



INVITATION TO SUBSCRIBE FOR UNITS IN CELL IMPACT AB (PUBL)

Please note that the unit rights are expected to have an economic value

In order not to lose the value of the unit rights, the holder must either:

- exercise the unit rights received and subscribe for Units no later than 4 December 2023, or
- no later than 29 November 2023, sell the received unit rights that are not intended to be used for subscription of Units.

Please note that shareholders with nominee-registered holdings subscribe for Units through their custodian/nominee.

Distribution of this Offering Circular and subscription of Units are subject to restrictions in certain jurisdictions, see the section "*Important information to investors*".

The Swedish Financial Supervisory Authority approved the Swedish Prospectus on 15 November 2023 and passported this Offering Circular to Denmark and Finland on the same date. The Swedish Prospectus is valid for up to twelve months after the date of approval. The obligation to provide supplements to the Swedish Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Swedish Prospectus is no longer valid, and Cell Impact will only make supplements to the Swedish Prospectus when required by the provisions on supplements in the Prospectus Regulation.

Sole Global Coordinator and
Joint Bookrunner



Joint Bookrunner



IMPORTANT INFORMATION TO INVESTORS

This Offering Circular (the “**Offering Circular**”) has been prepared in connection with the rights issue of maximum 75,826,928 units in Cell Impact AB (publ), a Swedish public limited liability company with registration number 556576-6655, with preferential rights for existing shareholders (the “**Rights Issue**”). In the Offering Circular, “**Cell Impact**”, the “**Company**” or the “**Group**” refers to Cell Impact AB (publ), the group in which Cell Impact is the parent company or a subsidiary of the group, as the context may require. One (1) “**Unit**” refers to the issued security which consists of eight (8) new shares and two (2) warrants of series 2023/2024. “**Warrants**” refers to warrants of series 2023/2024. The “**Joint Bookrunners**” refers to Carnegie Investment Bank AB (publ) (“**Carnegie**”) and Pareto Securities AB (“**Pareto Securities**”), and the “**Sole Global Coordinator**” refer to Carnegie. See the section “**List of definitions**” for the definitions of these and other terms in the Offering Circular.

The figures included in the Offering Circular have, in certain cases, been rounded off and, consequently, the tables contained in the Offering Circular do not necessarily add up. In addition, certain percentages set forth in the Offering Circular are calculated from underlying figures that are not rounded off, and therefore may differ slightly from percentages resulting from calculations based on rounded off figures. All financial amounts are in Swedish kronor (“**SEK**”) unless indicated otherwise, “**KSEK**” indicates thousands of SEK and “**MSEK**” indicates millions of SEK. Except as expressly stated herein, none of the financial information in this Offering Circular has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in this Offering Circular that is not part of the information audited or reviewed by the Company’s auditor as set forth herein has been derived from the Company’s internal accounting and reporting system.

A Swedish language version of the Offering Circular (the “**Swedish Prospectus**”) has been approved by the Swedish Financial Supervisory Authority (the “**SFSA**”) as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that are the subject of the Swedish Prospectus. Such approval should not either be considered as an endorsement of the quality of the securities that are subject in the Swedish Prospectus and every investor should make their own assessment as to the suitability of investing in the securities. The Offering Circular has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. The Swedish Prospectus and the Rights Issue are governed by Swedish law. Disputes arising in connection with the Swedish Prospectus, the Rights Issue and related legal matters shall be settled exclusively by Swedish courts. In the event of discrepancies between the Offering Circular and the Swedish Prospectus, the Swedish Prospectus shall prevail.

Cell Impact has not taken and will not take any actions to allow a public offer in any jurisdiction other than Sweden, Denmark and Finland. The Rights Issue is not being made to persons resident in Australia, Canada, Japan, the United States, or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the Offering Circular may not be distributed in or into the mentioned countries or any other country or jurisdiction in which distribution or the Rights Issue in accordance with this Offering Circular require such measures or otherwise would be in conflict with applicable regulations in such country or any such jurisdiction. Subscription of Units and other acquisitions of securities that violate above mentioned restrictions may be deemed invalid. Persons who receive a copy of the Offering Circular are required by the Company and the Joint Bookrunners to inform themselves about and to observe such restrictions. Any measure in violation with the restrictions may constitute a violation of applicable securities regulations. Each investor should consult their own advisors before exercising the unit rights or purchasing the paid subscription units (“**BTU**”, Sw. *betalda tecknade units*) or the Units subject to the terms and conditions of this Offering Circular. Investors should make their independent assessment of the legal, tax, business, financial or other consequences of their investments. Investors should not construe the content of this Offering Circular as legal, investment or tax advice. No action has been or will be taken by the Company or the Joint Bookrunners to permit the possession or distribution of this Offering Circular (or any other offer or publicity materials or application form(s) relating to the Rights Issue) in any country where such distribution may lead to a breach of any law or regulatory requirement. Any failure to comply with the described restrictions may result in violation of applicable securities regulations. When an investor makes an investment decision, he or she must rely on his or her own analysis of Cell Impact and the Rights Issue in accordance with this Offering Circular, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in this Offering Circular and any possible supplements to this Offering Circular. No person is authorized to provide any information or make any statements other than those made in this Offering Circular and, should such information or statement nevertheless be provided or be made, it should not be considered to have been approved by Cell Impact or the Joint Bookrunners, and neither Cell Impact nor the Joint Bookrunners are responsible for such information or statements and must not be relied upon. Neither the publication of this Offering Circular nor any transaction made in respect hereof shall be deemed to imply that the information in this Offering Circular is accurate or applicable at any time other than on the date of the publication of this Offering Circular or that there have been no changes in Cell Impact’s business since this date. In the event of significant new circumstances, factual errors or material errors relating to the information contained in this Offering Circular occur, such will be announced in accordance with the provisions on prospectus supplements under the Prospectus Regulation. As a condition for subscription of Units under the Rights Issue in this Offering Circular, each person applying for subscription of Units shall be deemed to have made or, in some cases, have been required to make, certain representations and warranties that will be relied upon by Cell Impact and its advisors. Cell Impact reserves the right to declare null and void any subscription of Units that Cell Impact and its advisors believe may give rise to breach or violation of any law, rule or regulation in any jurisdiction. As a condition for the exercise of the unit rights or the right to subscribe for BTUs or Units, each existing shareholder or person applying to subscribe for Units will be deemed to have made, or in some cases will be required to make, representations and warranties upon which Cell Impact and its advisors will rely. Cell Impact reserves the right to declare null and void any subscription of BTUs or Units that Cell Impact and its advisors believe may give rise to breach or violation of any law, rule or regulation.

NOTICE TO INVESTORS IN THE UNITED STATES, THE UNITED KINGDOM AND THE EUROPEAN ECONOMIC AREA, RESPECTIVELY

Cell Impact has not taken and will not take any actions to allow a public offering in any jurisdictions other than Sweden, Denmark and Finland. The offer is not being made to persons resident in the United States, Australia, Hong Kong, Japan, Canada, China, New Zealand, Singapore, South Africa or in any other jurisdiction where participation would require additional prospectuses, registration or other measures besides those required by Swedish law. Consequently, the Offering Circular may not be distributed in or into the mentioned countries or any other country or jurisdiction in which distribution or the offering in accordance with this Offering Circular requires such measures or otherwise would be in conflict with applicable regulations. Subscription of Units and acquisition of securities in violation of the restrictions described above may be void. Recipients of this Offering Circular are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations. No unit rights, BTUs or Units issued by the Company (“**Securities**”) have been, and will not be, registered under the United States Securities Act of 1933 (“**Securities Act**”), or the securities legislation of any state or other jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not to subject to, the registration requirements of the Securities Act and in compliance with any applicable securities legislation in the relevant state or other jurisdiction of the United States. There will be no offer of Securities to the public or others in the United States.

This Offering Circular has been prepared on the basis that any offer of the Securities in the United Kingdom (the “**UK**”) will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”). This Offering Circular is for distribution only to and is directed only at: (i) persons who are outside the UK or (ii) persons in the UK who are qualified investors as defined in Article 2(e) of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA that are also: (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or (b) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to and will be engaged in only with relevant persons. In connection with the Offering, the Joint Bookrunners are not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protection granted to their clients or for providing advice in relation to the Rights Issue.

This Offering Circular has been prepared on the basis that any offer of Securities in any member state of the EEA (with the exception of Sweden, Denmark and Finland) (each a “**Relevant State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus. In a Relevant State, this Offering Circular is for distribution only to persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation. The Securities are not intended to be offered or sold and should not be offered or sold to any retail investor in a Relevant State. For these purposes, a “retail investor” means a person who is a retail client as defined in point (11) of Article 4(1) of EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MIFID II**”).

INFORMATION TO DISTRIBUTORS

For the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and without liability for damages that may otherwise be imposed on a “producer” under MiFID II Product Governance Requirements, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Notwithstanding the target market assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. The target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company. Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

The Offering Circular contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Offering Circular concerning the future financial results, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial position and operating profit/loss, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Offering Circular, including the following sections: “*Summary*”, “*Risk factors*”, and “*Business overview*”, which include more detailed descriptions of factors that might have an impact on Cell Impact’s business and the market in which Cell Impact operates. Neither the Company nor the Joint Bookrunners can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Offering Circular may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Offering Circular may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements, due to regulatory changes, changes in general economic conditions, in particular economic conditions in which the Company operates, changes in competition levels, changes affecting currency exchange rates, and occurrence of accidents or systematic delivery failures as well as such risks which are described in the section “*Risk factors*”. All information in the Offering Circular, including forward-looking information, is made on the basis of information available to the Company as at the date of the Offering Circular, unless explicitly stated otherwise. After the date of the Offering Circular, neither the Company nor the Joint Bookrunners assume any obligation, except as required by law or Nasdaq First North Growth Market Rulebook for Issuers of Shares, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

BUSINESS AND MARKET DATA

The Offering Circular includes industry and market data pertaining to Cell Impact’s business and markets and the market in which Cell Impact operates. Such information is based on Cell Impact’s analysis of multiple different sources, including statistics and information from industry publications and other publicly available information. Industry publications or industry reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Offering Circular that were extracted or derived from such industry publications or industry reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market, both by those conducting the surveys and by respondents. Information that has been procured from third parties has been reproduced correctly and, as far as the Company is aware and can ascertain from information published by this third party, nothing has been omitted that would render the information reproduced incorrect or misleading.

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<p>The Rights Issue in summary</p> <p>Preferential rights</p> <p>Those who are registered in the share register as shareholders of Cell Impact on the record date, 16 November 2023, receive one (1) unit right for each share held in Cell Impact. The unit rights entitle the holder to subscribe for Units with preferential rights, whereby one (1) unit right entitles the holder to subscribe for one (1) Unit, consisting of eight (8) shares and two (2) Warrants. It is also possible to apply for subscription of Units without the support of unit rights.</p> <p>Subscription price</p> <p>SEK 2.00 per Unit, corresponding to a subscription price of SEK 0.25 per share. The Warrants are issued free of charge.</p> <p>Record date for the right to participate in the Rights Issue with preferential rights</p> <p>16 November 2023</p> <p>Subscription period</p> <p>20 November - 4 December 2023</p> <p>Trading in unit rights</p> <p>20 November - 29 November 2023</p> <p>Trading in BTUs</p> <p>20 November - 12 December 2023</p>	<p>Other information</p> <p>Ticker share: CI</p> <p>Ticker Warrant: CI TO2</p> <p>ISIN code share: SE0017885379</p> <p>ISIN code Warrant: SE0021021722</p> <p>ISIN code unit right: SE0021021847</p> <p>ISIN code BTU: SE0021021854</p> <p>LEI code: 549300PS6XPVP3MP2W76</p>	<p>Certain definitions</p> <p>The following definitions are used in this Offering Circular:</p> <p>"Carnegie" refers to Carnegie Investment Bank AB (publ).</p> <p>"Cell Impact", the "Company" or the "Group" refers to, depending on the context, Cell Impact AB (publ) (Reg. No 556576-6655), the group in which Cell Impact AB (publ) is the parent company or a subsidiary of the Group.</p> <p>"Euroclear Sweden" refers to Euroclear Sweden AB.</p> <p>"Rights Issue" refers to the offering of Units in Cell Impact in accordance with the terms of this Offering Circular.</p> <p>"Nasdaq First North Growth Market" refers to the multilateral trading platform Nasdaq First North Growth Market operated by Nasdaq Stockholm AB.</p> <p>"Pareto Securities" refers to Pareto Securities AB.</p> <p>"SEK" and "EUR" refer to Swedish kronor and euro respectively ("K" refers to thousands and "M" to millions).</p> <p>"Warrants" refers to warrants of series 2023/2024.</p> <p>"Units" refers to the issued security consisting of eight (8) new shares and two (2) Warrants.</p>
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SUMMARY

Introduction and warnings

Introduction and warnings	<p>This summary should be read as an introduction to the Offering Circular.</p> <p>Any decision to invest in the securities should be based on an assessment of the Offering Circular in its entirety by the investor. An investor may lose all or part of the invested capital.</p> <p>Where statements in respect of information contained in an Offering Circular are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Offering Circular before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Offering Circular or if it does not, together with other parts of the Offering Circular, provide key information to help investors when considering whether to invest in the securities.</p>
The Issuer	<p>Cell Impact AB (publ)</p> <p>Registration number: 556576-6655</p> <p>Postal address: Källmossvägen 7 A, SE-691 52 Karlskoga, Sweden</p> <p>LEI code: 549300PS6XPVP3MP2W76</p> <p>Short name (ticker): CI</p> <p>ISIN code: SE0017885379</p>
Competent Authority	<p>Finansinspektionen is the Swedish Financial Supervisory Authority (the "SFSA") and the competent authority responsible for approving the Swedish language version of the Offering Circular (the "Swedish Prospectus"). The SFSA's postal address is Box 7821, SE-103 97 Stockholm, Sweden, telephone number +46 (0)8-408 980 00, website www.fi.se. The Swedish Prospectus was approved by the SFSA on 15 November 2023.</p>

Key information on the issuer

Who is the issuer of the securities?

Issuer information	<p>Cell Impact AB (publ), registration number 556576-6655, is the issuer of securities under this Offering Circular. The Company's board of directors has its registered office in Karlskoga municipality, Sweden. The Company was incorporated in Sweden in 1999 and is a Swedish public limited liability company governed by the Swedish Companies Act (2005:551). The Company's LEI code is 549300PS6XPVP3MP2W76.</p>
The issuer's principal activities	<p>Cell Impact is a global supplier of advanced flow plates in metal and a production method used in the market of hydrogen fuel cells and electrolysis. By using a scalable proprietary method for high-velocity forming - Cell Impact Forming™ - the Company makes it possible to produce a large quantity of high-quality flow plates. Cell Impact's forming technology is more compact, cost and energy efficient and environmentally friendly than conventional methods.¹</p>
Major shareholders	<p>As far as Cell Impact is aware, the Company is neither directly nor indirectly controlled by any party.</p> <p>Given that Cell Impact's shares are admitted to trading on Nasdaq First North Growth Market, the Company's major shareholders are not required to inform about changes in their holdings in the Company under the Swedish Financial Instruments Trading Act (1991:980). Thus, there is no person, other than board members and senior executives of the Company, who directly or indirectly has a shareholding in the Company that must be reported under Swedish law.</p>

¹ The Company's assessment based on publicly available data in, *inter alia*, financial reports, press releases and other commercial information published by other similar operators and machine and tools manufacturers.

Key managing directors	The Company's board consists of Robert Sobocki (Chairman), Lars Bergström, Thomas Carlström and Mats Franzén. The Company's senior executives are Pär Teike, Stefan Axellie, Daniel Vallin and Karina Sick Larsson.
Auditor	PricewaterhouseCoopers AB is the auditor. The authorized auditor Sebastian Månsson is the auditor in charge. PricewaterhouseCoopers AB's postal address is Torsgatan 21, SE-113 97 Stockholm, Sweden.

What is the key financial information regarding the issuer?

Key financial information in summary	Please note that the financial information is derived from and should be read together with (i) the Group's audited annual reports for the financial years 2022 and 2021 and (ii) the Group's reviewed interim report for the period 1 January - 30 September 2023, including (where applicable) comparative figures for the same period in the previous year.				
	Selected income statement items				
		2022	2021	2023	2022
		Jan-Dec	Jan-Dec	Jan-Sep	Jan-Sep
	Amount in KSEK	Audited IFRS	Audited IFRS	Unaudited IAS 34	Unaudited IAS 34
	Net sales ¹⁾	76,812	71,347	46,423	59,386
	Operating profit/loss	-103,465	-78,040	-80,733	-74,344
	Profit/loss attributable to the parent company's shareholders	-104,215	-79,853	-83,879	-75,282
	1) Referred to as <i>Intäkter</i> in the Swedish language version of the Group's annual report for the financial year 2022, including comparative figures for the same period in the previous year.				
	Selected balance sheet items				
	2022-12-31	2021-12-31	2023-09-30		
Amount in KSEK	Audited IFRS	Audited IFRS	Unaudited IAS 34		
Total assets	401,513	238,725	318,499		
Total equity attributable to parent company's shareholders	324,346	142,625	240,417		
Selected cash flow analysis items					
	2022	2021	2023	2022	
	Jan-Dec	Jan-Dec	Jan-Sep	Jan-Sep	
Amount in KSEK	Audited IFRS	Audited IFRS	Unaudited IAS 34	Unaudited IAS 34	
Cash flow from operating activities	-105,931	-86,075	-80,176	-71,885	
Cash flow from investing activities	-68,398	-54,324	-40,107	-58,321	
Cash flow from financing activities	310,470	17,007	-9,191	313,282	

Audit remarks	<p>In Cell Impact's audited consolidated financial statements for the financial year ended 31 December 2022, the following significant disclosure was made.</p> <p>"Emphasis of matter</p> <p><i>We draw attention to the information presented by the Board of Directors in "Cash and financial position" (pages 21-22) under the heading "Acquisition of new capital" in the financial statements, which describes that together with the cash available as of 31 December 2022, the company is deemed to be financed for the majority of 2023, but will need additional capital during 2023 to finance continued operations."</i></p> <p>Furthermore, the following information of particular importance was provided in Cell Impact's reviewed interim report for the period 1 January - 30 September 2023.</p> <p>"Emphasis of matter</p> <p><i>We draw attention to the information presented in the CEO statement, under the section of raising capital on page 4, which describes that the company is dependent on capital injections. Our opinion is not modified in respect of this matter."</i></p>
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What are the key risks that are specific to the issuer?

Material risk factors specific to the issuer	<p>The most significant risks related to Cell Impact include the following:</p> <ul style="list-style-type: none"> • There is uncertainty as to whether the Company's flow plates and manufacturing methodology will gain broad market acceptance, and how the fuel cell and electrolyzer markets in which the Company operates will develop. For example, the market may prefer other more established technologies, while other new technologies may be developed. It cannot be ruled out that such a course of events, where the market due to external factors develops in an unfavorable direction for Cell Impact, may undermine the Company's position and lead to lower revenues than expected, which would have a negative impact on the Company's results and future prospects. • Cell Impact has a limited number of customers and in order to continue to generate orders, the Company is thus dependent on these customers continuing their cooperation with the Company, in particular the Company's largest customer. Of the Company's revenue during the financial year 2022 of KSEK 76,812, KSEK 70,567 were attributable to the Company's largest customer. There is a risk that the Company's revenues and earnings will be negatively affected if demand from these customers decreases or fails. There is also a risk that the Company does not succeed in contracting new customers at the rate that the Company expects. • The Company is dependent on supplies of input materials/components and transportation services to produce and deliver flow plates. It is not unlikely that the ongoing war in Ukraine may affect the availability of important input goods and components for the Company. Non-deliveries or delays may result in reduced or non-existent sales and have a negative impact on the Company's sales, financial position and future prospects. • Cell Impact has a relatively small organization and is dependent on retaining management and key personnel's knowledge, experience and commitment within the Company. In Cell Impact's industry, it is also important to recruit and retain employees such as engineers with specialist expertise in application and process development in flow plates and fuel cells. If the Company does not succeed in retaining management and key personnel and in hiring and retaining people with the right specialist skills, the Company may be adversely affected with respect to its established goals, business strategy, development and growth. • Cell Impact operates in a competitive industry, and competes with a number of operators in the market for flow plates and fuel cells. Increased competition in the Company's operating markets is a constant risk and demand for the Company's products may be negatively affected if the market instead prefers competitors' products, thereby
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	<p>leading to lower sales volumes and a negative impact on Cell Impact's revenues, earnings and future prospects. There is a risk that the Company does not succeed in scaling up the production according to the Company's plan and at the rate the market is expected to grow, which could lead to difficulties in maintaining market shares and competitiveness and in achieving the financial targets.</p> <ul style="list-style-type: none"> • If Cell Impact is unable to carry out the Rights Issue or if the proceeds received by Cell Impact from the Rights Issue are not sufficiently large, this may have a material adverse effect on the Company's prospects and financial position and ultimately, unless other financing or capital can be raised, lead to corporate restructuring or bankruptcy. • Cell Impact has not yet reported sufficient revenue from sales to achieve a positive result, and has been dependent on the provision of new capital on several occasions to finance the ongoing operations. It cannot be said with certainty when Cell Impact will become profitable or even whether the Company will become profitable at all, and it cannot be taken for granted that new capital can be raised.
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Key information on the securities

What are the main features of the securities?

