016	18	-377,466	324,346
Profit/loss for the year		-	-	-	-	-121,402	-121,402
Other comprehensive income for the year		-	-	-	-57	-	-57
Total comprehensive income for the year		-	-	-	-57	-121,402	-121,460
<i>Transactions with owners:</i>							
New issue of shares		59,687	-	69,219	-	-	128,906
Exercising of warrants		-	-	-	-	-	-
Issue costs		-	-	-28,424	-	-	-28,424
Received option premiums	12	-	-	-	-	-	-
Total transactions with owners		59,687	-	40,796	-	-	100,482
Equity, closing balance, as at Dec 31, 2023	28	68,464	-	733,812	-39	-498,868	303,369

Equity is attributable in full to the Parent Company's shareholders.

Consolidated cash flow statement

(SEK thousand)	Note	2023	2022
Current operations			
Operating profit/loss		-119,490	-103,465
Adjustments for non-cash items	27	23,636	16,438
Interest received		1,180	859
Interest paid		-3,054	-2,038
Taxes paid		-38	-191
Cash flow from operating activities before changes in working capital		-97,766	-88,398
<i>Cash flows from changes in working capital</i>			
Increase/decrease in inventories		-24,762	-24,617
Increase/decrease in trade receivables		15,816	-11,704
Increase/decrease in other current receivables		1,270	62,523
Increase/decrease in trade payables		-4,047	-1,769
Increase/decrease in operating liabilities		8,518	-41,966
Cash flows from operating activities		-100,972	-105,931
<i>Investing activities</i>			
Investments in intangible assets		-2,993	-5,953
Investments in property, plant and equipment		-48,789	-62,441
Investments in financial assets		-	-4
Disposals of property, plant and equipment		-	-
Cash flows from investing activities		-51,781	-68,398

(SEK thousand)	Note	2023	2022
<i>Financing activities</i>			
New issue of shares		128,906	328,851
Issue costs		-28,423	-45,835
Exercising of warrants		-	2,370
Received option premiums		-	536
Borrowings		-	30,000
Repayment of loans		-8,214	-2,589
Repayment of lease liabilities		-4,179	-2,862
Cash flows from financing activities		88,090	310,470
Cash flow for the year		-64,663	136,142
Cash and cash equivalents at the beginning of the year		164,670	28,561
Currency deviation, cash and cash equivalents		-114	-33
Cash and cash equivalents at the end of the year	27	99,893	164,670

The Parent Company's income statement

(SEK thousand)	Note	2023	2022
Net sales	6, 7, 8	46,857	76,754
Changes in inventory and work in progress	7	913	14,716
Own work capitalized	7	-	607
Other operating income	7	629	900
Total revenue		48,399	92,976
<i>Operating expenses</i>			
Raw materials and consumables		-22,419	-57,675
Other external expenses	9, 10	-47,069	-45,776
Payroll expenses	11, 12	-78,511	-78,991
Depreciation and amortization	17, 18, 19, 20, 21	-19,363	-12,766
Other operating expenses		-1,675	-1,586
Total operating expenses		-169,037	-196,795
Operating profit/loss		-120,637	-103,819
<i>Profit/loss from financial items</i>			
Other interest income and similar profit/loss items	13	2,310	859
Interest expenses and similar profit/loss items	14	-1,968	-761
Loss after financial items		-120,296	-103,721
Tax on profit for the year	15	-	-
Profit/loss for the year		-120,296	-103,721

Parent Company's statement of comprehensive income

(SEK thousand)	2023	2022
Profit/loss for the year	-120,296	-103,721
Other comprehensive income	-	-
Total loss for the year after tax	-120,296	-103,721
Comprehensive income attributable to the shareholders of the Parent Company	-120,296	-103,721

The Parent Company's balance sheet

(SEK thousand)	Note	2023-12-31	2022-12-31
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Patents, licenses and software	17	827	1,088
Capitalized development costs	18	9,164	8,368
Total intangible assets		9,991	9,456
<i>Property, plant and equipment</i>			
Leasehold improvements	19	14,474	11,957
Plant and machinery	20	86,450	67,222
Equipment, tools, fixtures and fittings	21	11,418	6,445
Assets under construction	22	69,634	57,750
Total property, plant and equipment		181,976	143,374
<i>Financial assets</i>			
Participations in Group companies	34	462	462
Total financial assets		462	462
Total non-current assets		192,430	153,293
Current assets			

(SEK thousand)	Note	2023-12-31	2022-12-31
<i>Inventories, etc.</i>			
Raw materials and consumables		37,985	22,169
Work in progress		6,840	12,594
Finished goods inventory		10,945	12,018
Total inventories		55,770	46,781
<i>Current receivables</i>			
Trade receivables	24	546	16,377
Accrued income not yet invoiced	23	-	-
Receivables from Group companies	33	8,958	2,634
Other current receivables	25	7,041	7,959
Prepaid expenses and accrued income	26	2,032	1,833
Total current receivables		18,576	28,803
Cash and bank balances	27	98,043	161,122
Total current assets		172,388	236,707
TOTAL ASSETS		364,818	390,000

The Parent Company's balance sheet, cont.

(SEK thousand)	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	28		
<i>Restricted equity</i>			
Share capital		68,464	8,777
Development expenditure reserve		9,169	8,368
		77,633	17,146
<i>Non-restricted equity</i>			
Share premium reserve		712,996	672,199
Retained earnings		-367,866	-263,344
Profit/loss for the year		-120,296	-103,721
		224,834	305,135
Total equity		302,468	322,281
Non-current liabilities			
Liabilities to credit institutions	29	15,625	23,839
Liabilities to Group companies	33	2,575	2,537
Total non-current liabilities		18,200	26,376

(SEK thousand)	Note	2023-12-31	2022-12-31
Current liabilities			
Liabilities to credit institutions	29	8,214	8,214
Trade payables		9,311	13,334
Liabilities to Group companies		-	453
Other current liabilities		1,885	2,976
Invoiced income not yet accrued	30	-	590
Accrued expenses and deferred income	31	24,740	15,775
Total current liabilities		44,150	41,343
TOTAL EQUITY AND LIABILITIES			
		364,818	390,000

The Parent Company's statement of changes in equity

(SEK thousand)	Restricted equity			Non-restricted equity			Total
	Share capital	Unregistered share capital	Development expenditure reserve	Share premium reserve	Retained profit/loss	Year's profit/loss	
Equity, opening balance, as at Jan 1, 2022	6,811	1,946	4,796	670,402	-180,459	-79,312	424,183
Transfer of profit/loss from the previous year	-	-	-	-	-79,312	79,312	-
Development expenditure reserve	-	-	3,572	-	-3,572	-	-
Profit/loss for the year	-	-	-	-	-	-103,721	-103,721
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-103,721	-103,721
<i>Transactions with owners:</i>							
New issue of shares	1,946	-1,946	-	-	-	-	-
Exercising of warrants	20	-	-	2,350	-	-	2,370
Issue costs	-	-	-	-553	-	-	-553
Total transactions with owners	1,966	-1,946	-	1,798	-	-	1,817
Equity, closing balance, as at Dec 31, 2022	8,777	-	8,368	672,200	-263,343	-103,721	322,281

The Parent Company's statement of changes in equity, cont.

(SEK thousand)	Restricted equity			Non-restricted equity			Total
	Share capital	Unregistered share capital	Development expenditure reserve	Share premium reserve	Retained profit/loss	Year's profit/loss	
Equity, opening balance, as at Jan 1, 2023	8,777	-	8,368	672,200	-263,343	-103,721	322,281
Transfer of profit/loss from the previous year	-	-	-	-	-103,721	103,721	-
Development expenditure reserve	-	-	801	-	-801	-	-
Profit/loss for the year	-	-	-	-	-	-120,296	-120,296
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-120,296	-120,296
<i>Transactions with owners:</i>							
New issue of shares	59,687	-	-	69,219	-	-	128,906
Exercising of warrants	-	-	-	-	-	-	-
Issue costs	-	-	-	-28,423	-	-	-28,423
Total transactions with owners	59,687	-	-	40,797	-	-	100,483
Equity, closing balance, as at Dec 31, 2023	68,464	-	9,169	712,996	-367,865	-120,296	302,468

The Parent Company's statement of cash flows

(SEK thousand)	Note	2023	2022
Current operations			
Operating profit/loss		-120,637	-103,819
Adjustments for non-cash items	27	19,363	12,821
Interest received		2,310	859
Interest paid		-1,930	-1,223
Cash flow from operating activities before changes in working capital		-100,894	-91,363
<i>Changes in working capital</i>			
Increase/decrease in inventories		-15,707	-24,856
Increase/decrease in trade receivables		15,832	-11,683
Increase/decrease in other current receivables		-5,605	19,567
Increase/decrease in trade payables		-4,023	-1,769
Increase/decrease in operating liabilities		6,830	778
Cash flows from operating activities		-103,567	-109,326
<i>Investing activities</i>			
Investments in intangible assets		-2,993	-5,953
Investments in property, plant and equipment		-48,789	-62,441
Acquisition of subsidiaries		-	-
Cash flows from investing activities		-51,781	-68,394

(SEK thousand)	Note	2023	2022
<i>Financing activities</i>			
New issue of shares		128,906	328,851
Issue costs		-28,423	-42,640
Exercising of warrants		-	2,370
Borrowings		-	30,000
Repayment of loans		-8,214	-2,589
Cash flows from financing activities		92,269	315,991
Cash flow for the year		-63,080	138,271
Cash and cash equivalents at the beginning of the year		161,122	22,851
Cash and cash equivalents at the end of the year	27	98,042	161,122



Notes to the consolidated accounts and the Parent Company's financial statements

NOTE 1 General information

Cell Impact AB (publ) (the Parent Company, corporate identity number 556576-6655) and its companies (jointly referred to as the "Group") is a Swedish industrial group that is active in flow plates. The Group has an office in Karlskoga, Sweden. The Parent Company is a Swedish public limited company with its registered office in Karlskoga, Sweden. The address of the head office is Cell Impact AB, Källmossvägen 7A, 691 52 Karlskoga, Sweden.