Securities offered and securities subject to admission to trading	The Offering Circular relates to an offering of units (" Units ") consisting of eight (8) new shares and two (2) warrants of series 2023/2024 (" Warrants ") with preferential rights for Cell Impact's shareholders (the " Rights Issue "). The shares have ISIN code SE0017885379 and the Warrants have ISIN code SE0021021722.
Total number of shares in the Company	As of the date of this Offering Circular, the Company's registered share capital amounts to SEK 8,777,433.458792 divided into 75,826,928 shares, each with a quota value of approximately SEK 0.12. The shares in Cell Impact are issued under Swedish law, fully paid and denominated in SEK.
Rights associated with the securities	Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. The shares carry the right to dividends for the first time on the record date for dividends that occurs immediately after the shares have been registered at the Swedish Companies Registration Office and entered into the share register maintained by Euroclear Sweden AB. Shares issued after the exercise of a Warrant carry the right to dividends for the first time on the record date for dividends that occurs immediately after the subscription has been registered with the Swedish Companies Registration Office and the share has been entered in the share register kept by Euroclear Sweden. All shares in the Company give equal rights to dividends and to the Company's assets and any surplus in the event of liquidation. The rights associated with the shares issued by the Company, including those set out in the Articles of Association, may only be amended in accordance with the Swedish Companies Act (2005:551).
Restrictions on free transferability	The shares in the Company are not subject to any transfer restrictions.
Dividend and dividend policy	To date, Cell Impact has not paid any dividends. Furthermore, there are no guarantees that any dividend will be proposed or decided in the Company for a certain year. The board of directors of Cell Impact has, as its dividend policy, established that the board of directors does not intend to propose that a dividend shall be paid in the near future. Any profits are intended to be reinvested in the operations and used for continued expansion. The board of directors intends to review the adopted dividend policy on an annual basis.

Where will the securities be traded?

Admission to trading	<p>The Company's share is admitted to trading on Nasdaq First North Growth Market, which is an alternative marketplace, classified as a growth market for small and medium-sized enterprises and a multilateral trading platform, which is governed by a special set of rules and does not have the same legal status as a regulated market. The share is traded under the ticker CI and has the ISIN code SE0017885379.</p> <p>The new shares and Warrants issued through the Rights Issue will also be admitted to trading on Nasdaq First North Growth Market.</p>
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What are the key risks that are specific to the securities?

Material risk factors specific to the securities	<p>The most significant risks related to Cell Impact's shares include the following risks:</p> <ul style="list-style-type: none"> • The share price can be volatile and the price development is dependent on several factors, some of which are company-specific and others linked to the stock market as a whole. There is also a risk that there will not at all times be an active and liquid market for trading in Cell Impact's shares. This constitutes significant risks as it may affect individual investors' ability to recover invested capital in the Company. • Due to the Company's financial position and history of negative operating results, Cell Impact has so far not paid any dividends to its shareholders. There is a risk that the Company will not have sufficient distributable funds to pay dividends at all or to the extent expected by the shareholders in the future, and that the Company and/or major shareholders prevent or limit future dividends. The Company's board of directors does not intend to propose that any dividends be paid in the coming years. In the event that no dividend is paid, an investor's potential return will depend on the future development of the share price. • If shareholders in Cell Impact choose not to exercise or sell their unit rights in the Rights Issue, the unit rights will expire and become worthless without any right to compensation for the holder. Consequently, such shareholders' proportional share and voting rights in the Company will decrease. If shareholders choose to sell their unexercised unit rights on the market, there is a risk that the compensation does not correspond to the economic dilution of shareholders' ownership in the Company after the Rights Issue. • There is a risk that there will be limited trading in the unit rights and BTUs, which may cause problems for individual holders to sell their unit rights and thereby mean that the holder cannot compensate for the economic dilution effect of the Rights Issue, and that investors risk not being able to realize the value of their BTUs.
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Key information on the offer of securities to the public

Under which conditions and timetable can I invest in this security?

Offering forms and conditions	<p>On 8 November 2023, the board of directors of Cell Impact resolved, on the basis of the authorization granted at the extraordinary general meeting on 3 November 2023, to carry out an issue of Units with preferential rights for existing shareholders. Through the Rights Issue, Cell Impact's share capital will increase with not more than approximately SEK 70,219,467.670336, from SEK 8,777,433.458792, to approximately SEK 78,996,901.129128, by issuance of not more than 606,615,424 new shares. After the Rights Issue, the number of shares in Cell Impact will amount to not more than 682,442,352 shares and not more than 151,653,856 Warrants attributable to the Rights Issue will be outstanding. Upon full exercise of the Warrants, the Company may issue up to an additional 151,653,856 shares. Cell Impact's shareholders have preferential rights to subscribe for Units in relation to the number of shares they own on the record date.</p>
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	<p>Those who on the record date, 16 November 2023, are registered in the share register as shareholders in Cell Impact receive one (1) unit right for each share held in Cell Impact. The unit rights entitle the holder to subscribe for Units with preferential rights, whereby one (1) unit right entitles to subscribe for one (1) Unit, consisting of eight (8) new shares and two (2) Warrants. Only whole Units can be subscribed for (i.e. no fractions). The subscription price is SEK 2.00 per Unit, corresponding to SEK 0.25 per share. The Warrants are issued free of charge.</p> <p>Each Warrant entitles to subscription of one (1) new share in the Company during the period 16 September up to and including 30 September 2024. The subscription price for subscription of shares by exercise of Warrants will correspond to 70 percent of the volume-weighted average price of the Company's share during the period from and including 2 September 2024 up to and including 13 September 2024, however, not less than SEK 0.12, corresponding to the quota value of the share, and not more than SEK 0.44, corresponding to 175 percent of the subscription price for one share in the Rights Issue.</p> <p>If all Units are not subscribed for by exercise of unit rights, the board of directors shall decide on allotment of Units without unit rights. Allocation will then be made as follows:</p> <ul style="list-style-type: none"> • <i>primarily</i>, Units shall be allotted to those who have registered for subscription and have subscribed for Units by exercising unit rights, regardless of whether they were shareholders on the record date or not. In case of oversubscription, Units shall be allotted in relation to the number of unit rights that each subscriber has exercised for subscription of Units; • <i>secondarily</i>, Units shall be allotted to others who have subscribed for Units without exercising of unit rights. In case of oversubscription, allotment shall be made in relation to the total number of Units entered into respective subscription notification. To the extent that this cannot be done, allotment shall be made through drawing of lots; and • <i>lastly</i>, allotment of Units that have been subscribed for without exercising unit rights shall be made to those who have entered into agreements regarding guarantee commitments in their capacity as guarantors. In case that allotment to them cannot be made in full, allotment shall be made pro rata in relation to the amount each guarantor has guaranteed subscription for, and to the extent that this cannot be done, allotment shall be made through drawing of lots. Allotment in this case only takes place to up to 85 percent of the Rights Issue.
Timetable for the Offering	<p>The record date for determining which shareholders are entitled to receive unit rights in the Rights Issue is 16 November 2023.</p> <p>Trading in unit rights takes place on Nasdaq First North Growth Market during the period from and including 20 November 2023 up to and including 29 November 2023.</p> <p>Subscription of Units with unit rights shall be made by payment during the period from and including 20 November 2023 up to and including 4 December 2023.</p> <p>BTUs will be admitted to trading on Nasdaq First North Growth Market from and including 20 November 2023 up to and including 12 December 2023.</p> <p>The new shares will be admitted to trading on Nasdaq First North Growth Market after registration with the Swedish Companies Registration Office. Cell Impact expects that trading in the new shares and Warrants entitling to subscription of shares will commence on or around 18 December 2023.</p>
Dilution effect	<p>The Rights Issue will, upon full subscription, result in an increase in the number of shares in the Company with 606,615,424, from 75,826,928 to 682,442,352.</p> <p>Shareholders who choose not to participate in the Rights Issue will, upon full subscription of the Rights Issue by other investors, have their ownership share and voting rights diluted by approximately 89 percent. Upon full exercise of the Warrants, the Company may issue up to an additional 151,653,856 new shares, which corresponds to a dilution of an additional 18 percent of the number of shares and votes, based on the number of outstanding shares immediately after</p>

	the Rights Issue provided that the Rights Issue is fully subscribed. For shareholders not participating in the Rights Issue, the dilution effect, attributable to the new shares and the Warrants issued as a result of the Rights Issue, will thus amount to approximately 91 percent of the total number of shares and votes in the Company prior to the Rights Issue, provided that the Rights Issue is fully subscribed and that all Warrants issued are exercised.
Costs	The costs of the Rights Issue are estimated to amount to approximately SEK 30 million. ²
Costs imposed on investors	Cell Impact does not impose any fees or other costs on investors in connection with the Rights Issue. No brokerage commission will be charged.

Why is this prospectus being produced?

Background and reasons and use of issue proceeds	<p>The net proceeds from the Rights Issue, which are estimated to amount to approximately SEK 122 million after deduction of issue costs, are intended to be used for the following purposes stated in order of priority:</p> <ul style="list-style-type: none"> • to repay the bridge loan (including interest and arrangement fee) obtained by the Company in connection with the Rights Issue: approximately SEK 21 million;³ • to finance existing operations (for example personnel costs, material purchases and costs for premises): approximately SEK 40-60 million; • investments in new production equipment in order to ensure increased productivity and capability: approximately SEK 20-30 million; and • general corporate purposes: approximately SEK 20-30 million.
Subscription and guarantee commitments	<p>The Company has received subscription commitments of approximately SEK 8.35 million, corresponding to approximately 5.5 percent of the Rights Issue. In addition, the Company has entered into guarantee commitments of approximately SEK 120.6 million, corresponding to approximately 79.5 percent of the Rights Issue. Accordingly, the Rights Issue is covered by subscription commitments and guarantee commitments amounting to a total of approximately SEK 129 million, corresponding to approximately 85 percent of the issue proceeds. In the event that the Rights Issue is subscribed for at 85 percent or more, the guarantee commitments will not be claimed. Guarantee compensation is paid at 11 percent of the guaranteed amount in the form of cash compensation.</p>
Conflicts of interest	<p>Joint Bookrunners provide financial advisory and other services to the Company in connection with the Rights Issue, for which they will receive customary remuneration with respect to the sale of the newly issued shares. Joint Bookrunners have in the ordinary course of business, from time to time, provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company.</p> <p>Advokatfirman Vinge KB has been legal counsel to the Company in connection with the Rights Issue and may provide additional legal service to the Company. Advokatfirman Vinge KB receives remuneration that is not dependent on the outcome of the Rights Issue.</p>

² Assuming that the Rights Issue is fully subscribed, the Warrants are fully exercised and the subscription price when subscribing for shares by exercise of Warrants amounts to the maximum subscription price of SEK 0.44 per share, additionally approximately SEK 5 million in issue costs will be added upon exercise of the Warrants.

³ In connection with the Rights Issue, the Company has entered into bridge loan agreements of SEK 20 million to ensure sufficient liquidity during the period November-December 2023. The Company is obliged to repay the bridge loan facility on or around the settlement date of the Rights Issue.

RISK FACTORS

*This section contains the risk factors and significant circumstances considered to be material to the Group's business and future development. The risk factors relate to the Group's business and market, and further include legal risks, financial risks and risk factors related to the securities as well as the Rights Issue. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**"), the risk factors mentioned below are limited to risks which are specific to the Company and/or to the securities and which are material for taking an informed investment decision.*

The description below is based on information available as of the date of the Offering Circular. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order. Furthermore, the Company has, for each risk specified below, estimated the risk level as low, medium or high.

The risks and uncertainties described below could, if materialized, have a material adverse effect on the Group's operations, financial position and/or earnings. They could also cause the value of the Company's shares to decrease, which could entail that shareholders in the Company lose all or part of their invested capital.

Business and market-related risks

Uncertainty regarding future market development

The Company shall develop, manufacture and market advanced flow plates for use in fuel cells and electrolyzers and conduct business compatible therewith. The Company's innovative technology has many areas of application, and at present, the production of flow plates for fuel cells are the foremost. 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. Furthermore, market segments may develop more slowly or worse than Cell Impact assumes in its prioritization 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. It is unavoidable that assessments of future market developments entail uncertainty regarding factors that Cell Impact cannot control, and it is impossible at this stage to know how large a market share Cell Impact may reach in the market for flow plates for fuel cells. It cannot be ruled out that the fuel cell market will develop in a direction unfavourable to Cell Impact due to changes in behavior with uncertainty regarding factors that Cell Impact cannot control, nor is it possible as of the date of this Offering Circular to know how large a market share Cell Impact may reach in the market for flow plates for fuel cells or electrolyzers. It cannot be ruled out that the fuel cell and electrolyzer market may develop in a direction that is unfavorable to Cell Impact due to changed behavior among other operators and end customers, technological developments, environmental aspects, structural transactions, political decisions or other external factors. Such a process can undermine Cell Impact's position and lead to lower revenues than expected, which would have a negative impact on Cell Impact's results and future prospects.

Risk assessment: High

Customer dependency

To date, Cell Impact has been focused on developing and maintaining customer relationships with significant operators that are strategically and commercially important and associated with industrial development, entailing that the Company currently has a limited number of customers. The ability to generate orders is therefore mainly limited to these customers. Of the Company's revenue during the financial year 2022 of KSEK 76,812, KSEK 70,567 were attributable to the Company's largest customer, a large operator in fuel cells and electrolyzers. This share increased in connection with another North American company deciding to further develop a fuel cell product to which Cell Impact was a supplier. A Chinese customer's commercialization of a fuel cell was also severely impacted by shutdowns related to the Covid-19 pandemic. Maintaining strong relationships with existing customers, and developing relationships with new customers, is necessary to ensure Cell Impact's sales and growth. The number of new orders for Cell Impact is affected by, among other things, customers' ability to obtain financing and/or customer-related delays, which in turn can be caused by factors such as component shortages and long delivery times, as well as customers' products undergoing unplanned changes and requiring time-consuming validation. Cell Impact's sales targets are based on the market positions of its major customers, and the sometimes somewhat erratic development of customers and the industry affects the Company and its order inflow. This, among other factors, led to a revision of the Company's financial targets in 2023. As announced by Cell Impact on 13 July 2023, the Company's largest customers are forecasting a decrease in demand for flow plates in the second half of 2023, compared to what has previously been indicated. The build-up of the customers' supply chains and capacity is challenging and therefore taking longer than expected and postponing expected orders. Furthermore, on 4 October 2023, Cell Impact announced that the trend of delayed orders from fuel cell manufacturers continues and the trend is stronger than before. There is also a risk that the Company does not succeed in converting prospects into buying customers or otherwise contracting new customers at the rate that the Company expects. Accordingly, there is a risk that the Company's revenues and results are adversely affected if a major customer, particularly the Company's largest customer, decides to terminate its relationship and development work, becomes insolvent or chooses a different supplier, and if delays occur in the customer chain and expected order intake is postponed.

Risk assessment: High

Suppliers and partners

In order to manufacture and deliver its products, the Company is dependent upon input goods/components and services (for example, transport services) from third parties and that these meet agreed upon requirements regarding, for example, quantity, quality and delivery time. Lack of availability for certain components and transportation services has, for example, been a consequence of the Covid-19 pandemic and the Russian war in Ukraine. To date, the Company has not experienced any direct impact on its operations due the ongoing war in Ukraine. However, it is not unlikely that both material and energy prices as well as the availability of components may be affected depending on how the conflict continues to 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 deliver within the expected time frame, ongoing or planned

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.

Risk assessment: High

Dependency on key personnel and employees

Cell Impact has a relatively small organization, 104 employees as of 30 September 2023, and is dependent on the knowledge, experience and commitment of the board of directors, management and other key individuals. For instance, within Cell Impact's operations, it is important 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 personnel is dependent on several factors, some of which are outside the Company's control, such as competition in the labor market. The loss of a senior executive or key employee due to resignation, for example, can result in the loss of important knowledge, that established goals cannot be achieved or that the implementation of Cell Impact's business strategy is negatively affected. If current key personnel leave the Company or if Cell Impact is unable to recruit or retain qualified and experienced management or key personnel, there may be interruptions or disruptions in Cell Impact's development and growth.

Risk assessment: High

Competition

Cell Impact operates in a competitive industry characterized by innovation, continuous improvements in performance and product features, and changing regulations and industry standards for customers. The competition is driven by factors such as product innovation and improvements in product features, quality, manufacturing capacity and capability, the ability to produce and scale up production to meet customer demand, changes in legislation, industry standards and other regulations. Cell Impact competes with several operators in the market for flow plates for fuel cells and electrolyzers, including, among others, Dana Reinz, Elring Klinger and Zhi Zhen. Cell Impact's competitors may also include other operators involved in the transition from fossil fuels to renewable energy sources and which may provide an alternative to suppliers of fuel cells and electrolyzers.

Increased competition in the markets where the Company operates is an ongoing risk. There is a risk that significant investments in the development of products and methods in the fuel cell and hydrogen industry by one or more competitors could adversely affect the demand for the Company's products, resulting in lower sales volumes. Additionally, there is a risk that competing products that are alternatives to fuel cells and/or electrolyzers may prove to be more effective, safer and/or less expensive than those developed and manufactured by Cell Impact. Increased competition in these markets, where other alternatives emerge with similar or different characteristics and/or price, could cause customers to purchase products from competitors instead. The Company's competitors may also have access to greater marketing and distribution capabilities than Cell Impact. The market for flow plates for the fuel cell and hydrogen industry and the technological development of such products may undergo rapid and significant changes. In this environment, product and process development are critical factors in maintaining the Company's production level and margins and enabling sales growth. Such technological development may result in problems that extend the time it takes to develop and produce the products and, in turn, to bring the products to the market. Competitors with

significantly greater financial, technical and human resources may also conduct more efficient development, manufacturing and sales processes than Cell Impact. If the Company's production is delayed or does not occur at all compared to the Company's competitors, this may result in reduced or no sales, which may have a negative impact on Cell Impact's revenues, results and future prospects. In addition, there is a risk that Cell Impact does not succeed in scaling up its production capacity at the rate that the market is expected to grow and in accordance with the Company's plan, for example through Phase 2 and the ongoing renovation of the Company's factory in Karlskoga, which is expected to increase the Company's production capacity in accordance with the new production concept with straight flows, which could lead to difficulties in maintaining market shares and competitiveness and in achieving the financial targets. If the Company is unable to adapt its operations and products to the market's requirements for performance, product characteristics and quality and/or market demand, there is a risk that the Company will not achieve or succeed in maintaining the competitiveness required to succeed in the market. This may in turn have a negative impact on Cell Impact's sales volumes, revenues and results and its ability to achieve expected revenues and future prospects in general.

Risk assessment: High

Defects in products and services

Cell Impact's products and services are usually delivered within the framework of customer-specific development that takes place in close collaboration with the customer. Since fuel cells are products under development, the parties solve any technical problems in consultation. In the longer term, the Company intends to deliver products where quality must follow a certain specification and control plan. If the Company's products are found to contain defects or deficiencies, it could lead to liability for damages, which can amount to significant amounts depending on the circumstances of the individual case, and thus have a negative impact on the Company's results and financial position. Furthermore, such claims and related negative publicity, regardless of the outcome, may damage the Company's brand and reputation, which in turn may damage the Company's relationship with customers, suppliers, employees and other parties, and have an adverse effect on the Company's operations.

Risk assessment: Medium

Ability to manage growth

Cell Impact's business may grow substantially through a sudden and unexpected increase in demand for the Company's products, which places great demands on management and the operational and financial infrastructure. As the personnel and operations grow, the Company needs to implement effective planning and management processes in order to implement the business plan in an effective manner on a market that is under rapid development. The board of directors is aware that a rapid and solid market response can entail delivery problems for the Company. There is a risk that the Company's potential future strong growth will result in increased demand and that increased order intake will result in a significant reduction in the Company's inventory levels and that the Company's measures to counteract insufficient inventory levels are not sufficient. If Cell Impact does not succeed in managing these risks, it could result in loss of revenue and thus affect the results adversely.

The Company intends to increase its production, primarily by increasing the Company's production efficiency. There is a risk that such expansion of production may be delayed or more costly than the Company has estimated. In addition, there is a risk that it will not be possible to maintain the same high quality as the Company currently has on its products. There is also a risk that the Company will not be able to achieve the planned capacity or that production will not be as cost-effective as the Company has planned, which could have a negative impact on the Company's operating costs and thus on its results and financial position.

Risk assessment: Medium

Confidentiality and expertise

Cell Impact relies on confidentiality and expertise to carry out its operations. Should employees, consultants, advisors or other person 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 business.

Risk assessment: Low

Tax

Cell Impact operates with legal entities in Sweden and in Japan, including a subsidiary in Japan. The Company regularly conducts sales in multiple countries, with the majority performed directly through the Swedish legal entity Cell Impact AB (publ). Certain sales are made via the subsidiary in Japan. The Company is therefore subject to local tax legislation in Japan and its operations require good routines regarding accounting, follow-up and payment of taxes, duties and fees. There is a risk that Cell Impact's understanding and interpretation of tax laws, international tax treaties, provisions and other regulations may not prove correct in all respects and that declared tax information may prove to be incorrect. If tax authorities successfully assert such claims, this could lead to an increased tax cost, including tax penalties and interest, and have an adverse effect on Cell Impact's results.