The Parent Company is listed on First North. The Board of Directors of Cell Impact AB (publ) approved these consolidated accounts for publication on March 22, 2024.

The Group and Parent Company's income statement and balance sheet will be submitted to the Annual General Meeting on April 25, 2024 for adoption.

NOTE 2 Accounting and valuation principles

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations by the IFRS Interpretations Committee, as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, was also applied. The Parent Company applies the same accounting principles as the Group, with the exceptions outlined in Note 3. The differences between the principles applied by the Parent Company and the Group are caused by limitations to the possibility to apply IFRS in the Parent Company due to the Swedish Annual Accounts Act and the connection between accounting and taxation.

The preparation of reports in accordance with IFRS requires the use of certain key accounting estimates. It also requires the Management Team to exercise its judgment in the application of the Group's accounting policies. The areas that involve a high degree of assessments, which are complex or areas where assumptions and estimations are significant for the consolidated accounts are detailed in Note 4.

Unless otherwise stated, the accounting principles shown below have been applied consistently to all periods presented in the Group's financial statements.

New or amended accounting standards during the financial year

No amended standards or interpretations from the IASB and statements from IFRIC that entered into force during the finan-

cial year have had a material impact on the Group's financial reports. No new or amended standards were adopted early.

Future standards and new interpretations

No other future standards or new interpretations published by the IASB are expected to have a material impact on the Group's financial reports.

Consolidated financial statements

Subsidiaries

Subsidiaries refer to all companies (including special purpose vehicles) where the Group has the right to devise financial and operational strategies in a manner generally associated with a shareholding representing more than half of the votes.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business and shares issued by the Group.

Revenue and costs between Group companies and intra-Group balances are eliminated.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision-maker. The highest executive decision-maker is the func-

tion responsible for allocating resources and assessing the performance of the operating segments.

The company has identified one operating segment, which is the Group as a whole. The assessment is based on the fact that the Board of Directors regularly reviews the business as a whole and uses it as a basis for decisions to allocate resources and assess performance.

Foreign currencies

Functional currency and reporting currency

Items that are included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated accounts use Swedish kronor (SEK), which is the Parent Company's functional and reporting currency.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates on the dates of the transactions or the date on which the items were revaluated. Foreign exchange gains and losses that arise when paying such transactions and in the translation of monetary assets and liabilities in foreign currency at the closing rate on the reporting date are recognized in profit or loss. Foreign exchange gains and losses that are related to loans and cash and cash equivalents are presented in the income statement as finance income or costs. All other foreign exchange gains and losses are presented in the item Other operating income/expense in the income statement.

Group companies

- Profit/loss and financial position for all Group companies (none of which has a high inflation currency) that have a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:
- assets and liabilities for each of the balance sheets are translated at the closing day rate;
- income and expenses for each of the income statements are translated at the average exchange rate, and
- all translation differences that arise are reported in Other comprehensive income.

Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the products so that they will be available for use;
- it is the company's intention to complete the products and to use or sell them;
- there is an ability to use or sell the products;
- it can be demonstrated how the products will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the products are available; and
- the expenditure attributable to the products during their development can be reliably measured.

Directly attributable costs that are capitalized as development costs include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs

Capitalized development costs refer to the further development of the company's forming unit and tool holders, primarily to adapt them for more automated production, and they are capitalized in the company as intangible assets, as they are expected to generate future economic benefits. Capitalized development costs are amortized on a straight-line basis from completion over the estimated useful life. The amortization period for these capitalized costs is estimated at 5 to 10 years. According to the above, capitalized development costs aim to optimize the company's entire manufacturing process for flow plates. It is believed that the improvement may eventually be used also in the production of products other than flow plates.

Research and development

Research and development costs that do not meet the criteria above are expensed as incurred. Development costs that have been expensed in previous periods are not recognized as assets in the subsequent period.

Patents

Developed patents are recognized at cost if it is probable that they will generate future economic benefits. Directly attributable costs for patents that are capitalized include employee costs and an appropriate portion of relevant overheads as well as purchased services. Patents are recognized as intangible assets and amortized from the time the patent is granted. Patents have a limited useful life and are recognized at cost less accumulated amortization and impairment. Patents are amortized on a straight-line basis over the patent's useful life, usually no more than 5 years.

Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will benefit the Group and the cost of the asset can be measured reliably. The carrying value of a replaced part is removed from the balance sheet. All other forms of repair and maintenance are recognized in the income statement in the period in which they are incurred.

Property, plant and equipment are systematically depreciated over the assets' useful lives. When the assets' depreciable amounts are determined, the assets' residual values are considered, if applicable.

The following depreciation periods are applied:

- leasehold improvements, 5-20 years
- machinery, 3-10 years
- fixtures, installations and equipment, 3-10 years

Impairment of non-financial assets

Assets

If there is an indication that the value of an asset has diminished, the asset is tested for impairment. If the recoverable value of the asset is less than the book value, the asset is written down to its recoverable value. When tested for impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash generating units).

Inventories

Inventories are stated at the lower of cost and net realizable value on the reporting date, based on the first in, first out principle. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial instruments

Financial instruments are recognized in the balance sheet when the Group becomes a party according to the instrument's contractual terms and conditions. A receivable is recognized when the company has performed and there is a contractual obligation for the counterparty to pay. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay. The business model within which the financial asset or liability was acquired or entered into and the nature of the contractual cash flows determine the classification.

The Group has financial assets and liabilities that have been classified in the following categories:

- Financial assets at amortized cost
- Financial liabilities at amortized cost

The Group does not carry out active trading in financial instruments that are unrelated to the Group's business operations. Consequently, the financial assets and liabilities that are recognized in the balance sheet mostly comprise cash and cash equivalents, trade receivables, other receivables, accrued income, trade payables, non-current liabilities to credit institutions, other current liabilities and accrued costs related to the Group's suppliers. The Group did not hold any financial instruments that were measured at fair value in profit or loss or other comprehensive income during the financial year or the comparative year.

Financial assets measured at amortized cost are initially measured at fair value with the addition of transaction costs. After initial recognition, the assets are measured using the effective interest method. Assets measured at amortized cost are held within the business model of collecting contractual cash flows, where those cash flows solely represent payments of principal and interest on the outstanding principal. It has been determined that expected credit losses are negligible, as the company's financial assets are essentially made up of bank balances in banks with high credit ratings.



Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and all trade receivables are therefore classified as current assets. Trade receivables are initially recognized at the transaction price. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Group applies the IFRS 9 simplified approach when testing trade receivables for impairment. The simplified approach means that the provision for expected credit losses is based on the risk of a loss over the entire life of the receivable and recognized upon initial recognition of the receivable. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group also uses forward-looking variables for expected credit losses. Expected credit losses are recognized in the Consolidated statement of comprehensive income in Other external costs. For more information, see Note 24, Trade receivables.

Cash and cash equivalents

In the balance sheet and the cash flow statement, cash and cash equivalents include cash, bank balances and other current investments with a due date within three months of the time of acquisition.

Share capital

Ordinary shares, other contributed capital and retained earnings are classified as equity. Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of the issue in Other contributed capital under the Group's equity.

Warrants

All warrants issued by the Group have been awarded at fair value. Premiums received from issued options to acquire shares in Group companies are recognized as contributions to equity, based on the option premium, on the date when the option is transferred to the counterparty.

Other financial liabilities

Classification

Non-current borrowings, trade payables, other current liabilities and accrued costs that constitute financial instruments are classified as other financial liabilities. Liabilities in the category Other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Liabilities to credit institutions

Borrowings are recognized at fair value less transaction costs at the time the loan is taken and subsequently at amortized cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. As the difference is considered to be negligible, borrowings are recognized at the nominal amount upon initial recognition, which is assumed to correspond to the fair value.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. In most cases, trade payables have a short duration and are therefore measured at their nominal amount without discounting in these cases.

Current and deferred income tax

The period's tax expenses consist of current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity. In this case, the tax is also recognized in Other comprehensive income or directly in equity, respectively. The current tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. The Management Team periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. When it is considered appropriate, provisions are made for amounts that will probably be paid to the Swedish Tax Agency. Deferred tax is recognized in respect of all temporary differences arising between the taxable value of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are reported to the extent it is probable that future taxable profits will be available against which the temporary differences can be used. The value of loss carry-forwards is initially recognized in the balance sheet when it is probable that these can be used toward future profits in a foreseeable future.

Remuneration to employees

The Group companies operate various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(A) Pension commitments

For salaried employees in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and household pensions are secured through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed through insurance from Alecta, this is a defined benefit plan that covers multiple employers. For the 2023 financial year, the company has not had access to the information required to report its proportional share of the plan's obligations, assets and costs, which means that the plan could not be recognized as a defined benefit plan. The ITP 2 pension plan, which is secured through insurance from Alecta, is therefore recognized as a defined contribution plan. Fees for pension insurance with Alecta totaled SEK 1,751 thousand (2,341) for the year and were recognized as staff costs. Alecta's surplus may be distributed to the policyholders and/or the insured.

At the end of 2023, Alecta's surplus in the form of its collective consolidation ratio amounted to 158 percent (172) (Source: Alecta)

The collective consolidation ratio is the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. Fees for insurance taken out with Alecta are expected to be at the same level in 2024.

(b) Severance pay

Severance pay is expensed when the obligation to pay severance pay arises.

Revenue

Goods

The Group develops, manufactures and sells flow plates to the hydrogen industry. In most cases, the company provides hardware without conditional undertakings regarding installation or support. Sales are recognized as revenue when control of the products has been transferred to the customer, which generally occurs when the products are delivered. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Services

The Group offers development services in the form of customized flow plates and tools and equipment. For fixed-price service assignments, any revenue and expenses associated with a service assignment that has been performed are recognized as revenue and costs in relation to the percentage of completion of the assignment on the record date (percentage of completion method). The percentage of completion of an assignment is determined based on expenses on the reporting date compared with estimated total expenses. In the event the outcome of an assignment cannot be reliably estimated, revenue is only recognized to the extent that corresponds to the expenses incurred that will probably be paid by the customer. A suspected loss on an assignment is immediately expensed.

Revenue from service contracts that are paid by the hour is recognized when the work has been carried out and materials have been provided or used.

Services are recognized as a separate performance obligation if the customer, individually or with other available resources, may benefit from them and they can be contractually separated from other promises in the agreement. Where

the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling price. Development services are considered to be separate performance obligations where revenue is recognized over time.

If the services rendered by the Group exceed the payment, a contract asset is recognized (accrued income not yet invoiced). If the payments exceed the services rendered, a contract liability is recognized (invoiced income not yet accrued).

Finance income

Interest income is reported as income using the effective interest method. When the value of a receivable in the category loan receivables and trade receivables has gone down, the Group reduces the carrying value to the recoverable value, which consists of estimated future cash flow less the original effective interest for the instrument, and continues to unwind the discounting effect as interest income. Interest income on impaired loan receivables and trade receivables is reported as original effective interest.

Finance costs

Finance costs chiefly comprise interest expenses on loans and exchange rate losses. Interest expenses on loans are recognized using the effective interest method. Exchange rate gains and losses are reported net.

Leases

When a contract is concluded, the Group determines whether it is a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Except for short-term leases and leases of low-value assets, the Group recognizes a lease liability for future remaining lease payments and right-of-use assets that represent the right to use underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets on the commencement date of the lease, at the point in time the underlying asset is available for use. Right-of-use assets are measured at cost less accumulated depreciation and impairment and are adjusted for any revaluation of lease liabilities. The cost of right-of-use assets includes the value of recognized lease liabilities, initial direct costs and lease payments made at or before the commencement date, less any lease incentives received in connection with the signing of the lease. Right-of-use assets are depreciated over the estimated lease term on a straight-line basis.

Leases in the Group that have been classified as right-of-use assets mainly comprise premises, workshop equipment and cars.

Lease liabilities

The Group recognizes lease liabilities based on the present value of all remaining lease payments over the remaining useful life on the commencement date. Lease payments are made up of fixed payments less any lease incentives receivable and variable lease payments that are based on an index or a rate. When calculating the present value of all outstanding leasing fees, the Group uses its incremental borrowing rate. The recognized lease liabilities are revaluated if the term of the lease or the lease payments change (including indexation).

Short-term leases and leases of low-value assets

The Group applies the exception for leases with a term of less than 12 months (short-term leases) and leases of low-value assets. Short-term leases and leases of low-value assets in the Group refer to various office equipment, etc. Short-term leases and leases of low-value assets are recognized on a straight-line basis over the term of the lease.

Cash flow

The cash flow statement has been prepared using the indirect method. Recognized cash flows include only transactions that have resulted in cash receipts or payments and are broken down in operating activities, investing activities and financing activities. Cash flows from cash receipts and payments are reported gross, except for transactions comprised of cash receipts and payments of large amounts referring to items where the turnover is quick and the maturities are short.

Definitions of key ratios

Debt/equity ratio (%)

Equity and untaxed reserves (less deferred tax) in relation to total assets.

NOTE 3 Parent Company's accounting policies

The Parent Company prepares its annual accounts pursuant to the Swedish Annual Accounts Act and RFR 2 (Accounting for legal entities), which means that the Parent Company complies with the Group's accounting policies in all material respects, with the exceptions stated below. Unless otherwise stated, the policies have been applied consistently for all the years presented.

Leases

The Parent Company has applied the exception in IFRS 2 regarding IFRS 16 Leases and reports lease payments on a straight-line basis over the term of the lease.

Shares in subsidiaries

Shares are recognized by the Parent Company according to the historical cost convention. The book value is regularly tested against the subsidiaries' consolidated equity. If the book value is less than the subsidiaries' consolidated value, an impairment loss will be recognized in the income statement. If a previously made impairment is no longer justified, it will be reversed.

Financial assets and liabilities

Due to the connection between reporting and taxation, the Parent Company as a legal entity does not comply with the rules on financial instruments in IFRS 9. Instead, these are recognized according to the simplified rules for financial instruments in RFR 2. Accordingly, the Parent Company measures non-current financial assets at cost less impairment and current financial assets according to the lower of cost or market method.

Income statement and balance sheet layout

The income statement and balance sheet follow the layout described in the Swedish Annual Accounts Act.

None of the changes published in RFR 2 is determined to have any significant impact on the Parent Company's financial statements.

NOTE 4 Estimates and assessments

The preparation of Cell Impact's consolidated accounts required several estimates and judgments, which may affect the value of assets, liabilities and provisions that were reported at the time the accounts were closed. In addition, the recognized value of sales and expenses during the reporting periods may also be affected. Estimates and judgments are evaluated continually and are based on historic experience and other factors, including expectations of future events that are considered to be reasonable under current conditions. Any estimates and judgments that involve a considerable risk of significant adjustments to the recognized value of assets and liabilities in the next financial year are discussed below.

Going concern

As previously announced by the company's Board of Directors, Cell Impact received a contribution of SEK 129 million before issue expenses in a rights issue. The purpose of the rights issue was to ensure continued financing of Cell Impact's business plan, which includes increasing the company's production capacity. Consequently, the net proceeds will be used to finance the company's existing day-to-day operations, investments in preparing additional production space and in new production equipment to ensure increased production capacity and capabilities as well as for other business purposes.

Cell Impact has not yet seen any direct impact from the war in Ukraine. However, it is not unlikely that raw materials and energy prices as well as the availability of components may be affected by the situation in the global markets, depending on the development of this and other conflicts in the world.

Loss carry-forwards

The Group's loss carry-forwards have not been measured and are not reported as deferred tax assets. Such loss carry-forwards will not be measured until the Group has reached a performance level that the Management Team believes is likely to lead to taxable profits.

Leases

Leases for premises have a term of eight years in the Group with an option to extend by three years at a time unless a party opts to terminate the lease, subject to nine months' notice.

In determining the term of a lease, the Management Team considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the term of the lease if the lease is reasonably certain to be extended.

Extension options related to premises have not been included in the lease liability, as Cell Impact cannot determine with reasonable certainty that the leases will be extended considering the development of the company. The lease term is reassessed if an option is exercised or not exercised. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs that affects this assessment and the change is within the control of the lessee. No lease has a term of more than eight years. New leases for premises were entered into during the financial year, but no reassessments of older leases were made.

Measurement of inventories

The Group recognizes an inventory value of SEK 55,770 thousand (46,781). An obsolescence allowance is recognized if the estimated net realizable value is lower than the cost, and in connection with such, the Group makes estimates and assessments regarding future market conditions and calculated net realizable values. The risk of obsolescence is relevant in periods with an unexpected drop in demand and when technical developments in the markets in which the Group operates constitute a specific risk.