Risk assessment: Low

Legal risks

Patents and intellectual property rights

Cell Impact's intellectual property rights are a significant and valuable part of the Group's business, mainly the patented forming technology, Cell Impact Forming™, on which the Company's offering is based. The Company's commercial success is thus dependent on its ability to protect existing, and any future, intellectual property rights against external parties that challenge them and to successfully enforce these rights against external parties.

There is no guarantee that Cell Impact will be able to protect patents, trademarks and other intellectual property rights obtained or that filed applications for registration will be granted. In some countries where the Group operates, laws and processes may make it more challenging for the Group to protect and maintain intellectual property rights compared to, for example, the United States or Europe. New technologies and products may be developed that circumvent or replace Cell Impact's intellectual property. A significant deterioration in the protection of intellectual property rights could weaken the Group's competitive advantages with respect to its products in the countries concerned.

There is also a risk that the intellectual property rights owned by Cell Impact are challenged, invalidated or that others circumvent the Group's patents with their designs. Furthermore, there is a risk that other parties claim intellectual property rights covering some of Cell Impact's technologies, patents or products. If the Company, within its product development, discovers that its solutions or innovations are already covered by other parties' intellectual property rights, the Company may be forced to redesign or adapt its products, which may make the Group's product development more difficult, costly and time consuming. There is also a risk that disputes and claims regarding patents or other intellectual property rights are costly and take management and key employees' focus from the Company's business operations. Cell Impact may also have to pay royalties in order to continue using certain patents or trademarks if the Company infringes another party's intellectual property rights. The Company also risks being required to pay significant damages or being subject to injunctions prohibiting the development, production and sale of certain products, which would have an adverse effect on the Company's results and financial position.

Risk assessment: Medium

Disputes and other legal proceedings

There is a risk that the Company in the future may become involved in disputes and other legal proceedings. Such disputes may, for example, relate to alleged intellectual property infringement, the validity of certain patents, possible damages associated with the Company's products and other commercial matters. Disputes regarding Cell Impact's liability may also arise if the Company terminates agreements with customers, suppliers or partners. Changed interpretations of the laws and regulations to which the Company is subject or legal standards in one or more of the jurisdictions in which Cell Impact operates may increase the Company's liability exposure. Regardless of the facts and the final outcome of a dispute, disputes and claims may be time-consuming, disruptive, involve significant financial amounts or matters of principle and entail significant costs, and may thus have an adverse effect on Cell Impact's results and financial position. In addition, legal and administrative proceedings may result in negative publicity, which may damage Cell Impact's brand and reputation, regardless of the outcome of such proceedings.

The Company may also be investigated or sanctioned for actions deemed inappropriate or illegal, and may incur legal or other costs to defend itself against such allegations, which could have an adverse effect on Cell Impact's business, operating results, cash flow and financial position. Should Cell Impact fail to comply with applicable laws and regulations, such as the EU Market Abuse Regulation ("**MAR**"), it may result in restrictions on the Company's operations, increased operating costs, fines or other penalties. For example, during 2020-2022, Cell Impact was subject to investigation by Nasdaq's disciplinary committee regarding information in a press release containing insider information. The Company was discharged by Nasdaq's disciplinary committee, but the Swedish Financial Supervisory Authority (the "**SFSA**") subsequently broadened the investigation and imposed a fine of SEK 50,000 on the Company for not having drawn up an insider list prior to the publication in question. For more information, refer to the section "*Legal considerations and supplementary information – Legal and arbitration proceedings*".

Risk assessment: Medium

Financial risks

Not completed Rights Issue

If Cell Impact does not take into account the net proceeds that Cell Impact would receive in the event of a fully subscribed Rights Issue or Cell Impact's possible opportunities to raise alternative funding, if necessary, Cell Impact assesses that the existing working capital is not sufficient for the Company's needs during the coming twelve-month period (see the section *"Background and reasons – Statement of working capital"*) and also does not enable repayment of the utilized bridge loan (refer to the section *"Legal considerations and supplementary information – Material agreements – Bridge loan agreements with Buntel AB, Fredrik Lundgren, Wilhelm Risberg and Munkekullen 5 Förvaltning AB"* for more information about the bridge loan). If Cell Impact is unable to complete the Rights Issue or if the proceeds that Cell Impact receives from the Rights Issue are not sufficient, this may have an adverse effect on the Company's prospects and financial position and ultimately, unless other funding or capital can be raised, lead to corporate restructuring or bankruptcy.

Risk assessment: High

Earning capacity and future capital needs

Cell Impact has not yet reported sufficient sales revenue to achieve a positive result and has been dependent on the provision of new capital on several occasions to finance its day-to-day business. It cannot be said with certainty when Cell Impact will be profitable or if the Company even will be profitable. It cannot be taken for granted that new capital can be raised if and when the need arises, that it can be raised on favourable terms or that such raised capital would be sufficient to finance the business according to Cell Impact's needs, which could have negative effects on the Company's development and investment opportunities. In the event that Cell Impact does not succeed in raising capital when the need arises, there is a risk of reconstruction or bankruptcy.

Risk assessment: High

Credit risks

Cell Impact gives its customers credit with a usually 30-45 day credit period and can be negatively affected, in the event of customers' insolvency or bankruptcy. Cell Impact is exposed to the risk that customers do not pay for ordered products or services, or pay later than expected. The risk increases during periods of economic downturn or uncertainty. If the abovementioned risk was to materialize, it could have an adverse effect on Cell Impact's results and financial position.

Risk assessment: Medium

Currency risks

Currency risks arise when converting to Swedish kronor from foreign currency. Exposures to exchange rate risks are the result of Cell Impact having sales and purchasing materials and services partly in foreign currency. The parent company's reporting currency is Swedish kronor (SEK), which means that the Company, in collaboration with international operators, is exposed to currency-related transaction risks, which may have an adverse effect on the Company's results and financial position.

Risk assessment: Medium

Risks relating to the Company's securities

The share price and the trading price of the Warrants may be volatile and the price development of the respective securities depends on several factors

An investment in securities can increase or decrease in value and there is a risk that an investor will not get the capital invested back.

Cell Impact's share is listed on Nasdaq First North Growth Market and during the period 30 September 2022 – 30 September 2023, the Company's daily average volume-weighted share price has amounted to a minimum of SEK 2.8 and a maximum of SEK 14.9.

Accordingly, the share price for the Company's shares may show great volatility. The price development of Cell Impact's share is dependent on a number of factors, some of which are specific to the Company and others that are linked to the stock market as a whole. For example, the share price may be affected by supply and demand, variations in actual or expected results, inability to meet analysts' earnings expectations, failure to reach financial and operational targets, changes in general economic or regulatory conditions or pandemics such as Covid-19 and the Russian war in Ukraine. There is also a risk that there will not always be an active and liquid market for trading in Cell Impact's shares. This poses significant risks to individual investors.

Furthermore, the Warrants are intended to be traded on Nasdaq First North Growth Market from 18 December 2023 up to and including 25 September 2024. There is a risk that an active or liquid market for trading in the Warrants will not develop during the period that the Warrants are listed. This may result in holders of the Warrants not being able to sell their securities when they want to or that the market value of the Warrants is negatively affected. In addition, the price development of the Warrants, similarly to the price development of the Company's shares, is dependent on a number of factors that are both specific to the Company and linked to the general conditions on the capital markets. The trading price of the Warrants will also depend on the price development of the Company's shares and may be subject to higher price volatility than the price of the Company's shares. The above factors thus pose a significant risk to individual investors.

Risk assessment: High

No previous dividends paid

Due to Cell Impact's financial position and history of negative operating results, the Company has so far not paid any dividends to the shareholders. The board of directors of the Company does not intend to propose that any dividend is paid in the near future. Instead, any surplus funds will be reinvested in the business and used for further growth. The size of any future dividends from Cell Impact depends on a number of factors, such as the Company's future profit, financial position, cash flow, working capital requirements, investments and other factors. There is a risk that the Company will not have sufficient distributable funds to pay dividends at all or to the extent expected by shareholders in the future.

There is also a risk that the Company and/or its major shareholders for various reasons prevent or limit future dividends. In the event that no dividends are paid, an investor's potential return will depend on the future development of the share price.

Risk assessment: High

Any future new issuances and exercise of warrants may result in dilution

Cell Impact may in the future need to arrange additional issuances to finance its business, especially in light of the fact that the Company has not yet reported sufficient sales revenues to achieve a positive result, refer to the section “– *Earnings capacity and future capital requirements*” for further information. Such future new issues may lower the market value of Cell Impact’s shares and dilute the financial and voting rights for existing shareholders, unless existing shareholders are given preferential rights in the issue or if existing shareholders for some reason cannot, may or do not want to exercise their possible preferential rights.

The Company has also issued 747,550 warrants within incentive programs for the Company’s senior executives, other employees and board members, which does not include the Warrants related to the Rights Issue. The exercise of such instruments, if and when it occurs, will result in a dilution for other shareholders. As a result, the Company may issue a maximum of 747,550 additional shares provided that all warrants are exercised and before a recalculation due to the Rights Issue.

Risk assessment: Medium

Certain risks for foreign shareholders

Cell Impact’s shares are admitted to trading on Nasdaq First North Growth Market in SEK only and the Company will pay any future dividends in SEK. This means that shareholders domiciled outside of Sweden may have a negative impact on the value of the holding and any dividends when these are converted into other currencies if the Swedish krona decreases in value in relation to the currency in question. In some jurisdictions, including the United States, Australia, Hong Kong, Japan, Canada, China, New Zealand, Singapore and South Africa, there may also be securities legislation that prevents shareholders domiciled in such jurisdictions from participating in new issues and other offers of transferable securities to the public. If Cell Impact in the future issues new shares with preferential rights for the Company’s shareholders, shareholders in such jurisdictions may consequently be subject to restrictions, meaning for example that they cannot exercise their preferential rights or that their participation is otherwise made more difficult or limited. Such restrictions pose a significant risk to shareholders in the United States and other jurisdictions where such restrictions apply.

Risk assessment: Medium

Sale of major shareholdings

The Company’s share price may be adversely affected if the Company’s shares are sold on the market to an unusually large extent. The share price may, in particular, be adversely affected if an extensive sale of shares in the Company is carried out by the Company’s board members, senior executives or major shareholders.

Risk assessment: Low

Risks related to the Rights Issue

Dilution

If shareholders choose not to exercise or sell their unit rights in the Rights Issue according to the procedure described in this Offering Circular, the unit rights will expire and become worthless without the right to compensation for the holder. Consequently, such shareholders’ proportional ownership and voting rights in Cell Impact will be reduced.

Shareholders who choose not to participate in the Rights Issue will, upon full subscription of the Rights Issue by other investors, have their ownership share and voting rights diluted by approximately 89 percent. Upon full exercise of the Warrants, additional dilution of approximately 18 percent of the number of shares and votes may arise, based on the number of shares outstanding immediately after the Rights Issue, provided that the Rights Issue is fully subscribed. For shareholders not participating in the Rights Issue, the dilution effect, attributable to the new shares and the Warrants issued as a result of the Rights Issue, will thus amount to approximately 91 percent of the total number of shares and votes in the Company prior to the Rights Issue, provided that the Rights Issue is fully subscribed and that all Warrants issued are exercised.

If shareholders choose to sell their unexercised unit rights there is a risk that the compensation the shareholder receives for the unit rights on the market does not correspond to the economic dilution of the shareholders' ownership in Cell Impact after the Rights Issue has been completed.

Risk assessment: High

Trading in unit rights and paid subscribed units (Sw. BTU)

Those who are registered as shareholders in the Company on the record date will receive unit rights in relation to their existing shareholding. The unit rights are expected to have an economic value that will only be available to the holder if he or she either exercises them for subscription of Units no later than on 4 December 2023, or sells them no later than on 29 November 2023. After 4 December 2023, unexercised unit rights will, without notification, be deleted from the holder's securities account, whereby the holder completely loses the expected economic value of the unit rights. Both the unit rights and paid subscribed units ("BTU") that, after payment, are recorded on the securities account of those who have subscribed for Units will be subject to time-limited trading on Nasdaq First North Growth Market. Trading in unit rights may be limited, which may cause problems for individual holders to sell their unit rights and thereby mean that the holder cannot compensate for the economic dilution effect of the Rights Issue. Furthermore, trading in BTUs during the period that trading in BTUs is expected to take place on Nasdaq First North Growth Market (from and including 20 November 2023 up to and including 12 December 2023) may be limited and investors risk not being able to realize the value of their BTUs. Such conditions would pose a significant risk to individual investors. Limited liquidity may also amplify fluctuations in the market price of unit rights and/or BTUs. The pricing of these instruments therefore risks being inaccurate or misleading.

Risk assessment: High

Subscription undertakings and guarantee commitments are not secured

In connection with the Rights Issue, the Company has received subscription undertakings of approximately SEK 8.35 million, corresponding to approximately 5.5 percent of the Rights Issue. In addition, the Company has entered into agreements regarding guarantee commitments of approximately SEK 120.6 million, corresponding to approximately 79.5 percent of the Rights Issue. Accordingly, the Rights Issue is covered by subscription commitments and guarantee commitments amounting to a total of approximately SEK 129 million, corresponding to approximately 85 percent of the issue proceeds. However, these subscription undertakings and guarantee commitments are not secured by bank guarantees, blocked funds, pledges or similar arrangements, entailing a risk that the

undertakings and commitments, in whole or in part, will not be fulfilled. If the above undertakings and commitments are not fulfilled, it may adversely affect the Company's ability to successfully complete the Rights Issue.

Risk assessment: Low

INVITATION TO SUBSCRIBE FOR UNITS IN CELL IMPACT AB (PUBL)

The shareholders in Cell Impact are hereby invited, with preferential rights, to subscribe for Units in Cell Impact in accordance with the terms and conditions of this Offering Circular.

On 8 November 2023, the board of directors of Cell Impact resolved, on the basis of the authorization granted at the extraordinary general meeting on 3 November 2023, to carry out an issue of Units with preferential rights for existing shareholders. Through the Rights Issue, Cell Impact's share capital will increase with not more than approximately SEK 70,219,467.670336, from SEK 8,777,433.458792, to approximately SEK 78,996,901.129128, by issuance of not more than 606,615,424 new shares. After the Rights Issue, the number of shares in Cell Impact will amount to not more than 682,442,352 shares and not more than 151,653,856 Warrants attributable to the Rights Issue will be outstanding. Upon full exercise of the Warrants, the Company may issue up to an additional 151,653,856 shares. The ISIN code for the shares in Cell Impact is SE0017885379. The ISIN code for the Warrants attributable to the Rights Issue is SE0021021722.

Cell Impact's shareholders have preferential rights to subscribe for Units in relation to the number of shares they own on the record date.

The record date for determining which shareholders are entitled to subscribe for Units with preferential rights is 16 November 2023. To the extent that Units are not subscribed for with preferential rights, they shall be offered to shareholders and other investors in accordance with what is stated in section "*Terms and conditions*". Subscription for Units shall take place from and including 20 November 2023 until and including 4 December 2023 or such later date as determined by the board of directors, and otherwise in accordance with the provisions of section "*Terms and conditions*".

Those who on the record date, 16 November 2023, are registered in the share register as shareholders in Cell Impact receive one (1) unit right for each share held in Cell Impact. The unit rights entitle the holder to subscribe for Units with preferential rights, whereby one (1) unit right entitles to subscribe for one (1) Unit, which consists of eight (8) new shares and two (2) Warrants. Only whole Units can be subscribed for (i.e. no fractions). The subscription price is SEK 2.00 per Unit, corresponding to SEK 0.25 per share. The Warrants are issued free of charge.

Each Warrant entitles to subscription of one (1) new share in the Company during the period 16 September up to and including 30 September 2024. The subscription price for subscription of shares by exercise of Warrants will correspond to 70 percent of the volume-weighted average price of the Company's share during the period from and including 2 September 2024 up to and including 13 September 2024, however, not less than SEK 0.12, corresponding to the quota value of the share, and not more than SEK 0.44, corresponding to 175 percent of the subscription price for one share in the Rights Issue.

Cell Impact may raise up to approximately SEK 152 million before deduction of issue costs through the Rights Issue, and additionally up to approximately SEK 66 million before deduction of issue costs in the beginning of October 2024, provided that the Rights Issue is fully subscribed, the Warrants are fully exercised and the subscription price when subscribing for shares by exercise of Warrants amounts to the maximum subscription price of SEK 0.44 per share.

Shareholders who choose not to participate in the Rights Issue will, upon full subscription of the Rights Issue by other investors, have their ownership share and voting rights diluted by approximately 89 percent. Upon full exercise of the Warrants, additional dilution of approximately 18 percent of the number of shares and votes may arise, based on the number of shares outstanding immediately after the Rights Issue, provided that the Rights Issue is fully subscribed. For shareholders not participating in the Rights Issue, the dilution effect, attributable to the new shares and the Warrants issued as a result of the Rights Issue, will thus amount to approximately 91 percent of the total number of shares and votes in the Company prior to the Rights Issue, provided that the Rights Issue is fully subscribed and that all Warrants issued are exercised.

Stockholm, 15 November 2023

Cell Impact AB (publ)

Board of directors

BACKGROUND AND REASONS

Cell Impact is a global supplier of advanced flow plates in metal and a production method used in the market of hydrogen fuel cells and electrolysis. By using a scalable proprietary method for high-velocity forming – Cell Impact Forming™ – the Company makes it possible to produce a large quantity of high-quality flow plates. Cell Impact's forming technology is more compact, cost and energy efficient and environmentally friendly than conventional methods.⁴

Cell Impact has implemented what the Company calls Phase 1, which included converting existing demand into business and to position Cell Impact for future growth. Phase 1 also involved securing enough capacity to initially meet the need of customers and capture business opportunities. It also involved building a larger factory and acquiring new production equipment.

The next step for the Company – Phase 2 – is a follow up to Phase 1 that is planned to be implemented to ramp up the level of automation and efficiency in processes with the objective to greatly reduce production costs and secure capacity to handle growing volumes.

The market for fuel cells is growing rapidly. Cell Impact is in a phase in the market where companies that want to become part of the value chain must position themselves with an attractive offer that includes cost-effective scalability. Normally, a fuel cell contains several hundred flow plates, which means that there is a multiplier effect. This means that the demand for flow plates is considerable even at lower levels of fuel cells demand and increases substantially when the fuel cells demand is higher. Furthermore, Cell Impact expects a significant potential for its flow plates in the growing market of electrolyzers.

Although the long-term outlook for Cell Impact looks positive in light of the growth of the hydrogen industry, the Company is currently experiencing a significantly lower level of activity among its customers, resulting in delayed orders. The Company assesses that the lower demand for flow plates in particular will last for several quarters before a positive trend is re-established and has thus come to the conclusion that further adjustments to the financial targets that were communicated in the interim report for the second quarter 2023 (including the timing of reaching EBITDA break-even) cannot be ruled out.

Due to lower than expected sales levels, the Company has implemented a cost saving program and will continue to adapt its cost level to the demand situation. Postponed investment initiatives may lead to a somewhat slower implementation of the Company's Phase 2 for more efficient production. The cost savings have already started to have some effect during the third quarter 2023 – despite the significantly reduced sales, the operating profit for the quarter was SEK -23.7 million, which is a smaller loss compared to both the corresponding quarter of the previous year and the first two quarters 2023.

In order to continue to deliver on its business plan, the Board of Directors of Cell Impact has resolved to carry out a rights issue of up to approximately SEK 152 million. The purpose of the rights issue is to ensure continued financing of Cell Impact's business plan, which includes increasing the Company's production capacity and capability.

⁴ The Company's assessment based on publicly available data in, *inter alia*, financial reports, press releases and other commercial information published by other similar operators and machine and tool manufacturers.

Provided that the Rights Issue is fully subscribed, it is expected to raise a net amount of approximately SEK 122 million after deduction of issue costs, which are estimated to amount to

approximately SEK 30 million.⁵ The net proceeds are intended to be used for the following purposes in stated order of priority:

- to repay the bridge loan (including interest and arrangement fee) obtained by the Company in connection with the Rights Issue: approximately SEK 21 million;⁶
- to finance existing operations (for example personnel costs, material purchases and costs for premises): approximately SEK 40-60 million;
- investments in new production equipment in order to ensure increased productivity and capability: approximately SEK 20-30 million; and
- general corporate purposes: approximately SEK 20-30 million.

Statement of working capital

Cell Impact assesses that the existing working capital is not sufficient for Cell Impact's needs the coming twelve-month period.

Cell Impact's assessment is that its existing available cash (including funds utilized by the Company within the bridge loan facility of SEK 20 million that the Company has obtained in connection with the Rights Issue) are sufficient to finance the Company's working capital needs until the latter part of December 2023, after which the Company will be dependent on additional external financing. According to Cell Impact's assessment, the deficit of the working capital, i.e. the capital contribution required to finance the Company's business plan, for the coming twelve-month period amounts to approximately SEK 70 million. Accordingly, the Rights Issue ensures financing of the business for at least the next twelve-month period. If the Rights Issue raises gross proceeds of approximately SEK 129 million, corresponding to the approximately 85 percent of the Rights Issue that is covered by subscription undertakings and guarantee commitments, it is expected, together with existing cash, to be sufficient to finance the Company's business plan until the beginning of 2025.

In the event that the Rights Issue is not sufficiently subscribed, the Company will consider alternative financing options, such as additional capital raising, grants or financing together with one or more partners, or alternatively run the business at a slower pace than planned, until additional capital can be raised. In the event the Rights Issue is not sufficiently subscribed, the Company will focus on the business activities which are deemed absolutely necessary to preserve the value created in the Company. If the Rights Issue is not sufficiently subscribed and in case all alternative financing opportunities fail, there is a risk that the Company would be forced to significantly revise current development plans, which could delay the Company's planned activities. Ultimately, there is a risk that, in the event all financing opportunities fail, the Company would be placed into bankruptcy.

In connection with the Rights Issue, Cell Impact has received a subscription undertaking from Östersjöstiftelsen of approximately SEK 7.7 million, corresponding to approximately

⁵ Assuming that the Rights Issue is fully subscribed, the Warrants are fully exercised and the subscription price when subscribing for shares by exercise of Warrants amounts to the maximum subscription price of SEK 0.44 per share, additionally approximately SEK 5 million in issue costs will be added upon exercise of the Warrants.

⁶ In connection with the Rights Issue, the Company has entered into bridge loan agreements of SEK 20 million to ensure sufficient liquidity during the period November-December 2023. The Company is obliged to repay the bridge loan facility on or around the settlement date of the Rights Issue.

5.1 percent of the Rights Issue. In addition, members of the board of directors and management have entered into subscription undertakings amounting to a total of approximately SEK 0.6 million, corresponding to approximately 0.4 percent of the Rights Issue. In addition, the Company has entered into agreements on guarantee commitments of approximately SEK 120.6 million, corresponding to approximately 79.5 percent of the Rights Issue. The Rights Issue is thus covered by subscription undertakings and guarantee commitments amounting to a total of approximately SEK 129 million, corresponding to approximately 85 percent of the issue proceeds. Accordingly, the Rights Issue is partly covered by subscription undertakings and guarantee commitments, which is why the board of directors considers the prospects of financing the Company's working capital needs for the next twelve months through the Rights Issue to be good. However, these subscription undertakings and guarantee commitments are not secured by bank guarantees, blocked funds, pledges or similar arrangements.

The board of directors of Cell Impact AB (publ) is responsible for the content of this Offering Circular. To the best of the of directors' knowledge, the information provided in the Offering Circular is in accordance with the facts and no information has been omitted that would be likely to affect its import.

Stockholm, 15 November 2023

Cell Impact AB (publ)

Board of directors

TERMS AND CONDITIONS

Preferential rights and unit rights

Those parties registered as shareholders in the share register maintained by Euroclear Sweden on behalf of Cell Impact on 16 November 2023, receives one (1) unit right for each share held in Cell Impact. One (1) unit right will entitle to subscription of one (1) Unit. Only whole Units can be subscribed for (i.e. no fractions). Application for subscription of Units may also be made without unit rights. Such application shall be made on the application form for subscription of Units without unit rights, refer to the section "*Subscription of Units without unit rights*" below.

The Rights Issue comprises a maximum of 75,826,928 Units, corresponding to 606,615,424 new shares (ISIN:SE0017885379) and 151,653,856 Warrants entitling to subscription of new shares.

Each Unit consists of eight (8) newly issued shares and two (2) Warrants.

Each Warrant entitles to subscription of one (1) new share in the Company during the period 16 September up to and including 30 September 2024. For the complete terms and conditions for the Warrants, refer to the section "*Appendix 1: Terms and conditions for warrants of series 2023/2024*" and the Company's website, www.cellimpact.com.

The Rights Issue will, upon full subscription, result in an increase in the number of shares in the Company with 606,615,424, from 75,826,928 to 682,442,352. Shareholders who choose not to participate in the Rights Issue will, upon full subscription of the Rights Issue by other investors, have their ownership share and voting rights diluted by approximately 89 percent. Upon full exercise of the Warrants, the Company may issue up to an additional 151,653,856 new shares, which corresponds to an additional dilution of approximately 18 percent of the number of shares and votes, based on the number of shares outstanding immediately after the Rights Issue provided that the Rights Issue is fully subscribed. For shareholders not participating in the Rights Issue, the dilution effect, attributable to the new shares and the Warrants issued as a result of the Rights Issue, will thus amount to approximately 91 percent of the total number of shares and votes in the Company prior to the Rights Issue, provided that the Rights Issue is fully subscribed and that all Warrants issued are exercised.

Shareholders who choose not to participate in the Rights Issue can compensate themselves economically for the dilution effect by selling their unit rights. Upon transfer of unit rights, the preferential rights is passed over to the new holder of unit rights.

Subscription price

The subscription price is SEK 2.00 per Unit, corresponding to SEK 0.25 per share. The Warrants are issued free of charge. Cell Impact does not impose any fees or other costs on investors in connection with the Rights Issue. No commission will be charged.

The subscription price for the subscription of shares by exercise of Warrants will correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 2 September 2024 up to and including 13 September 2024, however not lower than SEK 0.12, corresponding to the share's quota value, and not higher than SEK 0.44, corresponding to 175 percent of the subscription price for one share in the Rights Issue.

Record date

The record date for determining which parties are entitled to receive unit rights under the Rights Issue is 16 November 2023. The Company's shares will trade including the right to receive unit rights until 14 November 2023. The Company's shares will be traded ex-unit rights in the Rights Issue from and including 15 November 2023.

Subscription period

Subscription of Units with unit rights is carried out through payment during the time from and including 20 November 2023 up to and including 4 December 2023. The board of directors of the Company reserves the right to extend the subscription period, which if it becomes relevant will be announced by the Company in a press release not later than 4 December 2023. The press release will be available on Cell Impact's website, www.cellimpact.com.

Issue statement

Directly registered shareholders

A pre-printed issue statement with an attached payment form will be sent to shareholders, or representatives of shareholders, in the Company who, on the record date of 16 November 2023, are registered as shareholders in the share register maintained by Euroclear Sweden. The pre-printed issue statement sets forth, inter alia, the number of unit rights received and the full number of Units that may be subscribed for. No separate notification will be sent regarding the registration of unit rights in shareholders' securities accounts.

Nominee registered holdings

Shareholders whose holdings of shares in the Company are nominee-registered at a bank or other nominee will not receive any issue statement from Euroclear Sweden. Instead, application for subscription and payment should be carried out in accordance with the instructions from the respective nominee.

Shareholders resident in certain unauthorized jurisdictions

The allotment of unit rights and the issue of Units through exercise of unit rights to persons who are resident outside of Sweden may be affected by securities legislation in such countries; please refer to the section "*Important information to investors*". Consequently, subject to certain exceptions, shareholders whose existing shares are directly registered in a securities account and whose registered address is in Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, the United States or any other jurisdiction where participation would require additional prospectus, registration or action other than those arising from Swedish law, will not receive any unit rights to their respective securities accounts or be allowed to subscribe for Units. Unit rights that would have been registered to such shareholders will be sold and the sales proceeds, less a deduction for costs, will be paid to such shareholders, however, amounts less than SEK 100 will not be paid out.

Trading in unit rights

Unit rights will be traded on Nasdaq First North Growth Market during the period from and including 20 November 2023 up to and including 29 November 2023. Carnegie and other securities institutions with the requisite licenses will provide brokerage services in connection with the purchase and sale of unit rights. The ISIN code for the unit rights is

SE0021021847. If a shareholder does not exercise its unit rights through payment no later than 4 December and does not sell its unit rights no later than 29 November 2023, such shareholder's unexercised unit rights will expire worthless and the holder will not receive any compensation.

Subscription of Units with unit rights

Subscription of Units with unit rights shall be carried out through payment during the period from and including 20 November 2023 up to and including 4 December 2023. Upon expiry of the subscription period, unexercised unit rights will lapse and become worthless. After 4 December 2023 unexercised unit rights will be deleted from holders' securities accounts, without notice from Euroclear Sweden.

To ensure that the value of the unit rights is not lost, the holder must either:

- exercise the unit rights to subscribe for Units no later than 4 December 2023, or according to instructions received from the respective trustee; or
- sell the unit rights that have not been exercised no later than 29 November 2023.

A subscription of Units with unit rights is irrevocable and the subscriber cannot withdraw or change such subscription of Units.

Directly registered shareholders resident in Sweden

Subscription of Units with unit rights shall be carried out through cash payment, either by use of the pre-printed payment form or a separate application form, with concurrent payment in accordance with one of the following options:

The payment form is to be used if all unit rights in the issue statement from Euroclear Sweden are to be exercised. No additions or changes be made to the payment form.

The application form named "Subscription of Units with unit rights" is to be used if unit rights have been purchased, sold or transferred from another securities account, or if, for some other reason, the number of unit rights to be exercised for subscription of Units differ from the number on the pre-printed issue statement. Payment for the subscribed Units must be made concurrent to submitting the completed application form, which can be carried out in the same way as for other bank giro payments, for example through an internet bank, by giro transfer or at a bank branch office. The number of the securities account that holds the unit rights must be stated together with the payment.

Application form in accordance with the above may be ordered from Carnegie during office hours by telephone: +46 (0)8-5886 94 82 or downloaded from Carnegie's website, www.carnegie.se. Application form and payment must be received by Carnegie no later than 3.00 p.m. on 4 December 2023. Please note that payment for subscription of Units with unit rights that is not received by Carnegie at the latest 3.00 p.m. on 4 December 2023, will be left without regard and thus payment must be made well in advance.

Directly registered shareholders not resident in Sweden who are eligible to subscribe for Units with unit rights

Directly registered shareholders who are eligible to subscribe for Units with unit rights and who are not resident in Sweden, and who are not subject to the restrictions described above under "Shareholders resident in certain unauthorized jurisdictions" and who cannot use the pre-printed payment form, can pay in SEK through a foreign bank in accordance with the instructions below:

Carnegie Investment Bank AB (publ)
Transaction Support
SE-103 38 Stockholm, Sverige
SWIFT address: ESSESESS
IBAN: SE3850000000052211000363
Bankkontonummer: 5221 10 003 63

Upon payment, the subscriber's name, address, securities account number and the reference number on the issue statement must be stated. The final day for payment to be received is 4 December 2023.

If subscription pertains to another number of Units than stated in the issue statement, the following form should be used instead: "Application form for subscription of Units with unit rights", which can be ordered from Carnegie during office hours by telephone: +46 (0)8-5886 94 82 or downloaded from Carnegie's website, www.carnegie.se. Payment is to be made in accordance with the instructions above with the number of the securities account that holds the unit rights as reference. Application forms (in accordance with the above address) and payments must be received by Carnegie no later than 3.00 p.m. on 4 December 2023.

Nominee-registered shareholders

Nominee-registered shareholders who wish to subscribe for Units with unit rights must apply to subscribe in accordance with the instructions from their respective nominee or nominees.

Paid subscribed units (BTU)

Units subscribed for with unit rights will be registered as BTUs in the securities account until such time as the Rights Issue has been registered with the Swedish Companies Registration Office. The registration of all shares and Warrants is expected to take place at the Swedish Companies Registration Office on or around 13 December 2023. Thereafter, BTUs will, without special notification from Euroclear Sweden, be converted to shares and Warrants entitling to subscribe for shares which will be registered on the accounts of the subscribers on or around 18 December 2023. Holders of nominee-registered depository accounts will receive BTUs and information in accordance with the procedures of the respective nominee. BTUs will be admitted to trading on Nasdaq First North Growth Market from and including 20 November 2023 up to and including 12 December 2023. Carnegie and other securities institutions with the requisite licenses will provide brokerage services in connection with the purchase and sale of BTUs subscribed for by exercise of unit rights. The ISIN code for BTUs is SE0021021854. No BTUs will be recorded for Units subscribed and paid for without unit rights.

Subscription of Units without unit rights

The Units may also be subscribed for without unit rights.

Directly registered shareholders and others

Application for subscription of Units without unit rights must be made on the special application form "Subscription without unit rights". More than one application may be submitted; however, only the most recently dated application will be considered.

If the application concerns another person than signed, a special form "Guardians and authorised agents" must also be filled in and sent together with the application form "Subscription without unit rights".

Application forms and other forms may be obtained from any of Carnegie's offices in Sweden or downloaded from Carnegie's website, www.carnegie.se, as well as from Cell Impact's website, www.cellimpact.com. The application form may either be sent by post to Carnegie Investment Bank AB, Transaction Support, SE-103 38 Stockholm or be handed in at one of Carnegie's branch offices in Sweden. The application form must be received by Carnegie no later than 3.00 p.m. on 4 December 2023.

Legal Entity Identifier (LEI-code) & National Client Identifier (NCI-number)

Legal Entity Identifier (LEI) is a global identification code for juridical persons. From 3rd of January 2018 juridical persons need to have a LEI-code to be able to make a security transaction. If there is no such code Carnegie is not allowed to execute the transaction for the juridical person. Subscriber that needs to acquire a LEI-code to sign shares in the company should contact any of the suppliers available on the market. Keep in mind to apply for a registration of a LEI-code in time since the code needs to be submitted on the acceptance form. More information regarding the requirements of the LEI can be found on the SFSA's website www.fi.se.

National ID or National Client Identifier (NCI-number) is a global identification code for individuals that is mandatory for security transactions. If you only have a Swedish membership your NCI-number will consist of "SE" followed by your personal number. If you have more or another than a Swedish citizenship your NID-number may consist of another type of number. For more information about how NCI-numbers are acquired please contact your bank office. Keep in mind to find your NCI-number in time since the number must be submitted on the application form.

Nominee-registered shareholders

Holders of depository accounts who wish to subscribe for Units without unit rights must apply to subscribe in accordance with the instructions from their nominee or nominees, who will also process allotment notifications and other questions.

Allotment of Units subscribed for without unit rights

If all of the Units are not subscribed for with unit rights, the board will decide on allotment of Units without unit rights as follows:

primarily, Units shall be allotted to those who have registered for subscription and have subscribed for Units by exercising unit rights, regardless of whether they were shareholders on the record date or not. In case of oversubscription, Units shall be allotted in relation to the number of unit rights that each subscriber has exercised for subscription of Units;

secondarily, Units shall be allotted to others who have subscribed for Units without exercising of unit rights. In case of oversubscription, allotment shall be made in relation to the total number of Units entered into respective subscription notification. To the extent that this cannot be done, allotment shall be made through drawing of lots; and

lastly, allotment of Units that have been subscribed for without exercising unit rights shall be made to those who have entered into agreements regarding guarantee commitments in their capacity as guarantors. In case that allotment to them cannot be made in full,

allotment shall be made pro rata in relation to the amount each guarantor has guaranteed subscription for, and to the extent that this cannot be done, allotment shall be made through drawing of lots. Allotment in this case only takes place to up to 85 percent of the Rights Issue.

Around 6 December 2023, a settlement note will be sent to the subscriber as confirmation of the allotment of Units subscribed for without unit rights. Shareholders whose holdings are nominee-registered will receive confirmation of the allotment in accordance with the procedure of the respective nominee. No confirmation will be sent to subscribers who received no allotment. Payment for subscribed for and allotted Units is to be made in cash in accordance with the instructions on the settlement note sent to the subscriber.

After payment of subscribed and allotted Units has been made and the new shares have been registered with the Swedish Companies Registration Office, Euroclear Sweden will send a notice as confirmation that the new shares have been registered to the securities account. The subscriber receives shares and Warrants directly, and no BTUs will be recorded to the subscriber's securities account. Registration of the new shares and Warrants subscribed for without unit rights are expected to be registered with the Swedish Companies Registration Office on or around 13 December 2023. The registration of new shares on securities accounts is expected to take place on or around 18 December 2023.

Trading in new shares and Warrants

The Company's shares are admitted to trading on Nasdaq First North Growth Market. After the Swedish Companies Registration Office has registered the new shares, the new shares will also be admitted to trading on Nasdaq First North Growth Market. The first day of trading in new shares and Warrants entitling to subscription of shares is expected to take place on or around 18 December 2023.

Terms and conditions for subscription of shares by exercise of Warrants

One (1) Warrant entitles to subscription of one (1) new share in the Company during the period 16 September up to and including 30 September 2024. The subscription price for the subscription of shares by exercise of warrants will correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 2 September 2024 up to and including 13 September 2024, however not lower than SEK 0.12, corresponding to the share's quota value, and not higher than SEK 0.44, corresponding to 175 percent of the subscription price for one share in the Rights Issue. The Warrants will be admitted to trading on Nasdaq First North Growth Market. Application form and payment instruction will be available on Cell Impact's website, www.cellimpact.com, as well as Carnegie's website, www.carnegie.se, in connection with the start of the subscription period for the Warrants. For the complete terms and conditions for the Warrants refer to the section "Appendix 1: Terms and conditions for warrants of series 2023/2024" and the Company's website, www.cellimpact.com.

Right to dividend on shares

Dividends are paid following a resolution by the annual general meeting of shareholders. Payment of dividends will be administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the respective nominee. Entitlement to receive a dividend is limited to shareholders registered in the share register maintained by Euroclear Sweden on the record date. The new shares carry the right to participate in the distribution of dividends for the first time on the dividend record date that occurs

immediately following the registration of the new shares with the Swedish Companies Registration Office and after the new shares have been entered into the share register maintained by Euroclear Sweden AB.

Irrevocable subscription

The Company is not entitled to revoke the Rights Issue. Subscription for Units, with or without unit rights, is irrevocable and the subscriber may not withdraw or change a subscription for Units, unless otherwise stated in this Offering Circular or applicable law.

Announcement of the outcome of the Rights Issue

Cell Impact will announce the outcome of the Rights Issue through a press release on or around 6 December 2023, which will be available on Cell Impact's website, www.cellimpact.com.

Information about the processing of personal data

Parties who subscribe for, or apply to subscribe for, Units will submit personal data to Carnegie. Personal data that is submitted to Carnegie, for example contact information and personal identification number, or which is otherwise registered in connection with the preparation or administration of the offer, is processed by Carnegie, as controller of the personal data, for the administration and execution of the Rights Issue. Processing of personal data also takes place to enable Carnegie to comply with its statutory duties. Personal data may for a defined purpose – in observance of bank secrecy rules – occasionally be disclosed to other companies within the Carnegie Group or to undertakings which co-operate with Carnegie, within and outside the EU/EEA in accordance with EU's approved and appropriate protective measures. In certain cases Carnegie is also under a statutory duty to provide information, e.g., to the Swedish Financial Supervisory Authority and the Swedish Tax Agency. You may read more about how the bank processes personal data at <https://www.carnegie.se/en/personaldata/>.

Other information

Carnegie is the issuing institution in connection with the Rights Issue. The fact that Carnegie is the issuing institution does not imply that Carnegie views any party that applies to subscribe under the Rights Issue as a customer of Carnegie. In the event that a larger amount than necessary has been paid by a subscriber for Units, Cell Impact will arrange for the excess amount to be refunded. No interest will be paid on excess amounts. Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is made late, is insufficient or is paid incorrectly, the subscription application may be disregarded entirely or allotment may be for a lower amount, in which case, any excess amount will be refunded. No interest will be paid on any such excess amount. Amounts less than SEK 100 will not be refunded.

Taxation

For information pertaining to taxation, please refer to the section "*Legal considerations and supplementary information – Important information on taxation*".

HOW TO SUBSCRIBE FOR UNITS

Terms and conditions			
For each existing share you hold in Cell Impact on the record date you receive one (1) unit right. One (1) unit right entitles to subscription of one (1) Unit. Each Unit consists of eight (8) newly issued shares and two (2) Warrants. Subscription can also be made without unit rights, however, without preferential rights.			
Subscription price	Record date to receive unit rights	Subscription period	Trading in unit rights
SEK 2.00 per Unit	16 November 2023	20 November - 4 December 2023	20 November - 29 November 2023

Subscription of Units with unit rights

You are allotted unit rights

For each existing share you hold in Cell Impact on 16 November 2023, you receive one (1) unit right.

One (1) share in Cell Impact → One (1) unit right

How to exercise unit rights

One (1) unit right entitles to subscription of one (1) new Unit

One (1) unit right → One (1) Unit

Are you a directly registered shareholder or do you have the shares registered with a nominee?

You have a securities account (i.e. directly registered shares) and are resident in Sweden

→

If you exercise all unit rights, use the pre-printed payment form from Euroclear Sweden.

→

If you have purchased, sold or transferred unit rights to/from your securities account, fill in the application form for subscription with unit rights. Application forms can be obtained from Carnegie's website www.carnegie.se alternatively from Cell Impact's website www.cellimpact.com. Payment is made in accordance with the instruction on the application form.

You have a securities account (i.e. directly registered shares) and are not resident in Sweden⁷



See above. Payment is made in accordance with the instructions set forth in the section *"Terms and conditions"* under the heading *"Directly registered shareholders not resident in Sweden"*.