An inability to predict and meet market expectations may result in a future need to make a provision for inventory obsolescence.

NOTE 5 Financial risk management

The Group is exposed to various financial risks through its operations, even if they are relatively small, as turnover is limited, and the Group does not have any significant interest-bearing liabilities. In brief, the risks can be summarized as follows:

Credit and counterparty risk

The Group strives to spread credit risks and monitors that sales are made to customers with suitable creditworthiness. It relies on constant monitoring of the external environment, regular customer contacts and credit checks when relevant. Trade receivables have a payment term of 30 days. For an age analysis of overdue trade receivables, see Note 25, Trade receivables.

Interest rate risks

The Group's performance and cash flow from its operations are, to a limited extent, materially independent of changes in market interest rate levels. A change of 1 percentage point in the interest rates on existing borrowings would mean a cost exposure of approximately SEK 238 thousand (321).

Liquidity risk

Cash flow forecasts are regularly prepared by Cell Impact and these forecasts are carefully monitored to ensure that the company has sufficient cash to meet the needs of the operating activities. As at the reporting date on December 31, 2023, the company had a loan of SEK 20.6 million from Nordea. The initial loan of SEK 30 million, which was granted on September 29, 2022, will be repaid over 48 months and is subject to financial covenants with a debt/equity ratio of more than 40 percent. As at December 31, 2023, in addition to this loan, the company also had a loan of SEK 3.2 million from Almi. The initial loan of SEK 5 million was granted on April 1, 2020 and was interest-free until July 2021 after which it has been repaid on a monthly basis.

In accordance with what was previously communicated, the capital acquisition carried out in 2023 has secured financing of the company's operations into 2025 together with existing cash as per December 31, 2023.

Foreign exchange risk

The majority of the Group's revenue is from foreign customers while most of the total costs are in SEK, so profit/loss is exposed to foreign exchange risk. As the Group's revenue and costs are still limited, currency flows are not hedged. See the table below for the exposure to each currency.

Foreign exchange exposure, 2023, %	Operating income	Operating expenses
USD	47%	0%
JPY	2%	3%
EUR	1%	17%
SEK	50%	80%
Other currencies	0%	0%

Foreign exchange exposure 2022, %	Operating income	Operating expenses
USD	22%	0%
JPY	2%	3%
EUR	0%	17%
SEK	76%	80%
Other currencies	0%	0%

Transaction exposure

The Group has limited transaction exposure from contractual cash flows in foreign currencies.

The Group's main transaction exposure is toward EUR, JPY and USD.

A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK 1,731 thousand (4,231) on profit/loss after tax and on equity. A 10 percent stronger USD compared with SEK would have a positive impact of approximately SEK 2,227 thousand (1,677) on profit/loss after tax and on equity. A 10 percent stronger JPY compared with SEK would have a negative impact of approximately SEK 569 thousand (576) on profit/loss after tax and on equity.

Translation exposure

The Group is subject to translation exposure arising in the translation of foreign trade payables into SEK. This exposure in EUR corresponded to SEK 1.4 thousand (40.7) on the reporting date. A 10 percent stronger EUR compared with SEK would have a positive impact of approximately SEK +0.1 thousand (-4.7) on profit/loss after tax and on equity.

Dividend policy and other information

Cell Impact has not adopted any dividend policy. Cell Impact's Board of Directors intends to retain any earnings to fund future growth and the running of operations and therefore does not foresee any cash dividends in the near future. As the company is still in a commercialization phase and has not yet created a sustainable revenue stream, the main focus of the financial governance of the operations is on the company having sufficient capital and cash to ensure operations going forward. An important key ratio for the operations in this respect is to have a satisfactory debt/equity ratio, but the company has not yet adopted such a target.

NOTE 6 Segment information

Description of segments and main activities:

Cell Impact's Board of Directors is the highest executive decision-maker of the Group, assesses the financial position and performance of the Group and makes strategic decisions. The Board of Directors has defined operating segments based on the information that is processed and forms the basis for decisions on the allocation of resources and the evaluation of performance. The Board of Directors monitors and evaluates the Group based on one operating segment, which is the Group as a whole.

The Group's Board of Directors primarily uses operating profit/loss to assess the performance of the Group.

Group	2023-12-31	2022-12-31
Operating profit/loss	-119,490	-103,465
Total	-119,490	-103,465

The Group's main sales activities take place directly from the office and factory in Karlskoga, Sweden. The majority of the entire Group's assets and liabilities are attributable to Sweden and a small proportion is attributable to Japan.

NOTE 7 Distribution of revenue

Revenue

As revenue from external parties is reported to the Management Team, it is valued in the same way as in the Consolidated statement of comprehensive income.

The majority of the revenue is recognized at a point in time.

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Revenue includes the sale of:				
Goods	46,558	76,688	46,154	76,531
Services	703	124	703	223
Total	47,261	76,812	46,857	76,754
Other revenue includes revenue from:				
Changes in inventory and work in progress	913	14,715	913	14,715
Own work capitalized	-	607	-	607
Other operating income	401	900	629	900
Total	1,314	16,222	1,542	16,222

NOTE 8 Revenue by geographic market

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Revenue is distributed over geographic markets as follows:				
Sweden	995	1,353	995	1,377
Other Europe	343	466	343	466
North America	45,014	73,104	45,014	73,104
Asia	910	1,889	506	1,807
Total	47,261	76,812	46,857	76,754
Revenue from major customers				
Customer E	43,783	2,537	43,783	2,537
Customer G	771	70,567	771	70,567

NOTE 9 Fees to auditors

PWC	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Audit assignment	275	283	250	283
Audit activities outside the audit assignment	150	8	150	8
Tax advice	-	-	-	-
Other services	625	244	625	244
Total	1,050	535	1,025	535

NOTE 10 Lease agreements

The following amounts related to leases are reported in the consolidated balance sheet:

	Group	
	2023-12-31	2022-12-31
Right-of-use assets		
Opening cost	19,894	19,159
New leases	3,834	629
Revaluation	8,086	204
Terminated leases	-3,574	-98
<i>Closing accumulated cost</i>	<i>28,240</i>	<i>19,894</i>
Opening depreciation	-9,063	-5,439
Depreciation for the year	4,018	-3,620
Revaluation	-3,519	-102
Terminated leases	-2,449	98
<i>Closing accumulated depreciation</i>	<i>-11,013</i>	<i>-9,063</i>
Closing carrying amount	17,227	10,831
<i>Right-of-use assets refer to:</i>		
Premises	15,151	9,723
Vehicles	-	186
Equipment	2,076	921
	17,227	10,831
<i>Lease liabilities</i>		
Current	4,158	3,145
Non-current	14,751	9,502
	18,910	12,647

Leases are generally agreed with a term from three to eight years in the Group, with an option to extend leases in the Parent Company. Leases in the Parent Company can be extended by three years unless either party terminates the lease, subject to a nine-month notice period. Cell Impact cannot determine with reasonable certainty that the leases will be extended considering the development of the company and has therefore

not included any use after the end of the term. The level of rent in the leases is subject to indexation or a fixed annual increase in rent that is stated in the lease. Indexation is included in the lease liability when it enters into force and is then adjusted against the right-of-use asset. More information is available in Note 30, Loan receivables.

	Group	
	2023-12-31	2022-12-31
Interest expense on lease liabilities	1,119	823
Expense relating to short-term leases	59	343
Expense relating to leases of low-value assets	49	116
Expenses relating to variable lease payments not included in lease liabilities	625	1,559
Total cash outflow for leases in the Group during the year	4,746	4,487

Change in lease liability, see Note 28 regarding the reconciliation of liabilities from financing activities.

	Parent Company	
	2023-12-31	2022-12-31
Leases in the Parent Company		
Lease payments for leases during the year	5,664	5,337
<i>Future payment obligations as at December 31 for leases are distributed as follows:</i>		
Due for payment within 1 year	4,158	2,499
Due for payment in more than 1 year but less than 5 years	4,599	8,982
Due for payment in more than 5 years	100	982

NOTE 11 Employees and staff costs

Average number of employees

	2023		2022	
	Number of employees	of which men	Number of employees	of which men
Group				
Japan	1	100%	1	100%
Sweden	106	58%	110	60%
	107		111	
Parent Company				
Sweden	106	58%	110	60%
	106		110	

Salaries and other remuneration, pension expenses and social security contributions for the Board of Directors, senior executives and other employees.