You have a custody account (i.e. nominee-registered shares)



If you have your shares in Cell Impact in one or more custody accounts at a bank or securities institution, you receive information from your nominee/nominees about the number of unit rights. Follow the instructions you receive from your nominee/nominees.

Subscription of Units without unit rights⁸

You have a securities account



Use the application form for subscription without unit rights. Application forms can be obtained from Carnegie's website www.carnegie.se alternatively from Cell Impact's website www.cellimpact.com.

You have a custody account (i.e. nominee-registered shares)



Subscription and payment shall be made through the respective nominee. Follow the instructions you receive from your nominee/nominees.

Please note that certain nominees may have a shorter application time. Control the instructions from the respective nominee.

⁷ Please note that specific rules apply to shareholders resident in the United States and certain other jurisdictions. Refer to the section *"Terms and conditions"* under the heading *"Shareholders resident in certain unauthorized jurisdictions"*.

⁸ Any allocation will be made in accordance with what is set forth in the section *"Terms and conditions"* under the heading *"Allocation of Units subscribed for without unit rights"*.

TERMS AND CONDITIONS OF THE WARRANTS IN BRIEF

Below is a summary of the terms and conditions of the Warrants (ISIN code: SE0021021722) issued in connection with the Rights Issue. For the complete terms and conditions of the Warrants, please refer to section "Appendix 1: Terms and conditions of warrants of series 2023/2024" and the Company's website, www.cellimpact.com. The Warrants will be admitted to trading on Nasdaq First North Growth Market. Note that the Warrants are securities that entitle the holder the right to subscribe for shares in the Company, which means that the trading price of the Warrants can be affected by the trading in the Company's share, refer to the section "Risk factors – Risks related to the Company's securities – The share price and the trading price of the Warrants may be volatile, and the price development of the securities is affected by several factors".

Number of Warrants:	The maximum number of Warrants is 151,653,856.
Subscription period:	One (1) Warrant entitles the holder to subscribe for one (1) new share in the Company during the period 16 September up to and including 30 September 2024.
Subscription price:	The subscription price for subscription of shares by exercise of Warrants shall correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 2 September 2024 up to and including 13 September 2024, rounded to whole cents, however, not less than SEK 0.12, corresponding to the share's quota value rounded to whole cents, and not more than SEK 0.44.
Trading in Warrants:	The Warrants will be admitted to trading on Nasdaq First North Growth Market. The trading in the Warrants on Nasdaq First North Growth Market is expected to commence during the period from and including 18 December 2023 until and including 25 September 2024. The ISIN code for the Warrants is SE0021021722 and the ticker will be CI TO2.
Right to dividends:	The Warrants do not entitle to dividends. A share that has been issued upon exercise of a Warrant entitles the holder thereof to participate in the distribution of dividends for the first time on the record date for dividends that occurs immediately after the subscription has been registered with the Swedish Companies Registration Office and the share has been entered in the share register maintained by Euroclear Sweden.
Change of terms:	The subscription price as well as the number of shares each Warrant entitles to subscription of are subject to customary recalculation provisions. In brief, this means that the holder of a Warrant shall be compensated in the event of certain corporate actions, including bonus issue, reverse share split or share split, new issue or reduction of share capital. For additional information regarding the recalculation provisions, please refer to the complete terms and conditions of the Warrants set out in "Appendix 1: Terms and conditions of warrants of series 2023/2024" and on the Company's website, www.cellimpact.com .

BUSINESS OVERVIEW

This Offering Circular contains estimates, forecasts and other information relating to the industry and market in which Cell Impact operates. Websites from which industry and market information has been obtained, and to which references are made in footnotes in this Offering Circular, do not form part of this Offering Circular and have not been reviewed or approved by the SFSA. Information obtained from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the information has been accurately reproduced and the Company believes that the sources are reliable, Cell Impact has not independently verified the information, entailing that its accuracy and completeness cannot be guaranteed.

In addition, assumptions and estimates about the Company and the industry's future performance are inherently subject to significant uncertainty due to a number of factors detailed in the section "Risk factors". These and other factors may cause the Company's future results to differ materially from the Company's assumptions and estimates.

Hydrogen

Hydrogen is the lightest and most abundant element in the universe and on the earth, it is found mainly in water and other organic compounds. Hydrogen is a highly energy-rich element that is becoming increasingly important as a substitute for fossil fuels. By producing hydrogen with the help of renewable energy, an environmentally friendly fuel can be produced for use in fuel cells.

Fuel cell

A fuel cell produces electricity and heat through an electrochemical reaction when hydrogen and oxygen are mixed. Fuel cells are an environmentally friendly and efficient way to create electricity for many types of mobile and stationary applications that require energy.

Flow plate

The part of the fuel cell where the chemical reaction takes place is called a stack. Each stack consists of a large number of flow plates. The task of the flow plates is to ensure that the gases are mixed as efficiently as possible and to dissipate excess heat. The plates are typically combined into pairs called bipolar plates. By connecting many bipolar plates in a series, a very powerful source of energy can be created.

Electrolyzers

Electrolyzers are used to produce hydrogen from water in an environmentally friendly way through a process called electrolysis. The method is similar to that in a fuel cell but in the opposite direction. The electrolyzer splits water molecules into hydrogen and oxygen. Hydrogen can be compressed to gas or cooled to become liquid and both states of hydrogen can be stored.

Introduction

Cell Impact is a global supplier of advanced flow plates to the market of hydrogen fuel cells and electrolysis. By using a scalable proprietary method for high-velocity forming - Cell Impact Forming™ - the Company makes it possible to produce a large quantity of high-quality flow plates. Cell Impact's forming technology is more compact, cost and energy efficient and environmentally friendly than conventional methods. The most used forming technology among Cell Impact's competitors is conventional forming, also known as progressive forming. Cell Impact Forming™ has a low energy consumption and uses no lubrication, and therefore no water to clean plates from lubrication products, which in the

Company's assessment also makes Cell Impact Forming™ an environmentally friendly forming technology.⁹

Fuel cell technology is an environmentally friendly technology that creates a chemical reaction through mixing hydrogen and oxygen that can produce both electricity and heat. The only waste product is pure water. Fuel cells are used for the propulsion of vehicles, ships and aircraft, but also to supply direct or indirect power in stationary applications such as factories, data centers, banks and hospitals. About two years ago, electrolyzers were added as an additional application and business area for flow plates at Cell Impact, which the Company believes has a very large market potential. Electrolyzers produce hydrogen by splitting water molecules in a process called electrolysis. The hydrogen can be stored and is environmentally friendly if produced from renewable energy sources. Hydrogen is used in fuel cells, but also in the production processes of steel and glass and several other industrial processes. Cell Impact is part of this development through its production of flow plates.

Strategy

The current strategy was implemented in 2018 with the aim of becoming a producer of flow plates, and since then the Company has had a strong internal focus on building a new production operation to produce a bipolar plate for fuel cells. The new strategy replaced a strategy aimed at selling production lines, with Cell Impact Forming™ as a starting point. As Cell Impact was essentially establishing a completely new business, the focus was on meeting the requirements of a small number, but demanding, customers added in 2018 and 2019, while enabling the building of capacity in line with customer requirements. Gradually, capacity was added to enable production and delivery to these customers. Significant progress has been made but the Covid-19 pandemic reduced customer demand and slowed the development of the Company.

The fuel cell and electrolyzer industry faces a major challenge in scaling up production of flow plates with existing technologies. The most used technology, progressive forming, is very costly as an investment, requires a large factory installation and the process generates high costs and quality problems in the flow plate.

Cell Impact's strategy is to offer a cost-effective, environmentally friendly and scalable production of flow plates for the fuel cell and electrolysis industry, based on Cell Impact Forming™. In some cases, where Cell Impact is considered difficult to reach markets and business potentials that would require very large investments, or long-term attempts to replace established supplier relationships, Cell Impact may sell Cell Impact Forming™ equipment and other related production technology. In such a case, the Company enters a partnership where the primary source of revenue would be the sale of design services, production of prototypes and smaller volumes, but mainly production equipment and tools. The access to the patented technology also results in a license revenue to Cell Impact. The total revenue stream consisting of services, equipment, tools that are wear products and license fee based on the activity in the forming is an attractive part of Cell Impact's sales mix. Equipment sales will vary over time but represent approximately 10 percent of total sales.

⁹ The Company's assessment based on publicly available data in, *inter alia*, financial reports, press releases and other commercial information published by other similar operators and machine and tool manufacturers.

The forming of a flow plate is not the only process in producing a finished flow plate but represents a significant cost component and is challenging to scale up. Cell Impact Forming™ enables scalable production of flow plates to solve the challenge of cost-effectively scaling up production of fuel cells and small to medium-sized electrolyzers.

Offering

Cell Impact's offering includes qualified design services for flow plates, tooling design, prototype series and high-volume production. The Company produces flow plates that are usually joined together, so-called bipolar flow plates. The production consists of a process of 4-6 steps, depending on the product. A critical part of the production is the forming of the flow plate, as the material is 0.1 mm thin and the pattern that is formed has sharp geometries, with the risk of these being too thin and leaking. This can generate high costs in production, but also if the plates crack in a fuel cell. According to Cell Impact's assessment, the forming technology used by Cell Impact reduces the above problems, compared with competing forming methods.

Cell Impact Forming™

For more than a decade, Cell Impact has been developing its own method for forming with high precision the very thin metal plates – flow plates – used in fuel cells and in some electrolyzers. The method is based on a hydraulic impactor that very quickly and accurately shapes a metal blank between two precision tools. The high velocity impact unit is not really a machine element but originated in cannons as a firing mechanism. The process is very fast. The internal machine process repetition is around 300 milliseconds. Cell Impact has converted the impact device into a machine element that can perform several types of work with good results – such as cutting thick bars, compacting metal powder and shaping thin metal material. Cell Impact's strength is in shaping thin material, and today, the Company is focusing on material used in fuel cells and electrolyzers. In that process, the hydraulics, a closed system that with pumps builds a certain pressure using oil, to perform a controlled process to shape the plate's pattern and, at exactly the right time, return the cylinder that hits the shaping tools to its starting position to repeat the process.

When forming larger volumes for fuel cell applications, Cell Impact Forming™ can provide a total cost savings of 40-50% in the forming process. Low initial tooling costs and long-life cycle provide significant cost benefits. Cell Impact hopes to achieve the same solid comparative advantages also to produce larger electrolyte plates, with an approximate area of about 3,000 cm².

In addition, in collaboration with a subcontractor, the Company has developed a punching process that punches away material with very high precision, with very good qualitative results and long tool life. This development is in its final stages and will be used in high volume production.

Strengths and competitive advantages

Cell Impact believes that the industrial strengths and competitive advantages of Cell Impact Forming™ include the following.¹⁰

¹⁰ The company's assessment based on publicly available data in, *inter alia*, financial reports, press releases and other commercial information published by other similar operators and machine and tool manufacturers.

- **Short lead time to increase capacity.** For Cell Impact Forming™ the lead time today is 6-9 months. If the assembly of this equipment were to take place regularly, the lead time would be reduced to a few months.
- **Takes up little space.** Cell Impact Forming™ is 3 meters high and 1.5 x 1.5 meters wide and is placed directly on a standard industrial floor, without anchoring in the floor. It currently takes about two weeks to install the equipment.
- **Operating cost.** The forming tools are a major cost in forming. Since Cell Impact's tools are of low complexity and have no moving components, the cost is deemed to be low and have a long service life. Together with low maintenance costs, this difference contributes to a low forming cost.
- **Low energy consumption.** Cell Impact Forming™ has a low energy consumption.
- **No lubricants are used.** Cell Impact Forming™ is a high-speed forming process with such a high speed of forming that the need for lubricants is eliminated.
- **No water is needed for cleaning.** Since lubricants are not used in the forming process, there is no need for subsequent cleaning. This means that the plates do not need to be cleaned after forming, which means that time-consuming cleaning as well as investment in costly cleaning equipment can be avoided.
- **Lubricant-free surfaces.** High speed allows for lubricant-free forming, providing a surface cleanliness that allows the so-called post-coating of the plate surfaces to adhere better, thus reducing the risk of cracking and flaking of the plate coating.
- **Even thickness.** The evenness of the plate is important because it creates a good flow in the plate, but also for putting other components on the plate that require high precision.
- **Smooth uniform surface topography.** Smooth surface in the flow plate makes it possible to achieve a good result in post coating of the plate and potentially also a small amount of material in the post coating.
- **Good forming results for coated materials.** Due to the high speed and precise impact of forming, materials pre-coated with a surface, such as graphite, show low wear in regions critical to the functionality of the plate.
- **Stable forming process.** since forming and cutting are done in separate processes, the processes do not interfere with each other. This contributes to the high quality of the plate.
- **Rapid build-up.** Companies manufacturing fuel cells and electrolyzers can also benefit from the relatively fast build-up of Cell Impact Forming™, if capacity is a problem when competing for new business. With Cell Impact Forming™, new capacity can be added quickly, enabling business growth.

Market

The Company believes that demand for fuel cells and electrolyzers is increasing and that demand will accelerate further in the coming years. Cell Impact further estimates that the Company will begin deliveries of flow plates also to electrolyzers where forming of plates can take place, but also other types of electrolyzers where Cell Impact's new upcoming high precision punching is an important part of the offering. The Company's goal is to become a significant operator as a supplier of flow plates in the emerging fuel cell and electrolysis industry. Since 2018, Cell Impact has completed more than 50 design projects aimed at developing a flow plate.

The market for fuel cells consists mainly of two sectors:

- Automotive industry producing fuel cells in-house as an alternative or complementary powertrain to internal combustion engines and battery electric drive. There is internal competition using conventional forming previously used to produce engine block seals and similar products.
- Industrial companies outside the automotive industry that offer fuel cells as an energy source in various applications, mainly outside the automotive industry. There has been some specialization in this sector, with some companies focusing on stationary applications and others on mobility. The trend is that manufacturers who previously did not address stationary applications are now starting to do so. The trend does not exist in the same way from stationary to mobility.

Applications can be divided into two main areas:

- **Stationary applications.** Here the fuel cell provides direct power and/or backup power with application areas such as mobile networks, hospitals and data centers.
- **Mobile applications.** Here the fuel cell electrifies electric vehicles such as forklifts, light commercial vehicles for logistics, buses, trucks and cars on the ground and then aerospace and marine applications.

Flow plates for electrolyzers have been a segment for Cell Impact since 2022. The production of electrolyzers takes place in the same key markets as fuel cells and Cell Impact is actively cultivating this market. This is a growing market segment that aims to significantly reduce carbon dioxide emissions through the production of green hydrogen, especially through the utilization of intermittent renewable energy. Cell Impact has received many inquiries from different markets in 2023.

The market in which Cell Impact operates is international and consists largely of Europe, with Germany and France leading the way, China, Japan, North America and South Korea.

Europe

In Europe there are several countries with a hydrogen strategy, but the leading countries with great potential for flow plates for fuel cells in particular are Germany, France and the United Kingdom. Germany and France are driving forces in the EU when it comes, for example, to the development of green hydrogen production¹¹ and filling stations for the transport sector¹².

China

China is an important fuel cell market and Cell Impact has delivered to the Chinese market from Sweden for several years. To be successful in the country, however, Cell Impact believes that local manufacturing is required, which is why China is a market where some form of partnership or manufacturing as part of the customer's factory (*factory-in-factory*) seems necessary to be able to take the next step, which the Company is investigating.

Japan

Japan is at the forefront of fuel cell technology, especially in the automotive industry, and has an ambitious national plan to build an all-inclusive hydrogen society to reduce climate emissions.¹³ Cell Impact has had a presence in Japan since 2019 when Cell Impact and

¹¹ Euractiv, *Franco-German team-up aims to drive hydrogen production forward*, September 11, 2020, <https://www.euractiv.com/section/energy/news/franco-german-team-up-aims-to-drive-hydrogen-production-forward/>.

¹² Hydrogen Mobility Europe, n.d., <https://h2me.eu/about/hydrogen-refuelling-infrastructure/>.

¹³ International Energy Council, *Japan 2021 - Energy Policy Review*, May 2021, https://iea.blob.core.windows.net/assets/3470b395-cfdd-44a9-9184-0537cf069c3d/Japan2021_EnergyPolicyReview.pdf.

Japanese Nakanishi Metal Works Co. Ltd ("**NKC**") signed a *Memorandum of Understanding* to explore opportunities for collaboration on international business development. At the end of December 2020, Cell Impact and NKC decided that there were not enough common synergies to justify a deeper collaboration. As a consequence, Cell Impact decided to establish a subsidiary in Japan to support ongoing projects and market development. The subsidiary, Cell Impact Japan Inc, was established in the first quarter of 2021 and has offices in Tokyo.

In 2023 a Cell Impact Forming™ demonstration line was installed in Hamamatsu in collaboration with F.C.C. Co., Ltd. ("**F.C.C.**") A large number of companies, both existing and new relationships, have visited the demonstration line and a number have expressed a strong interest in testing the forming technology. F.C.C. and Cell Impact have no formal relationship but are conducting the demonstration activity jointly in order to enable F.C.C. to evaluate the forming technology while marketing it in Japan. Currently, the two companies are evaluating the next possible steps for activity in Japan.

Electrolysis – potential business opportunities

In view of the large investments planned and implemented for green hydrogen production (see further the section "*General about the market*" below), the demand for electrolysis technologies, which share water molecules to produce green hydrogen, will increase. One technology track among electrolysis processes is of PEM type (*Proton Exchange Membrane*, "**PEM**"), which is a method of converting renewable energy into hydrogen. PEM-type electrolysis processes correspond to PEM-type fuel cells, indicating a low temperature process. It represents a small proportion of the various process technologies that exist today, but many observers believe that the share of PEM electrolysis will gradually increase in the long term as it appears to be the most cost-effective with operation suitable for intermittent operation, and therefore represents a good combination with intermittent renewable energy.¹⁴ There are also business opportunities in other electrolyzer segments where forming can be considered or where precision stamping and forming can be performed.

Since 2022, Cell Impact has aimed to develop new business with flow plates for electrolyzers. During the second quarter of 2023, the Company has delivered two different product samples to customers, one is a customer's plate for research and development and the other an existing commercial product. In both cases, the Company has used production processes that complement the forming and which have given a very good result. In addition to these deliveries, Cell Impact is active in several requests for forming of flow plates for electrolysis equipment. There is also great interest in the possibility of forming larger plates than what Cell Impact forms today. Cell Impact expects to start production of flow plates for electrolyzers in 2024. This would mean that the market for Cell Impact is broadened to include both fuel cells and electrolysis equipment.

Customers

Cell Impact has two categories of customers – automotive and non-automotive customers.

Automotive customers manufacture fuel cells for cars, buses and trucks. Customers outside the automotive industry manufacture fuel cells for other applications outside traditional automotive applications. The latter category, non-automotive customers and prospects is

¹⁴ Kendall Mongird et al, 2020 *Grid Energy Storage, Technology Cost and Performance Assessment*, Pacific Northwest National Laboratory, 2020, https://www.pnnl.gov/sites/default/files/media/file/Hydrogen_Methodology.pdf.

currently the most important for Cell Impact in terms of flow plate sales. In terms of potential partnerships and equipment sales, the automotive industry, or companies that are major suppliers to the automotive industry, are more important to Cell Impact.

Customers that are part of the automotive industry. Sales are made to the automotive industry in the form of tool projects and prototypes, but the business is expected to grow in the long term, given the great interest in Cell Impact Forming™. The automotive industry is a driving force and places great demands on the reliability of processes and the Company has carried out a number of projects, such as tool life tests, in order to qualify the Company's production technology for future production of large volumes - with scalable Cell Impact Forming™ as the technology platform. The Company currently estimates that the main growth in the medium term will take place outside the automotive industry and that the potential in the automotive industry will largely be addressed with future partnerships.

Customers that fall outside the automotive industry. Applications included in this customer category relate mainly to material handling, such as forklifts, light logistic vehicles, small marine and aerospace applications.

Today, the Company has approximately five active customers. The Company's customers are primarily located in North America, China and Japan, but a number of European companies are also on the customer list as purchasers of test tools. These are important because orders for test tools lay the foundation for a continuation of full-scale production. Today, based on test runs, the Company believes it has several European business opportunities.

Most customers regard the development and purchase of flow plates as a business secret. Some customers allow their names to be published when orders are placed, or after a certain period of joint development that is switched to ongoing production. One such customer is a major player in fuel cells and electrolyzers and the Company's largest customer - Plug Power.

Demand for Cell Impact's offering

Customers and prospects are initially attracted by Cell Impact Forming™ and its scalability, but also the qualitative aspects resulting from the high-speed forming that gives a good result in terms of flow plate shape, fit in the fuel cell stack and functionality.

A typical development in a commercial phase is that the customer starts a design project aimed at supporting the customer's own design of a flow plate and adapting it to Cell Impact Forming™. The work results in a forming tool. When the forming tool is ready, prototype production starts. Cell Impact does not normally communicate this type of order, but primarily only orders that are of great magnitude or those of a milestone nature as part of developing new business, or that are important for other reasons including what is important in terms of technical development. Described below are key customers who have placed orders that the Company considers to be milestones that have had a significant impact on commercial and technical development. The Company has completed some fifty projects in flow plates, which include major tools.

Plug Power

Plug Power is the market leader in fuel cells for all applications. Fuel cells will play an important role in the energy transition, including logistics vehicles, trucks, buses, cars,

aircraft as well as data centers. Plug Power is expanding internationally and is also an emerging major player in the manufacture of electrolyzers for green hydrogen production and supply of hydrogen to users other than itself.

Cell Impact's sales to Plug Power consists of several flow plates, tools and equipment. Since 2018, Cell Impact has received several development orders and during the second quarter of 2021, the Company received a larger order of SEK 42 million, and another order of SEK 22 million has recently been published. The order of SEK 42 million is the Company's largest order to date and although the Company has had sales to Plug Power in previous years, the Company considers this order as a milestone and above all a validation of Cell Impact's technology, including Cell Impact Forming™. The order included delivery of Cell Impact Forming™ and equipment for related processes. The order also included a significant amount of flow plates, which at the time represented a start of volume production. Since then, additional flow plates have been developed and continuously produced. The recent order received in October 2023 consists mainly of flow plates with delivery in the first half of 2024. Sales attributable to this customer as a share of the Company's total sales are expected to gradually decrease as volumes to other customers increase and prospects are converted to buying customers.

Cell Impact has a deep collaboration with Plug Power which includes both Cell Impact and Plug Power using the same forming technology for metal flow plates – Cell Impact Forming™. The purpose of using the same technology for forming is to reduce the risk in the value chain. Therefore, Cell Impact in Karlskoga will manufacture part of Plug Power's demand for flow plates, while Plug Power's Innovation Centre and Gigafactory in Rochester, New York, manufacture the remaining volume. Plug Power is experiencing strong growth in all business areas that use flow plates and Cell Impact has in recent years experienced growth with them in the fuel cell area and it is the Company's goal, despite the current temporary delivery weakness, to grow over time with Plug Power's international ambitions for both fuel cells and an emerging segment for Cell Impact for electrolyzers.

North American innovative fuel cell manufacturer

This customer, which was Cell Impact's largest customer for a period, has a longer history in fuel cell development. The customer is part of a larger global group and a major player in the industry for material handling with fuel cell products. The customer has further developed one of the fuel cell products during the Covid-19 pandemic that has been successfully launched in 2023 and where the customer has an ambitious volume target for 2024. Cell Impact has an expectation of increasing sales from 2024.

Japanese customer

Development activities for this customer were initially conducted in cooperation with NKC, Osaka, Japan, and started already in 2019. The work is currently run through Cell Impact's own subsidiary in Japan.

Cell Impact continues to receive orders for design and tooling projects, projects that also help Cell Impact's development of new and robust manufacturing processes. The customer is a major player in fuel cells for vehicles with a large internal as well as external market towards other companies. The goal is to qualify Cell Impact as a supplier of flow plates. Cell Impact is also working with other potential customers in the Japanese market.

In 2023, Cell Impact installed a Cell Impact Forming™ demonstration line in Japan in collaboration with F.C.C. During the demonstration period, up to 20 Japanese fuel cell and

electrolyzer manufacturers visited the demonstration line. This and other local activities have focused on developing a potential future production of flow plates in Japan.

Chinese customer

Cell Impact's main customer in China is Beijing Nowogen Technology. This company is a well-established fuel cell company that Cell Impact believes will be successful in the Chinese market. A strong trend in China is to replace graphite plates with metal plates. Cell Impact is assisting the customer in this development.

After the Covid-19 pandemic ended in China, the Company sees an opportunity for continued business with Beijing Nowogen Technology and potentially with other fuel cell manufacturers in China.

Financial targets

The financial targets were adjusted to the wording below in connection with the publication of the interim report for the second quarter 2023. Although the long-term outlook for Cell Impact seems positive in light of the growth of the hydrogen industry, the Company is currently experiencing a significantly lower level of activity among its customers, resulting in delayed orders. The Company estimates that the lower demand for in particular flow plates will last for several quarters before a positive trend is re-established and has thus come to the conclusion that further adjustments to the financial targets (including the timing of reaching EBITDA break-even) cannot be ruled out.

The financial targets are forward-looking statements, i.e. no guarantee of future financial performance and may be subject to change. Cell Impact's actual results may differ materially from the results expressed or implied by these forward-looking statements as a result of several factors, including but not limited to those described in the section "*Risk factors*".

The financial targets communicated by the Company are as follows:

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

The Company expects to reach EBITDA break-even in 2025, driven by significantly improved productivity through the Phase 2 program and higher sales volumes. In the long term, the Company sees potential for a substantially higher EBITDA margin than indicated in the Company's medium-term profitability targets.

The Company's basis for the financial targets can be summarized as follows:

1. The strategy is based on growth close to customers in the fuel cell and electrolyzer industry with the Karlskoga factory as a center of excellence. In some cases, strategic partnerships may be relevant in relation to larger business opportunities that could include the sale of Cell Impact's production technology. This can lead to internationalization initiatives.
2. Sales targets are based on leading customers' market positions and plans in an industry that has strong momentum. Above all, they are supported by broad

European and American government stimulus programs and private Net Zero initiatives.

3. The offering is based on Cell Impact's patented technology, Cell Impact Forming™, that enables green, cost-effective production to be scaled up with relatively short lead times.
4. Cell Impact is building up its business in two phases:
 - a. Phase 1 involved changing strategy from manufacturing machinery to using Cell Impact's patented forming technology and becoming a producer of flow plates. It also involved quickly building up enough capacity to initially meet the needs of the Company's first customers and capture business opportunities. This included building a larger factory and acquiring new production equipment. In the long term, the capacity established in Phase 1 will be a powerful business development engine for creating prototypes and manufacturing small and medium volumes.
 - b. In Phase 2, the focus is on greatly reducing production costs through a higher degree of automation and smarter processes, which will result in shorter production cycles, in addition to being able to handle growing volumes with a more developed offering.
5. The pandemic, the Russian war in Ukraine and various types of delays at Cell Impact's customers, including product development challenges and delays in the value chain, have meant that Cell Impact is somewhat behind in achieving the Company's sales targets. At the same time, Cell Impact is recognized by customers and prospects alike for what it has achieved to date, and its productivity-based Phase 2 offering that is gradually being developed and established.

The factory in Karlskoga, Sweden

At the end of 2020, Cell Impact completed its move to the newly renovated and larger factory in the area Brickegården, Karlskoga.

Since the move, Cell Impact has built a complete and robust production system that covers about half of the total 5,000 square meter production area of the premises. This is a milestone in the Company's development, supporting the growth of existing customers and creating confidence among a growing list of potential customers. To meet expected demand, the remaining 2,500 square meters of the premises have been completed. Here the Company's Phase 2 is emerging, which aims to greatly improve productivity by reducing cycle times. This phase will include more integrated productive process technologies. This is of great importance to reduce costs and improve performance. Cell Impact receives very positive feedback on what has been achieved in Phase 1, including the level of knowledge in application and process development. The new expansion area has undergone renovation and adaptation, and is being supplemented with additional production equipment in line with the demand for larger volumes.

Cell Impact's choice and construction of production processes are defined in two development phases. The previous phase, Phase 1, involved converting existing demand

into business and correctly positioning Cell Impact for future growth and securing enough capacity to initially meet customer needs and capture business opportunities. Phase 1 was built up between 2018-2022. Phase 2 is a follow-up of Phase 1 to be implemented to increase the level of automation and efficiency in processes with the goal of significantly reducing production costs and securing the capacity to handle growing volumes.

The goal is to use highly automated production, in combination with a large knowledge content in application, tool design and production, to create the conditions for a long-term increase in the EBITDA margin to a level that is higher than the Company's stated financial targets in the medium term. Considering the major political initiatives taken in the EU, the US and several other countries, which mean that markets are becoming more national or regional with elements of localization requirements, the Company sees a greater demand for being able to manufacture flow plates nationally, close to or at the customer. This could potentially include collaboration with local partners. In light of this, the Karlskoga factory should be seen as a model factory, rather than a factory that will meet a large international demand for flow plates. The Company therefore envisions a product mix where sales primarily consist of flow plates, but also production equipment in order to build up local production activities close to the customer.

General market overview

Hydrogen – The most important energy carrier for the climate

Hydrogen is an energy carrier and plays a key role in reducing CO₂ emissions. More than 20% of final energy demand could come from hydrogen in 2050, compared to almost zero in 2023, as the hydrogen used today is produced from fossil sources.¹⁵ In this context, electrolysis as a process and its equipment, electrolyzers, play a key role. Clean hydrogen is produced by splitting water molecules to obtain hydrogen (H₂) and oxygen (O₂) using electricity from renewable or clean energy sources. This is done using the electrolyzer. In the electrolyzer, just like in fuel cells, there is a stack that includes bipolar plates ("BPP"). The function of the BPP is to separate the cells in the stack and conduct electricity between the cells. It also provides mechanical support, distributes water inside the cell and transports generated gases to the outlet, through channels that facilitate the transportation of water, hydrogen and oxygen inside the stack.

The Dutch research institute TNO has stated that a key driver for scaling up and commercializing electrolysis capacity is to reduce costs.¹⁶ There are three main cost contributors: the electricity price, the capital costs of the electrolyzer and the number of operating hours at full load. To reduce the impact of capital costs, scaling up is itself an opportunity to reduce costs. Large series production of systems and high-volume manufacturing of components will reduce the marginal cost of production. As a manufacturer of BPP, Cell Impact can help to influence the cost of the electrolyzer equipment.

A report authored by the Hydrogen Council in collaboration with McKinsey & Company states that hydrogen has a central role to play in helping the world reach net zero emissions

¹⁵ McKinsey & Company, *The clean hydrogen opportunity for hydrocarbon-rich countries*, 2022, <https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-clean-hydrogen-opportunity-for-hydrocarbon-rich-countries>; McKinsey & Company, *Global Energy Perspective 2022 Executive Summary*, 2022, <https://www.mckinsey.com/-/media/McKinsey/Industries/Oil%20and%20Gas/Our%20Insights/Global%20Energy%20Perspective%202022/Globa-Energy-Perspective-2022-Executive-Summary.pdf>; McKinsey & Company and Hydrogen Council, *Hydrogen for Net-Zero A critical cost-competitive energy vector*, 2021, <https://hydrogencouncil.com/wp-content/uploads/2021/11/Hydrogen-for-Net-Zero.pdf>.

¹⁶ TNO, *Electrolyzers: Opportunities for high-tech manufacturing industry*, 2023, <https://www.tno.nl/en/technology-science/technologies/elektrolysis/>.

by 2050 and limit global warming to 1.5 degrees. Complementing other decarbonization technologies such as renewable energy, biofuels or energy efficiency improvements, clean hydrogen (both renewable and low-carbon) offers the only long-term, scalable and cost-effective option for deep decarbonization in sectors such as steel, shipping, aviation and ammonia. Furthermore, from now until 2050, hydrogen can avoid 80 gigatonnes of cumulative CO₂ emissions. With an annual decarbonization potential of 7 gigatonnes in 2050, hydrogen can contribute 20 percent of the total decarbonization needed in 2050. This requires the use of 660 million tonnes of low-carbon hydrogen in 2050, corresponding to 22 percent of global final energy demand. Achieving the proposed pathway to net zero emissions by 2050 and decarbonizing 22% of final energy demand will require a supply and demand for clean hydrogen in 2030 of 75 megatons. To achieve this and associated intermediate and end-use investments, the industry needs total direct investments of USD 700 billion across the entire hydrogen value chain by 2030.¹⁷

According to the latest update on the global hydrogen economy from the Hydrogen Council and McKinsey & Company, the hydrogen sector continues to accelerate with more than 1,000 projects requiring USD 320 billion announced globally. More than 1,040 projects were announced globally, of which 795 are targeting deployment by 2030. Announced projects represent investments of USD 320 billion by 2030, up from USD 240 billion in previous publications. Of this, USD 29 billion has become final investment decisions. Europe is the largest in terms of announced delivery, followed by the Americas and Oceania. More than 230 gigawatts of electrolysis capacity is announced to be in operation by 2030, meaning that a more than 300-fold growth in deployment is needed over the next seven years to realize this. More investments are needed along the hydrogen value chain to bridge an investment gap of USD 380 billion by 2030. USD 700 billion investments are to be made by 2030 for 75 million tonnes of hydrogen per year by 2030 and to have a chance to reach net zero emissions by 2050. Electrolyzers and fuel cell manufacturers are preparing for scale-up. According to OEM statements, the growth in manufacturing capacity for electrolyzers has reached almost 9 gigawatts, a growth of 150%. For fuel cell manufacturing, the total global capacity of OEMs amounts to 12 gigawatts, with Japan and South Korea as the largest supplier markets. Vehicle manufacturers have announced that more than 130 fuel cell vehicles are expected to be assembled by 2023, the majority of which consist of commercial vehicles (trucks and buses) in China. The deployment of electrolysis capacity is lagging: more than 200 gigawatts of electrolysis capacity is needed by 2030 to track net zero by 2050 – more than 200 times the capacity installed today. The slow deployment may be due to a lack of government support and withdrawal commitments (i.e. willingness to pay a green premium), supply chain constraints, increased costs of deploying projects, engineering project capacity, or potentially lengthy permitting processes for projects. The share of alkaline, PEM and other electrolysis technologies has remained relatively stable over the past two years, with alkaline electrolysis technology accounting for about 60 percent, followed by PEM (about 30 percent). In China, the largest market, most of the deployed electrolysis capacity is alkaline technology, while the share of PEM technology is higher in Europe and North America.¹⁸

¹⁷ McKinsey & Company and Hydrogen Council, *Hydrogen for Net-Zero A critical cost-competitive energy vector*, 2021, <https://hydrogencouncil.com/wp-content/uploads/2021/11/Hydrogen-for-Net-Zero.pdf>.

¹⁸ McKinsey & Company and Hydrogen Council, *Hydrogen Insights 2023 An update on the state of the global hydrogen economy, with a deep dive into North America*, 2023, <https://hydrogencouncil.com/wp-content/uploads/2023/05/Hydrogen-Insights-2023.pdf>.

A large market in the long term

Cell Impact has seen an increasing stream of inquiries since the EU announced its Green Deal. It has become a catalyst for a variety of initiatives among companies and countries and will boost both the hydrogen and fuel cell markets. Some analysts, such as Bank of America (formerly Bank of America Merrill Lynch), estimate that the hydrogen market is eventually worth up to USD 2,500 billion in sales and will attract USD 11,000 billion in investment across the hydrogen industry by 2050.¹⁹

Sweden has not previously been one of the driving countries for greater use of hydrogen but is now accelerating with the major investment made by SSAB, LKAB and Vattenfall in the joint HYBRIT project.²⁰ The same applies to H2 Green Steel with its brand-new plant²¹ and Ovako Steel. The goal is carbon dioxide-free steel production, and if the projects succeed, it would be a breakthrough for the entire steel industry.

Policy initiatives driving fossil-free development

In recent years, the US, EU and a number of Asian countries have launched packages of policy initiatives to reduce global warming. Hydrogen fuel cells can play an important role in this transition to a fossil-free economy:

- **USA:** Congress passed the Inflation Reduction Act (“IRA”) in the summer of 2022. According to the International Council on Clean Transportation, this combines a wide range of clean energy tax incentives in a single bill and will see an estimated USD 369 billion spent on addressing energy security and climate change over the next 10 years. A key component of the IRA is a lucrative set of tax breaks aimed at accelerating the deployment of clean energy technologies such as green hydrogen. This financial support has also brought some US vehicle manufacturers from the sidelines into the clean transportation arena, with some planning to scale up hydrogen vehicle manufacturing and build new infrastructure. Green hydrogen made from renewable electricity has received much attention because of its potential to decarbonize transportation, including road, aviation and shipping, as well as industry, but cost is a major barrier to its deployment.
- **EU:** Since 2020, under the EU Green Deal, the EU has a defined strategy to create a European hydrogen ecosystem – covering everything from research and innovation to scaling up production and infrastructure. The EU Green Deal contains a wide range of policy initiatives to pave the way for a green transition. With the goal of becoming climate-neutral by 2050, the package is expected to have a major impact on the development of a European energy system in which hydrogen is a key component. The strategy to promote hydrogen covers five main areas: (i) investment support, (ii) support for production and demand growth, (iii) market and infrastructure creation for hydrogen, (iv) research and collaboration, and (v) international cooperation. In 2022, twenty key activities were defined to implement the hydrogen strategy. One of the activities is to facilitate investments in hydrogen by mapping European investment projects.

¹⁹ Bank of America, Q&A: New energy behind green hydrogen, 2021-08-02, <https://www.privatebank.bankofamerica.com/articles/green-hydrogen-market-importance>.

²⁰ HYBRIT, n.d., <https://www.hybritdevelopment.se/>.

²¹ H2 Green Steel, <https://www.h2greensteel.com/>.

- **Asia:** The Chinese government has put forward a hydrogen development plan that extends to 2035. The goal is to have 50,000 vehicles powered by hydrogen and fuel cells by 2025 and to build a large number of hydrogen filling stations to enable this. The plan aims for the production of green hydrogen with renewable raw material resources to reach 100,000-200, 000 tons per year by 2025. In addition to transport, the plan foresees the use of clean hydrogen in other sectors: energy storage, electricity generation and industry. In Japan, the government has decided to support companies active in hydrogen production, but also the establishment of hydrogen value chains. The proposal aims to prevent support to companies that produce hydrogen in a way that is harmful to the environment and will only provide subsidies for the production of green hydrogen. In December 2022, a proposal was launched that aims to equalize costs between hydrogen (and ammonia) and fossil fuels over the next 15 years. Japan also aims to support the use of hydrogen in the production of fossil-free steel. In January 2019, South Korea presented its hydrogen society roadmap. The goal is that by 2040 the industry will have produced 6.2 million fuel cell electric vehicles and built at least 1,200 refueling stations. The roadmap aims to have 15 GW of fuel cell electricity generation capacity in the energy sector by 2040.

Trends in the hydrogen economy

Three key trends in the rapidly developing hydrogen sector are fuel cells, green hydrogen and electrolysis:

- **The market for fuel cells:** The automotive sector is a sector where fuel cells are expected to play a major role, but also for uses such as stationary applications, material handling, hydrogen production and transportation in the form of trains, airplanes and marine. Many regions are making significant investments with vehicle manufacturers to develop fuel cells for vehicles. Already today, there are countries where electric cars running on hydrogen with fuel cell technology are relatively common. Japan, South Korea and China are three such countries and car manufacturers such as Hyundai, Toyota and Honda are already using the technology. A bottleneck for the fuel cell market, however, is the high cost of fuel cells themselves, as well as the production and distribution of hydrogen, where costs are still higher than for fossil fuels.
- **The market for electrolyzers:** A very small part of the current global hydrogen market consists of hydrogen produced electrolytically, i.e. using electrolyzers. To reach the global climate goals, the use of hydrogen must increase, but at the same time the production increase must be done in a sustainable way – for example through electrolyzers powered by renewable energy. In the US, the market for hydrogen produced by electrolysis will need to grow significantly to meet potential future demands for fossil-free energy in sectors that will continue to be important, such as: (i) air and sea transportation, (ii) long-distance transportation via commercial vehicles, (iii) energy storage. Although it is difficult to define precise supply chain constraints for the electrolyzer and fuel cell industries, the US is estimated to lack the production facilities to keep up with global competition. Similarly, fuel cell capacity is estimated to need to increase to meet the demand for heavy and medium duty vehicles and electricity generation. There are currently vulnerabilities in the electrolytic hydrogen market such as lack of incentives for

emission reduction, insufficient availability of key raw materials, shortage of human resources and lack of national and international codes and standards.

As Cell Impact looks ahead, the focus is on further developing existing relationships by broadening the business where possible while developing new anchor customers. With a pipeline of several quality prospects, the Company sees great opportunities for continued development, which primarily includes the productivity boost through Phase II, and a broadening of the business to include deliveries to electrolyzer applications. The Company also sees opportunities for industrial partnerships where equipment sales will make a good contribution to the financial targets.

CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables in this section describe the Company's capitalisation and indebtedness at Group level as of 30 September 2023. See the section "Shares, share capital and ownership structure" for further information on the Company's share capital and shares. The information is retrieved from the Company's reviewed interim report for the period 1 January - 30 September 2023 and the Company's internal accounting and reporting system.

Capitalisation

The table below presents Cell Impact's capital structure, based on shareholder equity and interest-bearing liabilities, as of 30 September 2023.

Amounts in KSEK	As of 30 September 2023
Current debt	
Guaranteed	-
Secured ¹⁾	12,170
Unguaranteed/unsecured	-
Total current debt (incl. current portion of non-current debt)²⁾	12,170
Non-current debt	
Guaranteed	-
Secured ³⁾	32,915
Unguaranteed/unsecured	-
Total non-current debt (excl. current portion of non-current debt)⁴⁾	32,915
Shareholder equity	
Share capital	8,777
Legal reserve(s)	-
Other reserves	231,640
Total shareholder equity	240,417

1) Almi loan. As security for its obligations under the loan agreement, Cell Impact has pledged a floating charge of SEK 4.1 million placed within SEK 34.1 million of the Company's property.