Salaries, remuneration, social security fees and pension costs

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Salaries and remuneration to other employees	40,289	41,506	40,289	41,506
Salaries and remuneration to the Board of Directors and senior executives	14,107	12,447	12,510	10,666
	54,396	53,953	52,799	52,172
Statutory social security contributions	18,349	17,968	18,229	17,834
Pension expense relating to the Board of Directors and other senior executives	2,201	3,163	2,201	3,163
Pension expense relating to other employees	5,207	4,281	5,207	4,281
Total	80,153	79,365	78,435	77,449

Board members and senior executives

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
<i>Number of Board members on the reporting date</i>				
Women	-	1	-	1
Men	4	5	4	5
Total	4	6	4	6
<i>Number of senior executives, incl. CEO, on the reporting date</i>				
Women	1	1	1	1
Men	7	7	4	4
Total	8	8	5	5

Information regarding remuneration to the Board of Directors and senior executives in the Parent Company

Parent Company

2023	Base salary, fees to Board of Directors	Pension expense	Variable remuneration ¹	Other remuneration	Total
Chairman of the Board	340	-	-	-	340
Board members	685	-	-	-	685
<i>Senior executives</i>					
CEO	2,800	842	369	163	4,174
Other senior executives, 4 people ²	7,699	1,359	263	190	9,511
Total	11,524	2,201	632	353	14,711

1) Variable remuneration refers to the amount expensed in each financial year, which may deviate from future amounts paid.

2) Other senior executives comprise the Chief Financial Officer, Chief Operating Officer, Chief Technology Officer and Chief Human Resources Officer.

2022	Base salary, fees to Board of Directors	Pension expense	Variable remuneration ¹	Other remuneration	Total
Chairman of the Board	300	-	-	-	300
Board members	700	-	-	-	700
<i>Senior executives</i>					-
CEO	2,436	807	488	178	3,909
Other senior executives, 6 people ²	6,232	2,356	249	83	8,920
Total	9,668	3,163	737	261	13,829

1) Variable remuneration refers to the amount expensed in each financial year, which may deviate from future amounts paid.
 2) Other senior executives comprise the Chief Financial Officer, Chief Operations Officer, Chief Technology Officer, Chief Project Officer, Quality Manager and Chief Human Resources Officer.
 In addition to salaries, etc., Board members and senior executives have received consultancy fees. See Note 34, Transactions between related parties, for more information.

Information regarding remuneration to the Board of Directors and senior executives in the Group

Group

2023	Base salary, fees to Board of Directors	Pension expense	Variable remuneration ¹	Other remuneration	Total
<i>Board of Directors</i>	1,025	-	-	-	1,025
CEO	2,800	842	369	163	4,174
Other senior executives, 7 people ²	9,296	1,359	263	190	11,108
Total	13,121	2,201	632	353	16,308

1) Variable remuneration refers to the amount expensed in each financial year, which may deviate from future amounts paid.
 2) Other senior executives comprise the Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, Chief Human Resources Officer, Area Manager Europe, Managing Director Cell Impact Japan Inc. and Country Manager China.

2022	Base salary, fees to Board of Directors	Pension expense	Variable remuneration ¹	Other remuneration	Total
<i>Board of Directors</i>	1,000	-	-	-	1,000
CEO	2,436	807	488	178	3,909
Other senior executives, 9 people ²	8,013	2,356	249	83	10,701
Total	11,449	3,163	737	261	15,610

1) Variable remuneration refers to the amount expensed in each financial year, which may deviate from future amounts paid.
 2) Other senior executives comprise the Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, Chief Project Officer, Quality Manager, Chief Human Resources Officer, Area Manager Europe, Managing Director Cell Impact Japan Inc. and Country Manager China.

Bonuses and severance pay

The payment of a bonus is at the discretion of the Board of Directors.

During 2023, the company's former CEO, Pär Teike, received a bonus of SEK 369 thousand and the CFO and CHRO together received a total bonus of SEK 263 thousand for the financial year 2022.

No bonuses will be paid for the financial year 2023.

For 2024, the CEO may receive a bonus of no more than 40 percent of his or her annual salary, and the CFO and CHRO may receive no more than 25 percent their annual salaries. No bonuses ("variable remuneration") are payable to senior executives other than the ones outlined above.

None of the company's employees are entitled to severance pay. The interim CEO is bound by a non-compete clause that applies for 12 months after the end of employment. If the com-

pany invokes the non-compete clause, remuneration of no more than 60 percent of the previous monthly salary over the 12-month period (during the period for which the non-compete is invoked) will be paid.

Related party transactions

The 2023 Annual General Meeting resolved that the Chairman of the Board and the Board members would be entitled to remuneration of SEK 8,000 per full working day (SEK 8,000 including social security contributions if the fee is charged via their own companies) for consultancy services that do not constitute regular board work.

For more information, see Note 34, Transactions between related parties.

NOTE 12 Warrants

Cell Impact has the following four outstanding warrant programs, under which employees and others have purchased warrants. The warrants confer an entitlement to acquire Class B shares in the Parent Company at a strike price set in advance.

- The warrant program 2020/2024 for Board members was adopted by the 2020 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1 to June 30, 2024.
- The warrant program 2021/2024 for senior executives and other employees was adopted by the 2021 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1 to July 2, 2024.
- The warrant program 2022/2025 for senior executives and other employees was adopted by the 2022 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period September 1 to September 29, 2025.
- The warrant program 2022/2026 for Board members was adopted by the 2022 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period September 1 to September 29, 2026.

Warrants allotted	Accumulated number outstanding	Average strike price, SEK
As at Dec 31, 2019	658,000	14.46
As at Dec 31, 2020	1,256,200	25.28
As at Dec 31, 2021	1,328,750	28.66
As at Dec 31, 2022	970,750	28.45
As at Dec 31, 2023	747,550	28.45

The average strike price for options awarded that were outstanding at the end of the period was SEK 28.45. During 2023, 223,200 warrants were forfeited, exercised or expired.

Outstanding per year, warrants	Number outstanding 2023-12-31	Number outstanding 2022-12-31	Subscription price, SEK	Value per warrant, SEK	Value per share, SEK	Volatility	Expiration date
Warrant program 2020/2023	0	223,200	35.32	3.19	20.05	50%	2023-06-30
Warrant program 2020/2024	375,000	375,000	8.10	4.22	20.05	50%	2024-06-30
Warrant program 2021/2024	72,550	72,550	18.90	8.07	45.10	59%	2024-07-02
Warrant program 2022/2025	225,000	225,000	6.30	1.64	13.75	48%	2025-09-29
Warrant program 2022/2026	75,000	75,000	6.30	2.22	13.75	49%	2026-09-29
Total	747,550	970,750					

Due to the rights issues in 2021 and 2023, the strike price and the number of shares that the warrant holders are entitled were recalculated in accordance with the terms and conditions of the 2020/2023, 2020/2024, 2021/2024, 2022/2025 and 2022/2026 warrant programs. The value per warrant and the

value per share are the original values used when the employees acquired the warrants.

Changes and holdings of warrants by the Board members, the CEO and other senior executives as at the reporting date are shown below.

Holder	Number outstanding 2022-01-01	Change	Number outstanding 2022-12-31	Change	Number outstanding 2023-12-31
Former CEO, Pär Teike	325,000	-175,000	150,000	-100,000	50,000
Robert Sobocki, Chairman of the Board	150,000	10,000	160,000	-	160,000
Kjell Östergren, former Board member	75,000	-	75,000	-	75,000
Thomas Carlström, Board member	75,000	25,000	100,000	-	100,000
Anna Frick, Board member	75,000	-	75,000	-	75,000
Lars Bergström, Board member	-	40,000	40,000	-	40,000
Other senior executives	215,150	-	215,150	-80,000	135,150
Other employees and consultants	413,600	-258,000	155,600	-43,200	112,400
Total	1,328,750	-358,000	970,750	-223,200	747,550

NOTE 13 Finance income

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Interest income	1,180	859	2,310	859
Total	1,180	859	2,310	859

All finance income refers to financial assets at amortized cost.

NOTE 14 Finance costs

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Other interest expense	-1,935	-715	-1,968	-761
Interest expense on lease liabilities	-1,119	-823	-	-
Total	-3,054	-1,538	-1,968	-761

All finance costs refer to financial liabilities at amortized cost.

NOTE 15 Tax on profit/loss for the year

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Current tax for the year	-38	-70	-	-
Reported tax	-38	-70	-	-

Numerical reconciliation of the effective tax rate

Income tax on the Group's profit/loss before tax differs from the theoretical amount that would have been recognized with the use of a weighted average tax rate for profit/loss in the consolidated companies according to the following:

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Profit/loss before tax	-121,364	-104,144	-120,296	-103,721
Tax in accordance with current rate 20.6% (20.6%)	25,001	21,454	24,781	21,366
Effect of other tax rates for foreign subsidiaries	12	22	-	-
Tax related to non-deductible expenses	-130	-189	-130	-189
Change in unrecognized loss carry-forwards	-24,921	-21,357	-24,651	-21,178
Reported tax	-38	-70	-	-

The Group makes tax deductions for issue costs that are recognized directly in equity. No deferred tax has been recognized in this respect.

Loss carry-forwards in the Group amounted to SEK 626 million (505).

The Group's loss carry-forwards have not been measured as the operations are still being built up and future earnings trends are therefore uncertain. As these loss carry-forwards relate to Swedish legal entities, there is no time limit within which they must be used.

NOTE 16 Earnings per share

	Group	
	2023-12-31	2022-12-31
Profit/loss for the year (SEK thousand) attributable to the Parent Company's shareholders	-121,402	-104,215
Average number of ordinary shares outstanding	109,634,334	75,726,264
Earnings per share before and after dilution (SEK)	-1.11	-1.38

The warrants issued are antidilutive as profit/loss for the years presented above was negative.
For more information on shares and share capital, see Note 28, Equity.

NOTE 17 Patents, licenses and software

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost	1,840	1,045	1,840	1,045
Additions during the year	172	795	172	795
Closing accumulated cost	2,012	1,840	2,012	1,840
Opening accumulated depreciation	-752	-379	-752	-379
Depreciation for the year	-433	-373	-433	-373
Closing accumulated depreciation	-1,185	-752	-1,185	-752
Closing carrying amount	827	1,088	827	1,088

The acquisition of patent costs refers to additions to the existing patent protection.

NOTE 18 Capitalized development costs

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost	13,189	8,031	13,189	8,031
Additions during the year	3,866	5,158	3,866	5,158
Closing accumulated cost	17,055	13,189	17,055	13,189
Opening accumulated depreciation	-4,822	-3,235	-4,822	-3,235
Depreciation for the year	-3,069	-1,587	-3,069	-1,587
Closing accumulated depreciation	-7,891	-4,822	-7,891	-4,822
Closing residual value according to plan	9,164	8,368	9,164	8,368

Cell Impact's capitalized development costs refer to the further development of the company's forming unit and tool holders, primarily to adapt them to more automated production, and the development of a proprietary pattern design for the company's proprietary flow plate.

NOTE 19 Leasehold improvements

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Leasehold improvements				
Opening cost	13,152	8,228	13,152	8,228
Additions during the year	3,354	4,924	3,354	4,924
Closing accumulated cost	16,506	13,152	16,506	13,152
Opening accumulated depreciation	-1,195	-633	-1,195	-633
Depreciation for the year	-837	-562	-837	-562
Closing accumulated depreciation	-2,032	-1,195	-2,032	-1,195
Closing carrying amount	14,474	11,957	14,474	11,957

NOTE 20 Plant and machinery

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost	89,412	64,008	89,412	64,008
Additions during the year	35,666	25,404	35,666	25,404
Disposals	-7,688	-	-7,688	-
<i>Closing accumulated cost</i>	117,390	89,412	117,390	89,412
Opening accumulated depreciation	-22,191	-13,023	-22,191	-13,023
Depreciation for the year	-8,750	-9,168	-8,750	-9,168
Disposals	-	-	-	-
<i>Closing accumulated depreciation</i>	-30,941	-22,191	-30,941	-22,191
Closing carrying amount	86,450	67,222	86,450	67,222

NOTE 21 Equipment, tools, fixtures and fittings

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost	8,674	5,174	8,674	5,174
Additions during the year	6,359	3,558	6,359	3,558
Disposals	-	-58	-	-58
<i>Closing accumulated cost</i>	15,033	8,674	15,033	8,674
Opening accumulated depreciation	-2,229	-1,155	-2,229	-1,155
Depreciation for the year	-1,385	-1,077	-1,385	-1,077
Disposals	-	3	-	3
<i>Closing accumulated depreciation</i>	-3,614	-2,229	-3,614	-2,229
Closing carrying amount	11,418	6,445	11,418	6,445

NOTE 22 Assets under construction

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Opening cost	57,750	29,196	57,750	29,196
Additions during the year	11,884	28,554	11,884	28,554
<i>Closing accumulated cost</i>	69,634	57,750	69,634	57,750
Closing carrying amount	69,634	57,750	69,634	57,750

NOTE 23 Financial assets and liabilities

Financial assets and liabilities as at December 31, 2023

Group	Financial assets at amortized cost	Non- financial assets	Total recognized value
Financial assets			
Trade receivables	571	-	571
Accrued income not yet invoiced	-	-	-
Other current receivables	-	7,502	7,502
Prepaid expenses and accrued income	-	871	871
Cash and cash equivalents	99,893	-	99,893
	100,464	8,372	108,836
Financial liabilities			
Non-current lease liabilities	14,751	-	14,751
Non-current liabilities to credit institutions	15,625	-	15,625
Trade payables	9,288	-	9,288
Invoiced income not yet accrued	-	-	-
Other current liabilities	-	1,977	1,977
Current lease liabilities	4,158	-	4,158
Current liabilities to credit institutions	8,214	-	8,214
Accrued expenses and deferred income	2,485	22,065	24,550
	54,522	24,043	78,564

Financial assets and liabilities as at December 31, 2022

Group	Financial assets at amortized cost	Non- financial assets	Total recognized value
Financial assets			
Trade receivables	16,421	-	16,421
Accrued income not yet invoiced	-	-	-
Other current receivables	-	8,806	8,806
Prepaid expenses and accrued income	-	1,157	1,157
Cash and cash equivalents	164,670	-	164,670
	181,090	9,963	191,054
Financial liabilities			
Non-current lease liabilities	9,502	-	9,502
Non-current liabilities to credit institutions	23,839	-	23,839
Trade payables	13,334	-	13,334
Invoiced income not yet accrued	-	590	590
Other current liabilities	-	3,102	3,102
Current lease liabilities	3,145	-	3,145
Current liabilities to credit institutions	8,214	-	8,214
Accrued expenses and deferred income	1,220	14,219	15,439
	59,256	17,911	77,167

NOTE 24 Trade receivables

	Group	
	2023-12-31	2022-12-31
Trade receivables	571	16,421
Provision for expected loss on trade receivables	-	-
Trade receivables, net	571	16,421

The carrying value of trade receivables corresponds to the fair value. As trade receivables are generally paid within a short period of time, the fair value corresponds to the amortized cost.

The Group monitors that sales are made to customers with suitable creditworthiness. It relies on constant monitoring of the external environment, regular customer contacts and credit checks when relevant. Trade receivables have a payment term of 30 days.

As at December 31, the Group had one customer (1) from which Cell Impact had net receivables amounting to SEK 486 (16,374) thousand, which comprised 85 (99) percent of all net receivables.

	Group	
	2023-12-31	2022-12-31
Age analysis of trade receivables for which no provision has been made		
Not due	490	10,056
1-60 days past due	56	4,254
More than 60 days past due	25	2,111
Total	571	16,421

NOTE 25 Other current receivables

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
VAT receivables	3,898	6,345	3,898	6,345
Other receivables	3,604	2,461	3,143	1,614
Total	7,502	8,806	7,041	7,959

NOTE 26 Prepaid expenses and accrued income

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Prepaid rents	1,200	389	1,185	1,106
Prepaid rights issue expenses	-	-	-	-
Insurance	202	260	180	192
Other prepaid expenses	-	480	666	507
Accrued income	-531	27	-	27
Total	871	1,157	2,032	1,833

NOTE 27 Cash and cash equivalents

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Cash and bank balances	99,893	164,670	98,043	161,122
Total	99,893	164,670	98,043	161,122

Cash flow, non-cash items:

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Depreciation and amortization	23,657	16,384	19,363	12,766
Capital gains/losses	-21	54	-	54
Revaluation of right-of-use assets	-	-	-	-
Total	23,636	16,438	19,363	12,821

Reconciliation of liabilities from financing activities

Group	2023-12-31	Cash flows	Non-cash movements	
			2023-12-31	2022-12-31
Liabilities to credit institutions	32,053	-8,214	-	23,839
Lease liabilities	12,647	-4,719	10,982	18,910
Total liabilities from financing activities	44,700	-12,933	10,982	42,749

Liabilities to credit institutions	4,643	27,410	-	32,053
Lease liabilities	14,869	-2,862	640	12,647
Total liabilities from financing activities	19,512	24,548	640	44,700

Parent Company	2023-12-31	Cash flows	Non-cash movements	
			2023-12-31	2022-12-31
Liabilities to credit institutions	2,537	-	38	2,575
Lease liabilities	32,053	-8,214	-	23,839
Total liabilities from financing activities	34,590	-8,214	38	26,414
Liabilities to credit institutions	2,500	-	37	2,537
Lease liabilities	4,643	27,410	-	32,053
Total liabilities from financing activities	7,143	27,410	37	34,590

NOTE 28 Equity

	A shares	B shares	Total number of shares	Share capital (SEK thousand)	Subscribed share capital not paid share capital (SEK thousand)	Other contributed capital (SEK thousand)
As at Dec 1, 2022	217,800	75,436,628	75,654,428	6,811	1,946	407,119
Conversion A shares	-217,800	217,800	-			
Share issue in December 2021	-	-	-	1,946	-1,946	283,016
Exercising of warrants	-	172,500	172,500	20	-	2,350
Received option premiums	-	-	-	-	-	536
Translation reserve	-	-	-	-	-	14
As at Dec 31, 2022	-	75,826,928	75,826,928	8,777	-	693,034
New issue of shares	-	515,623,104	515,623,104	59,687	-	69,219
Issue expenses	-	-	-	0	-	-28,424
Translation reserve	-	-	-	0	-	-57
As at Dec 31, 2023		591,450,032	591,450,032	68,464		733,772

Share capital

All shares are fully paid, and no shares have been reserved for transfer. All shares are ordinary shares and confer an equal right to capital, and a B share confers a right to 1/10 vote. During the previous financial year, all previous Class A shares were converted into Class B shares at the request of the Class A shareholders. No shares are held by the company or its subsidiaries.