2) Referred to as *Skulder till kreditinstitut (kortfristiga)* in the Swedish language version of the Group's interim report for the period 1 January - 30 September 2023.

3) Almi loan. As a security for its obligations under the loan agreement, Cell Impact has pledged a floating charge of SEK 4.1 million placed within SEK 34.1 million of the Company's property.

4) Corresponds to and is referred to as *Summa långfristiga skulder* in the Swedish language version of the Group's interim report for the period 1 January - 30 September 2023. The amount SEK 32.9 million is a combination of the following items in the Swedish language version of the Group's interim report for the period 1 January - 30 September 2023: *Skulder till kreditinstitut* (SEK 17.7 million) and *Leasingskulder* (SEK 15.2 million).

Financial indebtedness

The table below presents Cell Impact's financial indebtedness as of 30 September 2023. The table includes only interest-bearing debt.

Amounts in KSEK	As of 30 September 2023
(A) Cash ¹⁾	35,086
(B) Cash equivalents	-
(C) Other current financial assets	-
(D) Liquidity (A)+(B)+(C)	35,086
(E) Current financial debt (incl. debt instruments, but excl. the current portion of non-current financial debt)	3,956
(F) Current portion of non-current financial debt	8,214
(G) Current financial indebtedness (E)+(F)	12,170
(H) Net current financial indebtedness (G)-(D)	-22,915
(I) Non-current financial debt (excl. current portion and debt instruments) ²⁾	32,915
(J) Debt instruments	-
(K) Non-current trade and other payables	-
(L) Non-current financial indebtedness (I)+(J)+(K)	32,915
(M) Total financial indebtedness (H)+(L)	9,999

1) Referred to as *Likvida medel* in the Swedish language version of the Group's interim report for the period 1 January - 30 September 2023.

2) Corresponds to and is referred to as *Summa långfristiga skulder* in the Swedish language version of the Company's interim report for the for the period 1 January - 30 September 2023. The amount of SEK 32.9 million is a combination of the following items in the Group's interim report for the period 1 January - 30 September 2023: *Skulder till kreditinstitut* (SEK 17.7 million) and *Leasingskulder* (SEK 15.2 million).

Significant changes since 30 September 2023

No significant changes to Cell Impact's financial performance or financial position have occurred since 30 September 2023.

Indirect indebtedness and contingent liabilities

As of 30 September 2023, the Company has no indirect indebtedness or contingent liabilities.

Investments

The Company has made investments in property, plant and equipment (production-related investments) with a total value of SEK 40.1 million since 31 December 2022. The Company has not made any other investments deemed to be of a significant nature after 31 December 2022 until the date of the Offering Circular.

As of the date of the Offering Circular, the Company has significant ongoing investments related to the Company's Phase 2 program with a total value of approximately SEK 40

million, for which fixed commitments of approximately SEK 20 million have been made which are expected to be financed by the proceeds from the Rights Issue.

Trends

Below is a summary of the most recent key trends in production, sales, inventory, costs and selling prices during the period from the end of the last financial year up to and including the date of the Offering Circular and known trends, uncertainties, requirements, commitments or events that are reasonably likely to have a material impact on Cell Impact's prospects for the current financial year.

- During the second quarter of 2023, Cell Impact has noted a reduced demand for its products and indications resulting in delays in orders. This contributed to lower sales in the second quarter and a reduction of the Company's plan for the full year 2023. Cell Impact's assessment is that existing customers are experiencing delays in production that can be attributed to internal bottlenecks and delivery delays of components. Against this background, Cell Impact announced in July 2023, a savings program to adapt the organization and costs to the lower future production rate of flow plates. The savings program includes staff reductions on both the collective side and in the salaried side and MBL (*Sw. Lag (1976:580) om medbestämmande i arbetslivet*) negotiations were initiated after the end of the second quarter. The program also includes reductions in overhead costs and the postponement of scale-up costs in a new part of the factory. The savings program was fully negotiated as of 31 August 2023 and has led to 21 employees having to leave the Company. The full cost effect of the measures will be obtained towards the end of 2023. The Company will continue to adapt its costs to the demand situation. Moreover, the third quarter 2023 was a weak period in line with the expectations that Cell Impact communicated after the second quarter 2023. The Company sees a lower demand for flow plates in particular and believes that this is a level that will persist for several quarters before a positive trend is re-established. Furthermore, on 4 October 2023, Cell Impact announced that the trend of delayed orders from fuel cell manufacturers continues, and the trend is stronger than before. Cell Impact is strongly focused on converting the Company's pipeline of projects into new customers and business. In the long term, this is expected to create a more consistent sales development. On 4 October 2023, Cell Impact also announced that the Company received a new order from the Company's largest customer at a value of SEK 22 million for delivery during the first half of 2024. The Company is experiencing a strong inflow of inquiries and actual work on several projects that represent growth opportunities. The inflow of inquiries is associated with several different powerful political initiatives, especially the EU Green Deal (see further below), and associated implementation programs.
- Cell Impact's operations and sales benefit from the transition to a fossil-free economy, as hydrogen fuel cells can play an important role in this. The United States, the EU and several countries in Asia have in recent years launched political initiatives in order to reduce the global warming. The implementation of such political initiatives could lead to increased demand in the market for fuel cells and electrolyzers, increased sales and reduced costs for the Company as well as government support, subsidies and other measures that promote the Company's business. Cell Impact has also identified several current bottlenecks and weaknesses

in the market for fuel cells and electrolyzers, including high costs for fuel cells and electrolyzers and the production of hydrogen, lack of incentives for emission reduction, insufficient access to key raw materials, shortage of personnel and lack of national and international codes and standards. See further the sections *"Business overview – General market overview – Policy initiatives driving fossil-free development"* and *"Business overview – General market overview – Trends in the hydrogen economy"*.

- The hydrogen industry is being developed and Cell Impact's customers, who are part of this development, are investing to increase delivery of their products and are taking steps to address delays and challenges in the value chain. However, Cell Impact believes that the development of products, supply chains and the composition of the hydrogen market is a challenge and that the Company is currently undergoing a temporary adjustment of the production level. As the value chain becomes more reliable and results in working capacity, the possibility of an increased and more even order flow to Cell Impact is thus provided. Furthermore, it is possible that an internationalization of the Company's activities may come earlier than expected, in light of the fact that the Company currently sees a greater demand for being able to manufacture flow plates nationally, close to or at the customer. This means, among other things, that the Company's product mix, in addition to flow plates, may include production equipment in order to build up local production activities close to the customer.

Emphasis of matter in audit reports

In Cell Impact's audited consolidated financial statements for the financial year that ended 31 December 2022, the following emphasis of matter was made.

"Emphasis of matter"

We draw attention to the information presented by the Board of Directors in "Cash and financial position" (pages 21-22) under the heading "Acquisition of new capital" in the financial statements, which describes that together with the cash available as of 31 December 2022, the company is deemed to be financed for the majority of 2023, but will need additional capital during 2023 to finance continued operations."

Furthermore, the following emphasis of matter was made in Cell Impact's reviewed interim report for the period 1 January – 30 September 2023.

"Emphasis of matter"

We draw attention to the information presented in the CEO statement, under the section of raising capital on page 4, which describes that the company is dependent on capital injections. Our opinion is not modified in respect of this matter."

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR

Board of directors

According to the Company's articles of association, the board of directors shall consist of not less than three and not more than ten board members, with a maximum of 10 deputies. The board of directors currently consists of the following four members who are elected for the period until the end of the annual general meeting 2024.

Robert Sobocki, born 1952

Chairman of the board since 2020.

Education:	Master of Science in Engineering from Chalmers University of Technology (CTH), Gothenburg, with a focus on production, organization and industrial economics.
Other current assignments/positions:	CEO and board member of Adiuvent AB. Board member of Pampas Marina Aktiebolag, Pampas Fastighets AB, Pampas Marinentreprenad AT AB, Pampas Marinentreprenad Holding AB and Pampas Marinentreprenad AB. Deputy board member in Finshyttan HydroPower AB.
Previous assignments/positions (last five years):	CEO and board member of Scania Sverige Aktiebolag. Senior Advisor in Scania do Brasil and Scania USA Inc.

Lars Bergström, born 1958

Member of the board since 2022.

Education:	Master of Science in Engineering from the Royal Institute of Technology (KTH). MBA in International Management from Uppsala University, further education at London Business School and IMD.
Other current assignments/positions:	Chairman of the board and board member in Atavio Products & Solutions AB, Hyttbäcken Invest AB, Hyttbäcken Invest Nöd AB, Hyttbäcken Invest Stål AB and Eskilstuna Handelsstål AB. Board member of Ejendals Group AB, Hyttbäcken Invest Metall AB, Hyttbäcken Invest Skåp AB, Hyttbäcken Invest Trä AB, Hyttbäcken Invest Dala AB and Dalform AB.
Previous assignments/positions (last five years):	CEO, Chairman of the board and board member in Seco Tools Aktiebolag. CEO and board member in Sandvik Machining Solutions AB. Chairman of the board and board member in Aktiebolaget Sandvik International, Aktiebolaget Sandvik Coromant and Aktiebolaget Sandvik Steel Investment. Board member in E.B. Hedlund & Co Aktiebolag. Deputy board member in Hyttbäcken Skåp AB, Hyttbäcken Invest Metall AB, Hyttbäcken Invest trä AB, Hyttbäcken Invest Nöd AB, Hyttbäcken Invest Stål AB and Hyttbäcken Invest Dala AB.

Mats Franzén, born 1969

Member of the board since 2023.

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 at Yale University.
Other current assignments/positions:	President, secretary and board member in Ebberod Capital Inc. CEO and board member in TERRASANCTA AB. Board member of Sectra Pty Ltd.
Previous assignments/positions (last five years):	Chairman of the board and board member in Sectra Orthopaedics AB and Sectra Medical Education AB. Board member of Sectra Sverige AB, SECTRA-Secure Transmission Aktiebolag, Sectra Imaging IT Solutions AB, SECTRA-Communications Aktiebolag, Sectra Secure Solutions Aktiebolag, Paxlink AB, RxEye AB, Sectra Inc, Sectra Ltd, Columbitech Inc, Ebberod Capital Ltd, Burnbank DataConnect Ltd, BurnBank Healthsystems Ltd, Sectra Products UK Ltd, Sectra imaXperts BV, Sectra Canada Inc, Sectra Norge AS and Sectra Danmark A/S.

Thomas Carlström, born 1951

Member of the board since 2017.

Education:	MSc Metallurgical Engineer from the Royal Institute of Technology (KTH) in Stockholm.
Other current assignments/positions:	-
Previous assignments/positions (last five years):	Board member in BoMill AB and Rototest International AB.

Executive management

Pär Teike, born 1962

CEO (Chief Executive Officer) / Managing Director since 2017. Employed in Cell Impact since 2017.

Education:	Bachelor's degree in Economics, Karlstad University and various courses at Gustavus Adolphus College, MN, USA and Kansai University of Foreign Studies, Japan.
Other current assignments/positions:	Board member in Finshyttan HydroPower AB.
Previous assignments/positions (last five years):	-

Stefan Axellie, born 1964

CFO (Chief Financial Officer) since 2020. Employed in Cell Impact since 2020.

Education:	Bachelor's degree in Economics and Administration from Örebro University. Certified Controller from IHM Gothenburg and Lean Manager from Royal Institute of Technology (KTH), Södertälje.
Other current assignments/positions:	Board member in Cell Impact Japan Inc, Axellie Holding AB and Axellie Consulting AB.
Previous assignments/positions (last five years):	-

Daniel Vallin, born 1977

COO (Chief Operations Officer) since 2021. Employed in Cell Impact since 2021.

Education:	MSc in Engineering, Luleå University of Technology.
Other current assignments/positions:	-
Previous assignments/positions (last five years):	Production Manager for battery assembly and Quality Manager for transmission items at Scania CV AB.

Karina Sick Larsson, born 1972

CHRO (Chief Human Resources Officer) since 2021. Employed in Cell Impact since 2021.

Education:	Human Resources & Organizational Development, Karlstad University. Conflict Management, University of Gothenburg.
Other current assignments/positions:	-
Previous assignments/positions (last five years):	Human Resources & Communications Manager in CAB Group AB.

Other information regarding the board of directors and executive management

There are no family ties between any of the members of the board of directors or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and executive management of the Company and their private interests and/or other undertakings.

During the last five years, none of the members of the board of directors or the of the executive management have (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) been the subject to accusations and/or sanctions by any agency authorized by law or regulation (including recognized professional organisations) or (iv) been prohibited by a court of law from being a member of any issuer's administrative, management or supervisory body or from holding a senior or overarching position of any company.

To the extent that board members or senior executives hold warrants in the Company, these have been acquired within the framework of the Company's incentive program. These warrants may not be transferred unless a pre-emptive offer is first made to the subsidiary Finshyttan Hydropower AB, whereby Finshyttan Hydropower AB is entitled to acquire the warrants at a predetermined price. Otherwise, no board member or senior executive has accepted restrictions on their ability to sell their holdings of securities in Cell Impact during a certain period of time.

All members of the board of directors and executive management are available at the Company's address, Källmossvägen 7A, SE-691 52 Karlskoga.

Auditor

PricewaterhouseCoopers AB (Torsgatan 21, SE-113 97 Stockholm, Sweden) has been the Company's auditor since 2009 and was re-elected at the annual general meeting 2023 for the period until the annual general meeting 2024. The auditor in charge is currently Sebastian Månsson. Sebastian Månsson is an authorized auditor and a member of FAR, the professional organization for auditors in Sweden. Sebastian Månsson has been the Company's auditor in charge since 2023.

SHARES, SHARE CAPITAL AND OWNERSHIP STRUCTURE

Share information

According to Cell Impact's articles of association, the share capital shall amount to a minimum of SEK 8,640,000 and a maximum of SEK 34,560,000, divided into not less than 72,000,000 shares and not more than 288,000,000 shares. As of the date of the Offering Circular, the Company's registered share capital amounts to SEK 8,777,433.458792 divided into 75,826,928 shares, each with a quota value of approximately SEK 0.12.

The extraordinary general meeting on 3 November 2023 resolved to amend Cell Impact's articles of association, meaning either that the share capital shall amount to not less than SEK 23,151,250 and not more than SEK 92,605,000, divided into not less than 200,000,000 shares and not more than 800,000,000 shares, or that the share capital shall amount to not less than SEK 46,302,500 and not more than SEK 185,210,000, divided into not less than 400,000,000 shares and not more than 1,600,000,000 shares. The general meeting further resolved to authorize the board of directors to submit for registration with the Swedish Companies Registration Office the articles of association which limits for the minimum and maximum number of shares in the Company are compatible with the total number of shares in the Company after the board of directors has resolved on the Rights Issue.

The shares in Cell Impact are issued in accordance with Swedish law, fully paid and denominated in SEK. Each share gives equal rights to a share of the Company's assets and profits. The shares are not subject to restrictions on free transferability. The rights associated with shares issued by the Company, including those set out in the Articles of Association, may only be amended in accordance with the Swedish Companies Act (2005:551).

The Rights Issue

The forthcoming Rights Issue will, upon full subscription, result in an increase in the number of shares in the Company with 606,615,424, from 75,826,928 to 682,442,352. Upon full exercise of the Warrants, the Company may issue up to an additional 151,653,856 new shares. Upon full subscription and full exercise of all Warrants, the Rights Issue will thus result in a number of shares in Cell Impact of 834,096,208 and a share capital of SEK 96,551,768.046712. The quota value of the shares will remain unchanged at approximately SEK 0.12 per share.

Dilution

Shareholders who choose not to participate in the Rights Issue will, upon full subscription of the Rights Issue by other investors, have their ownership share and voting rights diluted by approximately 89 percent. Upon full exercise of the Warrants, additional dilution of approximately 18 percent of the number of shares and votes may arise, based on the number of shares outstanding immediately after the Rights Issue, provided that the Rights Issue is fully subscribed. For shareholders not participating in the Rights Issue, the dilution effect, attributable to the new shares and the Warrants issued as a result of the Rights Issue, will thus amount to approximately 91 percent of the total number of shares and votes in the Company prior to the Rights Issue, provided that the Rights Issue is fully subscribed and that all Warrants issued are exercised.

Net asset value per share

The table below shows the net asset value per share before and after the Rights Issue, respectively, based on the Group's equity as of 30 September 2023 as well as the maximum number of shares that Cell Impact may issue in the Rights Issue. The amounts are rounded off.

	Prior to the Rights Issue (as of 30-09-2023)	After the issue of new shares under the Rights Issue ¹⁾	After the exercise period of the Warrants issued under the Rights Issue ²⁾
Total equity attributable to the parent company's shareholders, KSEK	240,417	362,118 ³⁾	423,118 ⁴⁾
Number of shares	75,826,928	682,442,352	834,096,208
Net asset value per share, SEK	3.17	0.53	0.51

1) Under the assumption that the Rights Issue is fully subscribed.

2) Under the assumption that the Rights Issue is fully subscribed and that all Warrants issued as a result of the Rights Issue are exercised at the maximum subscription price of SEK 0.44 per share.

3) Refers to Cell Impact's equity as of 30 September 2023 increased by the proceeds from the Rights Issue (up to approximately SEK 152 million) after deduction of issue costs (approximately SEK 30 million).

4) Refers to Cell Impact's equity as of 30 September 2023 increased by the proceeds from the Rights Issue (up to approximately SEK 152 million) after deduction of issue costs (approximately SEK 30 million) and the additional proceeds from exercise of the Warrants (up to approximately SEK 66 million) before deduction of issue costs (approximately SEK 5 million).

The price per Unit in the Rights Issue is SEK 2.00, which corresponds to a subscription price of SEK 0.25 per share. The warrants are issued free of charge.

Certain rights associated with the shares

The Company has only one class of shares. The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).

For rights associated with the Warrants, refer to the section "*Terms and conditions*" and the complete terms and conditions of the Warrants, which can be found in the section "*Appendix 1: Terms and conditions for warrants of series 2023/2024*" and on the Company's website, www.cellimpact.com.

Voting rights

Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential rights to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Right to dividends and surplus in the event of liquidation

The shares carry the right to dividends for the first time on the record date for dividends that occurs immediately after the shares have been registered with the Swedish Companies Registration Office and entered into the share register maintained by Euroclear Sweden AB. Shares issued after the exercise of a Warrant carry the right to dividends for the first time on the record date for dividends that occurs immediately after the subscription has been registered with the Swedish Companies Registration Office and the share has been

entered in the share register kept by Euroclear Sweden. All shares in the Company give equal rights to dividends and to the Company's assets and any surplus in the event of liquidation.

Resolutions regarding dividends are passed by shareholders' meetings. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the shareholders' meeting shall be entitled to receive dividends. Dividends are normally distributed to shareholders as a cash amount per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside of Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, see also the section "*Legal considerations and supplementary information - Important information on taxation*".

Information on takeover bid and redemption of minority shares

Pursuant to the Stock Market Self-Regulation Committee's Takeover Rules for certain trading platforms, anyone who (i) does not hold any shares or holds shares that represent less than three-tenths of the voting rights for all shares in a Swedish limited company, for which shares are traded on Nasdaq First North Growth Market ("**Target Company**") and (ii) through the acquisition of shares in the Target Company, alone or together with an affiliated party, achieves a shareholding that represents at least three-tenths of the votes for all shares in the Target Company, must immediately publish the size of his or her shareholding in the company, and within four weeks thereafter submit a public takeover offer with regard to the remaining shares in the Target Company (mandatory offering).

A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company (the "**Majority Shareholder**") has the right to, from the remaining shareholders in the company (the "**Minority Shareholders**"), redeem the remaining shares. Shareholders of the remaining shares have an equivalent right to have their shares redeemed by the Majority Shareholder. The procedure for the redemption of the shares of Minority Shareholders is regulated in more detail in the Swedish Companies Act (2005:551).

The shares in Cell Impact are not subject to an offer made as a result of a mandatory bid, redemption right or redemption obligation. No public takeover bid has been made for the offered shares during the current or previous financial year.

Dividend policy and dividend history

To date, Cell Impact has not paid any dividends. Furthermore, there are no guarantees that any dividend will be proposed or decided in the Company for a certain year. The board of directors of Cell Impact has, as its dividend policy, established that the board of directors does not intend to propose that a dividend shall be paid in the near future. Any profits are intended to be reinvested in the operations and used for continued expansion. The board of directors intends to review the adopted dividend policy on an annual basis.

Ownership structure

As far as Cell Impact is aware, the Company is neither directly nor indirectly controlled by any party.

Given that Cell Impact's shares are admitted to trading on Nasdaq First North Growth Market, the Company's major shareholders are not required to inform about changes in their holdings in the Company under the Swedish Financial Instruments Trading Act (1991:980). There is thus no person, other than board members and senior executives of the Company, who directly or indirectly has a holding in the Company that must be reported under Swedish law.