The number of registered B shares as at December 31, 2023 amounted to 591,450,032. The company's registered share capital amounted to SEK 68,463,980. The shares have a quota value of approximately SEK 0.12.

Warrants in connection with rights issue in 2023

As part of the rights issue in 2023, 128,905,776 warrants were issued. Each warrant entitles the holder to subscribe for one (1) new share in the company during the period from September 16, 2024 up to and including September 30, 2024. The strike price for exercising warrants is 70 percent of the volume-weighted average price of the company's share on the Nasdaq First North Growth Market between September 2, 2024 and September 13, 2024, however, not less than 0.12 SEK and not more than 0.44 SEK per share. Upon full exercise of the warrants of series 2023/2024 (T02) covered by the rights issue,

the number of shares may increase by up to an additional 128,905,776 shares, from 591,450,032 to 720,355,808, and the share capital may increase by up to an additional approximately SEK 14,921,636.70, from approximately SEK 68,463,980.24 to about SEK 83,385,616.93, provided that all warrants are exercised.

Other contributed capital

Other contributed capital comprises capital contributed by the company's shareholders, premiums for shares subscribed for, warrant premiums paid and other funding recognized as equity.

NOTE 29 Loan receivables

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Maturities				
<i>Part of non-current liabilities that is due for payment more than five years after the reporting date</i>				
Liabilities to credit institutions	-	-	-	-
Lease liabilities	-	-	-	-
Liabilities to Group companies	-	-	2,575	2,537
Total	-	-	2,575	2,537
<i>Due for payment between 1 and 5 years</i>				
Liabilities to credit institutions	15,625	23,839	15,625	23,839
Lease liabilities	14,751	9,502	-	-
Total	30,376	33,341	15,625	23,839
Total non-current liabilities	30,376	33,341	18,200	26,376
	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Current interest-bearing liabilities				
Liabilities to credit institutions	8,214	8,214	8,214	8,214
Lease liabilities	4,158	3,145	-	-
Total	12,373	11,360	8,214	8,214

Borrowings refer to a loan from Almi Företagspartner Mälardalen AB ("Almi") that was granted on May 8, 2020. The loan has an interest rate of 8.20 percent for 96 months. During the financial year, the loan was repaid monthly in installments of SEK 59,524. The company has the right to prepay the loan, fully or in part, subject to a redemption fee. The company has pledged a floating charge of SEK 6 million out of SEK 6 million in the company's property as security for the fulfillment of its obligations and undertakings to Almi.

The company also has a loan from Nordea that was granted on September 29, 2022 and that is being repaid quarterly in

installments of SEK 1,875,000 over 48 months. The loan is subject to financial covenants with a debt/equity ratio of more than 40 percent. The interest rate is 7.054 percent.

The fair value of the borrowings was calculated using cash flows discounted at the current loan interest. For the Group's borrowings, the book value of the borrowings corresponds to the fair value, as the interest on the loans is at par with current market rates.

The weighted average lending rate on lease liabilities as at December 31 was 6.0 (6.0) percent.

NOTE 30 Invoiced income not yet accrued

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Invoicing of customer projects in progress	-	15,803	-	15,803
Accrued income, projects in progress	-	-15,213	-	-15,213
Total	-	590	-	590

NOTE 31 Accrued expenses and deferred income

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Accrued vacation pay	7,183	7,259	7,183	7,259
Accrued social security contributions	2,257	2,786	2,257	2,786
Accrued special employer contribution	3,532	3,160	3,512	3,156
Other accrued expenses	11,579	2,234	11,788	2,574
Total	24,550	15,439	24,740	15,775

NOTE 32 Assets pledged as security and contingent liabilities

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Own provisions and liabilities				
Floating charges (SEK)	30,000,000	30,000,000	30,000,000	30,000,000
Total	30,000,000	30,000,000	30,000,000	30,000,000

Floating charges that have been pledged as security refer to loans from Almi and Nordea. See also Note 29, Loan receivables.

The Group has no other commitments.

NOTE 33 Transactions between related parties

The Parent Company has a related party relationship to its subsidiaries, see Note 34.

Summary of transactions with related parties

Parent Company

(SEK thousand)	Year	Sale of goods/ services to related parties	Purchase of goods/services from related parties	Other (for example, interest, dividend)	Receivables from related parties as at Dec 31	Liabilities to related parties as at Dec 31
Related party relationship						
Subsidiaries	2023	-	2,959	-	8,983	2,537
Subsidiaries	2022	1,640	3,119	45	2,634	2,990

Transactions with key management personnel

There were no transactions with key management personnel in 2023.

Achim Zeiss and Guan Tingting were previously reported as key personnel in the company. In an analysis of the Parent Company's transactions over the year, it emerged that the services provided to the Group by Achim Zeiss and Guan Tingting were not subject to the disclosure requirement in IAS 24.

NOTE 34 Participations in Group companies

Summary of transactions with related parties

Parent Company

Parent Company	Registered office	Share of equity, %	Share of votes, %	Number of shares	Carrying value, 2023	Carrying value, 2022
Finshyttan HydroPower AB (556703-5752)	Filipstad	100	100	10,000	72,000	72,000
Cell Impact Japan Inc. (0104-01-158383)	Tokyo	100	100	10,000	390,389	390,389
Total					462,389	462,389

The subsidiary Finshyttans Hydro Power's business is to administrate incentive programs issued by the Parent Company. Cell Impact Japan Inc. is an active sales company with its registered office in Tokyo, Japan

NOTE 35 Proposed appropriation of profits

	2023-12-31
The following profits are at the disposal of the Annual General Meeting 2023 (SEK):	
Share premium reserve	712,995,930
Retained earnings	-367,866,047
Profit/loss for the year	-120,295,747
Total	224,834,136
The Board of Directors proposes that the following amount be carried forward:	224,834,136
Total	224,834,136

NOTE 36 Events after the reporting date

- Daniel Vallin started as interim CEO on January 1, 2024 and Malin Lundberg started as CFO on February 12, 2024.
- Cell Impact received a SEK 18 million order from a new European customer for flow plates, tools and fixtures with delivery scheduled from March 2024 to mid-2026.



Assurance

The undersigned certify that the annual accounts were prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts were prepared in accordance with International Financial Reporting

Standards (IFRS), as adopted by the EU. The annual accounts give a fair presentation of the Parent Company and Group's financial position and performance. The Administration Report for the Group and the Parent Company provides a fair view of

the development of the operations, position and performance of the Group and the Parent Company and describes material risks and uncertainty factors to which the Parent Company and the companies in the Group are exposed.

Stockholm, on the date that appears on our electronic signatures

Robert Sobocki
Chairman of the Board

Lars Bergström
Member

Thomas Carlström
Member Member

Mats Franzén

Daniel Vallin
Interim CEO

Our auditors' report was submitted on the date that appears on our electronic signatures.

PricewaterhouseCoopers AB

Sebastian Månsson
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of Cell Impact AB (publ), corporate identity number 556576-6655

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Cell Impact AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 16–51 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–15 and 54–58. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts

and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the CEO of Cell Impact AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the CEO be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

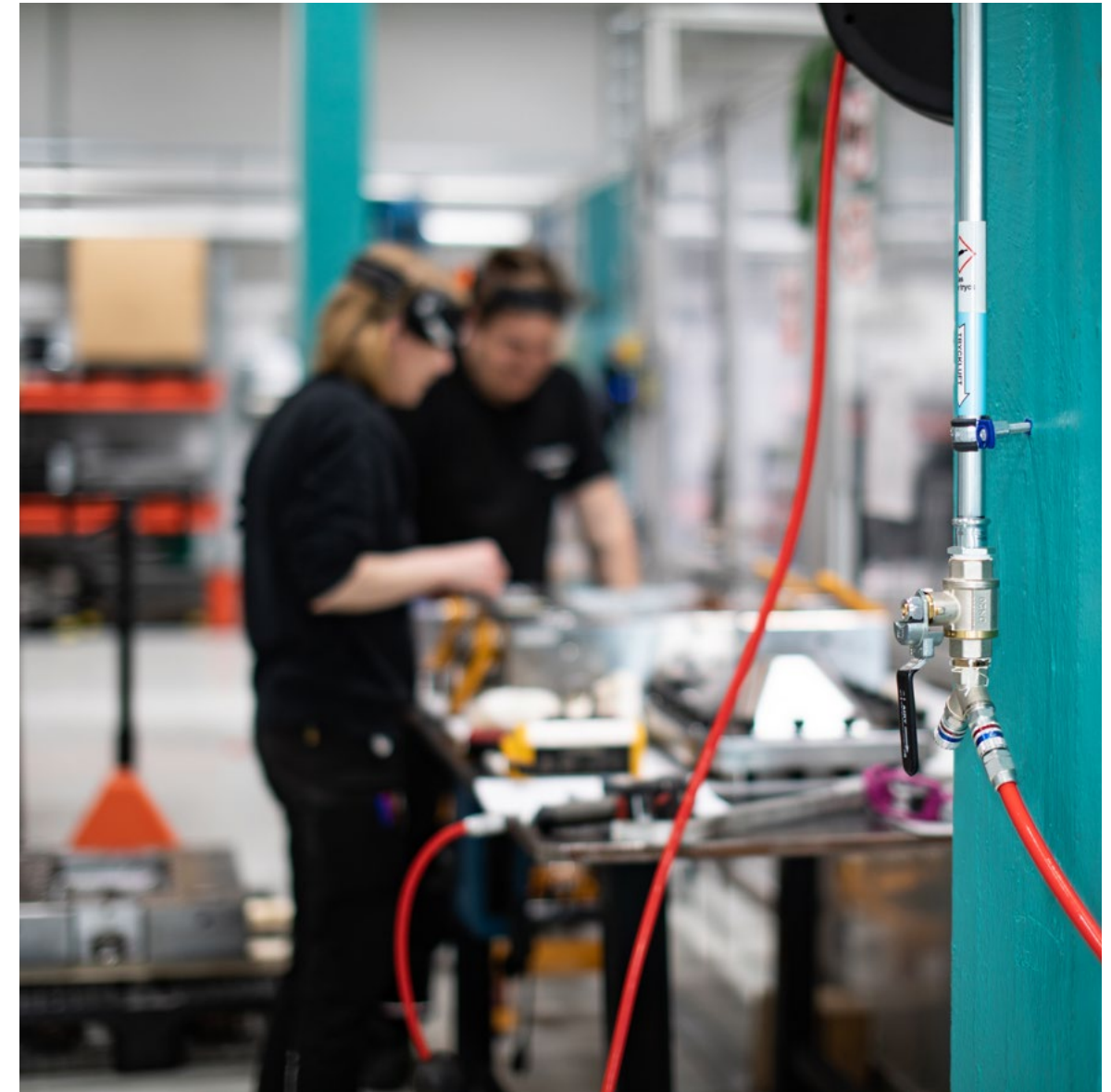
A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm

Öhrlings PricewaterhouseCoopers AB

Sebastian Månsson

Authorized Public Accountant





Management Team



Daniel Vallin

Interim CEO

Born in 1977. Extensive industrial experience from positions including Production Manager for in-vehicle batteries and Quality Manager for transmission manufacturing at Scania CV AB.

Education

MSc in Engineering from Luleå University of Technology.

Shares and warrants

240,000 shares
30,000 warrants (2022:2025)

Alexander Beckman

Manager Engineering, Product Manager Cell Impact Forming

Born in 1988. Various managerial positions at Cell Impact since 2021. Experience from working as designer and process engineer in industries such as offshore, IAC and ESAB.

Education

MSc in Mechanical Engineering, Chalmers University of Technology.

Shares and warrants

650 warrants (2021:2024)
3050 warrants (2022:2025)

Henrik Jackman

Chief Application Engineer

Born in 1984. Has led several development projects and together with clients designed tools and fixtures for more than 50 different flow plates. Employed earlier at Citec consultancy.

Education

PhD in Physics, Karlstad University (2014).
MSc in Engineering Physics, Karlstad University (2009).

Shares and warrants

-

Malin Lundberg

Chief Financial Officer

Born in 1993. Most recently Financial Controller at Cell Impact. Five years' experience managing advanced accounting issues at companies including PwC (Aspia) and Baker Tilly.

Education

Master of Business Administration, Business Administration – Accounting and Control Karlstad Business School, Karlstad University.

Shares and warrants

-

Marcus Nilsson

Sales and Program Manager

Born in 1992. Previously employed by Cell Impact, responsible for customer projects. Experience as a production technician in the manufacturing industry with a focus on press and laser applications.

Education

Certified process and CNC technician.

Shares and warrants

-

Marie Nordqvist

Production manager

Born in 1967. Extensive experience in manufacturing, particularly in automotive industry with leadership positions within the Volvo Group for 20+ years.

Education

University degree in technology, Lean Production, from Chalmers University of Technology.

Shares and warrants

-

Karina Sick Larsson

Chief Human Resources Officer

Born in 1972. 20+ years of experience in operational and strategic HR within mid-sized organizations with a focus on growth and business development.

Education

BSc in Organizational Development and Human Resources from Karlstad University.
Executive Master of Human Resources from M-gruppen.

Shares and warrants

15,866 shares
30,000 warrants (2022:2025)



International management



Achim Zeiss

Area Manager Europe

Born in 1951. Extensive experience from the German automotive industry. CEO of Danly Germany for 10 years and DADCO Europe for 22 years.

Education

Engineer.

Shares and warrants

10,000 warrants (2020:2023)

25,000 warrants (2021:2024)

30,000 warrants (2022:2025)



Shigeru Nakagawa

Managing Director, Cell Impact Japan Inc. (2021)

Born in 1965. Extensive business development experience including positions including Executive Officer of New Business Development at Nakanishi Metal Works Co. and Director at Mitsui Sumitomo Insurance Co.

Education

Law degree from Doshisha University, Japan.

Shares and warrants

10,000 warrants (2021:2024)

10,000 warrants (2022:2025)





Board of Directors



Robert Sobocki

Chairman since 2020

Born in 1952. 40+ years of experience from senior positions within the automotive and engine industry, most of which at Scania, a world leader within alternative fuels for heavy vehicles.

Education

MSc in Engineering from Chalmers University of Technology (CTH) with a focus on production, organization and industrial economics.

Main employment

Board member of two companies, of which Chairman of one.

Shares and warrants

291,952 shares
150,000 warrants (2020:2024)
10,000 warrants (2022:2026)

Independent of Cell Impact AB and in relation to the company's major shareholders.



Thomas Carlström

Member since 2017

Born in 1951. About 20 years of experience as investment manager at Industrifonden with a large number of investments in companies in their early stages including Arcam AB (3D printing in metal) and Oatly AB (not milk). Before that, 20 years in senior positions in several companies within the manufacturing industry.

Education

MSc in mining and metallurgical engineering from the Royal Institute of Technology (KTH).

Main employment

Retired. Own consulting company.

Shares and warrants

535,000 shares
75,000 warrants (2020:2024)
25,000 warrants (2022:2026)

Independent of Cell Impact AB and in relation to the company's major shareholders.



Lars Bergström

Member since 2022

Born in 1958. 40+ years of experience from Swedish and international industry. Previously CEO of KMT Group AB, BE Group AB and Seco Tools AB. Senior positions at Sandvik and earlier at ABB and ASEA.

Education

MSc in Civil Engineering from Royal Institute of Technology (KTH). MBA in International Management from Uppsala University. Further education at London Business School and IMD.

Main employment

Founder and Chairman of the board of Hyttbäcken Investment AB. Board member of Ejendals AB.

Shares and warrants

450,000 shares
40,000 warrants (2022:2026)

Independent of Cell Impact AB and in relation to the company's major shareholders.



Mats Franzén

Member since 2023

Born in 1969. Has worked as Authorized Accountant and Office Manager at PricewaterhouseCoopers AB, Controller and Finance Director at Toyota Material Handling Europe AB, CFO at HTC Sweden AB and Sectra AB (publ), among other positions.

Education

Master's degree in Business Administration from Linköping University, Master's degree in Social Policy from the University of Chicago and Master's degree in Health Economics and Policy from the London School of Economics and Political Science. Global Executive Management Program, Yale University.

Main employment

Senior Advisor at Sectra AB (publ) and industrial doctoral student at Linköping University.

Shares and warrants

1,593,000 shares

Independent of Cell Impact AB and in relation to the company's major shareholders.



Annual General Meeting

Cell Impact welcomes all shareholders to the Annual General Meeting which will take place on Thursday, April 25, 2024 at Sturegatan 15 at Sturegatan 15 in Stockholm. As a shareholder, you can exercise your voting right by postal vote, by participating in person or by proxy.

You are required to register if you wish to participate at the Annual General Meeting. More information is provided in the notice to attend the Annual General Meeting as well as on Cell Impact's website.

Financial calendar

Annual General Meeting 2024	April 25, 2024
Interim Report for Q1	May 14, 2024
Interim Report for Q2	23 August, 2024
Interim Report for Q3	November 6, 2024

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