Undertakings to refrain from selling securities

All members of the board of directors and senior executives of the Company have, for the benefit of the Joint Bookrunners, with customary exceptions, undertaken not to sell their securities in the Company for a certain period, a so-called lock-up undertaking. The lock-up undertaking expires on the day that falls 180 days after announcement of the outcome of the Rights Issue. Exemptions to the undertaking applies to, *inter alia*; (i) accepting of, or commitment to accept a general offer made to all shareholders in the Company; (ii) transfers to any holding company of the holders or any of its shareholders which have signed and delivered a lock-up undertaking substantially in the form of the lock-up undertaking entered into by the board of directors and senior executives of the Company before the transfer is effectuated; (iii) transfers of securities to the holder's capital insurance (Sw. *kapitalförsäkring*) or Investment Savings Account (Sw. *investeringssparkonto*), provided that (a) such transfer or deposition results in a change of ownership of the securities and (b) that the new owner has signed a lock-up undertaking substantially, in the form of the lock-up undertaking entered into by the board of directors and senior executives of the Company before the transfer is effectuated; (iv) exercising unit rights for subscription of Units; (v) selling of shares subscribed for upon exercise of warrants or call options held, provided that the sale is for the purpose of covering tax exposure arising from such subscription; (vi) exercising of warrants or call options held, provided that the exercise is in accordance with the terms and conditions for such warrants or call options and that the subscribed for shares are subject to the lock-up undertaking entered into by the Company's board of directors and senior executives; and (vii) transactions required by law or regulation, including as a result of an order or judgement of a court of law or a competent judicial body or public authority.

In addition, the guarantors who have entered into guarantee commitments have undertaken, vis-à-vis the Company, Carnegie and Pareto, (i) not to sell their Units during the period up to two days before BTUs are converted into shares and Warrants and (ii) not to carry out any transactions intended to, directly or indirectly, have the economic effect of hedging or otherwise mitigating the economic risk associated with the guarantee commitment.

The Joint Bookrunners may make exceptions from the abovementioned undertakings. Any exception from the lock-up undertakings will be considered on a case-by-case basis and may be provided for both personal and commercial reasons.

Authorizations

The extraordinary general meeting on 3 November 2023 authorized the board of directors to, on one or more occasions during the period until the next annual general meeting,

resolve on issue of new shares, warrants and/or convertibles, with preferential rights for the Company's shareholders. The Company's share capital and number of shares may, by virtue of the authorization, be increased with an amount and number that falls within the limits of the, at any time registered, or by the general meeting adopted, articles of association. Issues may be made against cash payment, in kind and/or through set-off, or otherwise be subject to conditions. The board of directors shall be entitled to determine the other terms and conditions for issues under this authorization and who shall be entitled to subscribe for issued securities. The board of directors has, by virtue of this authorization, at a board meeting on 8 November 2023 resolved to carry out the Rights Issue.

The annual general meeting on 20 April 2023 also authorized the board of directors, until the next annual general meeting and within the limits of the articles of association and on one or more occasions and with or without deviation from the shareholders' preferential rights, to resolve on the issue of shares, warrants and/or convertibles. The Company's share capital may, by virtue of the authorization, be increased by a maximum of 20 percent, calculated on the basis of the size of the share capital the first time the authorization is used. Issues may be made against cash payment, in kind and/or through set-off, or otherwise be subject to conditions. Issues shall be carried out in order to increase production capacity and build the organization to enable future growth. If the board of directors resolves on an issue of shares with deviation from the shareholders' preferential rights, the issue shall be carried out on market terms.

Convertibles, warrants, etc.

As of the date of the Offering Circular, there are no outstanding warrants, convertibles or other share-related financial instruments in the Company other than as described in the section "*Share-based incentive programs*".

Share-based incentive programs

Program 2020/2024 for board members

The incentive program was adopted by the annual general meeting on 16 April 2020. The program is directed to board members in the Company and comprises 450,000 warrants, of which 375,000 warrants have been acquired. Each warrant entitles the holder to subscribe for one new share in the Company during the period 1 June – 30 June 2024 at a subscription price of SEK 37.19.

Upon exercise of all warrants in the program, a maximum dilution corresponding to 0.52 percent of the shares in the Company may occur.

Program 2021/2024 for senior executives and other employees

The incentive program was adopted by the annual general meeting on 22 April 2021. The program is directed to senior executives and other employees in the Company and includes 530,000 warrants, of which 72,550 warrants have been acquired. Each warrant entitles the holder to subscribe for one new share in the Company during the period 3 June – 2 July 2024 at a subscription price of SEK 87.20.

Upon exercise of all warrants in the program, a maximum dilution corresponding to 0.1 percent of the shares in the Company may occur.

Program 2022/2026 for board members

The incentive program was adopted by the annual general meeting on 21 April 2022. The program is directed to board members in the Company and includes 150,000 warrants, of

which 75,000 warrants have been acquired. Each warrant entitles the holder to subscribe for one new share in the Company during the period 1 September – 29 September 2026 at a subscription price of SEK 27.51.

Upon exercise of all warrants in the program, a maximum dilution corresponding to 0.1 percent of the shares in the Company may occur.

Program 2022/2025 for senior executives and other employees

The incentive program was adopted by the annual general meeting on 21 April 2022. The program is directed to senior executives and other employees in the Company and includes 330,000 warrants, of which 225,000 warrants have been acquired. Each warrant entitles the holder to subscribe for one new share in the Company during the period 1 September – 29 September 2025 at a subscription price of SEK 27.51.

Upon exercise of all warrants in the program, a maximum dilution corresponding to 0.3 percent of the shares in the Company may occur.

Shareholders' agreements, etc.

As far as the board of directors is aware, there are no shareholders' agreements or other agreements between shareholders in Cell Impact intended to exercise joint control of the Company. Nor is the board of directors aware of any agreements which may result in a change of control of the Company.

Central securities depository

Cell Impact's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company's shares or will be issued for the new shares. The ISIN code for the shares in Cell Impact is SE0017885379. The Warrants will be registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) and no warrant certificates will be issued for the Warrants. The ISIN code for the Warrants is SE0021021722.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

General company and group information

The Company was incorporated on 9 September 1999 and registered with the Swedish Companies Registration Office on 1 October 1999. The legal name of the Company (and its commercial name) is Cell Impact AB (publ). Cell Impact's registration number is 556576-6655 and the board of directors is based in Karlskoga. The Company is a Swedish public limited company regulated by the Swedish Companies Act (2005:551). Cell Impact's LEI code is 549300PS6XPVP3MP2W76. The Group consists of the parent company Cell Impact AB (publ) and the Swedish subsidiary Finshyttan HydroPower AB with registration number 556703-5752 and the Japanese subsidiary Cell Impact Japan Inc. with registration number 01014-01-158383. No business is conducted by Finshyttan HydroPower AB. All operating activities are conducted by the Company and by the subsidiary Cell Impact Japan Inc., which operates in Japan.

The Company's main operations are conducted at Källmossvägen 7A, SE-691 52 Karlskoga, telephone: +46 (0)586-574 50. The web address to Cell Impact's website is www.cellimpact.com. Information on the website does not form part of this Offering Circular.

The Company's share is since 20 February 2013 listed on Nasdaq First North Growth Market. The share is traded under ticker CI and has ISIN-code SE0017885379. The Company's share register is maintained by Euroclear Sweden.

Material agreements

Other than as described below in the sections "*Bridge loan agreements with Buntel AB, Fredrik Lundgren, Wilhelm Risberg and Munkekullen 5 Förvaltning AB*" and "*Credit agreement with Nordea*", Cell Impact has not entered into any material agreements outside the ordinary course of business within two years preceding the date of this Offering Circular. Other than the above agreements, Cell Impact has not either entered into any agreement outside the ordinary course of business that contains a provision under which a member of the Group has an obligation or right that is material to the Group as a whole as of the date of this Offering Circular.

In addition, the following section contains a general description of the terms and scope of the customer agreement between Cell Impact and its largest customer, which has been entered into within the ordinary course of business.

Bridge loan agreements with Buntel AB, Fredrik Lundgren, Wilhelm Risberg and Munkekullen 5 Förvaltning AB

On 23 October 2023, Cell Impact entered into bridge loan agreements with Buntel AB of SEK 6.2 million, Fredrik Lundgren of SEK 5 million, Wilhelm Risberg of SEK 5 million and Munkekullen 5 Förvaltning AB of SEK 3.8 million, a total of SEK 20 million, to finance the Company's capital requirements until the Rights Issue has been completed (the "**Bridge Loan Agreements**"). According to the Bridge Loan Agreements, customary remuneration, determined based on to the prevailing market conditions, of 1 percent per month in interest and an arrangement fee of 2.75 percent of the loan amount is paid. The Company is obliged to repay the loan amount under each Bridge Loan Agreement no later than three business days after the settlement date of the Rights Issue, but no later than 31 December 2023.

Credit agreement with Nordea

On 22 September 2022, the Company entered into an agreement on certain terms and conditions with Nordea Bank Abp, filial i Sverige and Nordea Finans Sverige AB (jointly, "**Nordea**") under which Nordea may from time-to-time issue credits, guarantees and other facilities to the Company (the "**Agreement with Nordea**"). For this purpose, specific agreements shall be entered into. Under the Agreement with Nordea, the Company undertakes to maintain a certain equity ratio and provide certain financial information to Nordea as well as certain other customary financial obligations and commitments. A breach of the terms of the Agreement with Nordea entitles Nordea to suspend the use of and terminate the above-mentioned credits, guarantees and other facilities for repayment. The Agreement with Nordea is governed by Swedish law.

In addition to the Agreement with Nordea, the Company has entered into a specific credit agreement with Nordea under which the Company has been granted a credit of SEK 30 million that can be utilized until 29 September 2026 (the "**Credit Agreement with Nordea**"). The credit carries an interest rate of STIBOR 1 week plus 3.050 percent and amortization of SEK 1.875 million is made quarterly. As of 30 September 2023, a total of SEK 7.5 million of the credit has been amortized. Otherwise, Nordea's general terms and conditions according to the promissory notes and any separate agreements (Sw. *allmänna villkor enligt skuldebrev och eventuella separata avtal*) are applied to the Credit Agreement with Nordea. As security for the credit, the Company has issued and pledged four floating charges in a total amount corresponding to SEK 30 million. In accordance with the Agreement with Nordea, Nordea is entitled to suspend the use of and terminate the credit for repayment in the event of a breach of the terms and conditions under the Agreement with Nordea.

Customer agreements with Plug Power

On 8 March 2021, the Company entered into an agreement for the sale and installation of production equipment with the Company's largest customer, the U.S. company Plug Power Inc. (the "**Agreements with Plug Power**"). The Agreements with Plug Power cover the Company's sale of a forming line consisting of the Company's patented high-speed forming technology for forming flow plates, and certain equipment and services to Plug Power Inc. for a fixed on time payment. The forming line and related equipment have been finally installed at Plug Power Inc. in accordance with the Agreements with Plug Power. The Agreements with Plug Power are still in force as the parties still have obligations under them towards each other. Furthermore, the Agreements with Plug Power have on an ongoing basis formed the basis for subsequent orders, including an order received in October 2023 for the manufacturing of flow plates and delivery of related products.

According to the Agreements with Plug Power, the Company shall provide certain services related to a certain part of the forming line (the "**Impact Unit**") free of charge, but is entitled to charge fees for, *inter alia*, maintenance services and further training of personnel. The Company has certain responsibilities to maintain critical components of the Impact Unit. Plug Power Inc. shall pay an activity-based fee to the Company for each qualified bipolar flow plate (two flow plates joined together) produced during a certain period of time in a range that gradually decreases over time.

Furthermore, the Agreements with Plug Power state that the Company will retain ownership of the intellectual property rights related to its high-speed forming technology and the forming line will only be used for Plug Power Inc's manufacturing of bipolar flow plates. Plug Power Inc. has also undertaken not to supply such bipolar flow plates to any

third party manufacturing similar goods for the purpose of inducing such third party to reverse the development of the plates or for the purpose of selling them as a component manufacturer.

The cumulative liability of each of the parties in connection with the Agreements with Plug Power is limited to USD 4 million, except in cases of gross negligence or willful misconduct, breach of confidentiality or intellectual property infringement. The Company has a right of first refusal to repurchase the Impact Unit for a certain period of time if Plug Power Inc. ceases use or sells the device.

The Agreements with Plug Power are governed by German law.

Subscription undertakings and guarantee commitments

The Company has received subscription undertakings of approximately SEK 8.35 million, corresponding to approximately 5.5 percent of the Rights Issue. In addition, the Company has entered into agreements on guarantee commitments of approximately SEK 120.6 million, corresponding to approximately 79.5 percent of the Rights Issue. Accordingly, the Rights Issue is covered by subscription undertakings and guarantee commitments amounting to a total of approximately SEK 129 million, corresponding to approximately 85 percent of the issue proceeds. In the event that the Rights Issue is subscribed to 85 percent or more, the guarantee commitments will not be utilized. Guarantee compensation is paid with 11 percent of the guaranteed amount in the form of cash compensation. The figures in the tables below are rounded off.

The subscription undertakings and guarantee commitments are conditional upon the board of directors resolving on the Rights Issue by 31 December 2023 at the latest and that the subscription period for the Rights Issue ending no later than 31 March 2024.

Subscription undertakings

Name	Amount, SEK	Share of the Rights Issue, %.
Östersjöstiftelsen	7,702,614	5.079%
Mats Franzén (board member)	300,000	0.198%
Lars Bergström (board member)	100,000	0.066%
Thomas Carlström (board member)	100,000	0.066%
Pär Teike (CEO)	100,000	0.066%
Robert Sobocki (chairman of the board)	42,656	0.028%
Stefan Axellie (CFO)	5,140	0.003%
Total	8,350,410	5.506%

The subscription undertaking with Östersjöstiftelsen was entered into on 23 October 2023 and the subscription undertakings with board members and senior executives were entered into on 5 November 2023.

Guarantee commitments

Name	Amount, SEK	Share of the Rights Issue, %.
Buntel AB ¹⁾	26,000,000	17.144%
Fredrik Lundgren ¹⁾	20,000,000	13.188%
Wilhelm Risberg ¹⁾	20,000,000	13.188%
Munkekullen 5 Förvaltning AB ¹⁾	16,000,000	10.550%
Formue Nord Markedsneutral A/S ²⁾	14,000,000	9.232%
Exelity AB ¹⁾	8,000,000	5.275%
Nordic Underwriting ApS ¹⁾	8,000,000	5.275%
Anavio Equity Capital Markets Master Fund Limited ¹⁾	4,000,000	2.638%
Selandia Alpha Invest A/S ²⁾	1,500,000	0.989%
LLTB Invest AB ²⁾	1,000,000	0.659%
Arnholmen management AB ¹⁾	1,000,000	0.659%
Ulf Persson ¹⁾	600,000	0.396%
Fredrik Isberg ¹⁾	500,000	0.330%
Total	120,600,000	79.523%

1) Available via Carnegie Investment Bank AB (publ), address Regeringsgatan 56, SE-111 56 Stockholm, or via the Company's address, Källmossvägen 7A, SE-691 52 Karlskoga.

2) Available via Pareto Securities AB, address Berzelii park 9, SE-111 47 Stockholm, or via the Company's address, Källmossvägen 7A, SE-691 52 Karlskoga.

The above mentioned guarantee commitments were entered into on 23 October 2023.

Unsecured undertakings and commitments

The subscription undertakings and guarantee commitments are not secured by bank guarantees, blocked funds, pledges or similar arrangements. Consequently, there is a risk that one or more parties concerned will not be able to fulfill their respective commitments in whole or in part. See also the section "Risk factors – Risks related to the Rights Issue – Subscription undertakings and guarantee commitments are not secured".

Legal and arbitration proceedings

Other than as set out below, Cell Impact is not, and has not been, involved in any legal, regulatory or arbitration proceedings (including not yet settled cases and cases that the Company is aware of that might arise) during the last twelve months, which have recently had or could have material effects on the Company's financial position or profitability.

Penalty for an incorrect insider list

Nasdaq made a claim to the Disciplinary Committee of Nasdaq Stockholm (the "Disciplinary Committee") that the Company had violated section 4.1 of the regulations of Nasdaq First North Growth Market in force at the time (the "Regulations") since the Company in a press release had not named a customer who had placed an order. In a decision on 1 June 2020, the Disciplinary Committee found in its review that the information in the press release had been published in accordance with the Regulations and that the Company had not violated its obligation to comply with the Regulations.

Subsequently, the SFSA initiated an investigation as to whether the Company had complied with its obligations under the EU Market Abuse Regulation (596/2014) ("MAR"). The SFSA discharged the Company with regard to the fact that the Company did not mention the name of a customer in an order, but imposed a fine of SEK 50,000 on the Company for not having drawn up an insider list prior to the publication in question.

Related party transactions

No related party transactions that, individually or collectively, are material to Cell Impact have taken place after 31 December 2022.

A summary of information disclosed under MAR

Below is a summary of the information that Cell Impact has disclosed in accordance with MAR during the last twelve months and which is relevant as of the date of this Offering Circular.

Financial reports

- On 17 February 2023, Cell Impact published its year-end report for the financial year 2022.
- On 24 March 2023, Cell Impact published its annual report for the financial year 2022.
- On 10 May 2023, Cell Impact published its interim report for the first quarter 2023.
- On 24 August 2023, Cell Impact published its interim report for the second quarter 2023.
- On 3 November 2023, Cell Impact published its interim report for the third quarter 2023.

The Rights Issue

- On 23 October 2023, Cell Impact announced that the board of directors intends to resolve on a rights issue of up to approximately SEK 152 million.
- On 8 November 2023, Cell Impact announced that the board of directors had resolved on the Rights Issue.

Other

- On 13 July 2023, Cell Impact announced that the Company is initiating a cost reduction program to meet an expected reduced inflow of orders.
- On 4 October 2023, Cell Impact announced an operational update, preliminary sales figures for the third quarter 2023 and that the Company will convene an extraordinary general meeting to create flexibility in the upcoming capital raising.
- On 4 October 2023, Cell Impact announced that the Company has received an order, worth SEK 22.0 million, from Plug Power Inc. to manufacture flow plates and supply related products for delivery in the first half of 2024.
- On 23 October 2023, Cell Impact announced preliminary EBIT for the third quarter 2023.

Advisors, etc.

Joint Bookrunners provide financial advisory and other services to the Company in connection with the Rights Issue, for which they will receive customary remuneration with respect to the sale of the newly issued shares. Joint Bookrunners have in the ordinary course of business, from time to time, provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company.

Advokatfirman Vinge KB has been legal counsel to the Company in connection with the Rights Issue and may provide additional legal service to the Company. Advokatfirman Vinge KB receives remuneration that is not dependent on the outcome of the Rights Issue.

Costs of the Rights Issue

Cell Impact's costs related to the Rights Issue are estimated to amount to approximately SEK 30 million. Such costs are primarily related to costs for compensation for issue guarantees and costs for financial and legal advice and preparation of the Offering Circular.²²

Approval from the SFSA

The Swedish Prospectus has been approved by the SFSA as competent authority under the Prospectus Regulation. The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that are the subject of the Swedish Prospectus. Such approval should not either be considered as an endorsement of the quality of the securities that are subject in the Swedish Prospectus and every investor should make their own assessment as to the suitability of investing in the securities.

The Swedish Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

The Swedish Prospectus was approved by the SFSA on 15 November 2023. The Swedish Prospectus is valid for up to twelve months after the approval of the Swedish Prospectus provided that it is supplemented with supplements when required by Article 23 of the Prospectus Regulation. Any supplements will be published on the Company's website. The obligation to provide supplements to the Swedish Prospectus in case of significant new circumstances, factual errors or material inaccuracies will not apply when the Swedish Prospectus is no longer valid.

Documents available for inspection

Cell Impact's articles of association, registration certificate and complete terms and conditions for the Warrants are available for inspection during the validity of the Swedish Prospectus at Cell Impact's office at Källmossvägen 7A, SE-691 52 Karlskoga, on weekdays during normal office hours. The documents are also available in electronic form on Cell Impact's website www.cellimpact.com.

Important information on taxation

The tax legislation in the investor's home country and in Sweden may affect any income received from shares. The taxation of any dividend as well as capital gains taxation and rules on capital losses in connection with disposal of securities, depends on the shareholder's particular circumstances. Special tax rules apply to certain categories of tax payer and certain type of investment forms. Each holder of Units and unit rights should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the application and effect of foreign tax rules and tax treaties.

²² Assuming that the Rights Issue is fully subscribed, the Warrants are fully exercised and the subscription price when subscribing for shares by exercise of Warrants amounts to the maximum subscription price of SEK 0.44 per share, additionally approximately SEK 5 million in issue costs will be added upon exercise of the Warrants.

LIST OF DEFINITIONS

Cell Impact, the Company or the Group	Cell Impact AB (publ) (reg. no. 556576-6655), the group of which Cell Impact AB (publ) is the parent company or a subsidiary of the Group, as the context may require.
Carnegie	Carnegie Investment Bank AB (publ).
EUR	Euro.
Euroclear Sweden	Euroclear Sweden AB.
Joint Bookrunners	Carnegie and Pareto Securities.
KSEK	Thousand SEK.
Nasdaq First North Growth Market	The multilateral trading platform Nasdaq First North Growth Market operated by Nasdaq Stockholm AB.
Offering Circular	This Offering Circular.
Pareto Securities	Pareto Securities AB.
Rights Issue	The offering of Units in Cell Impact in accordance with the terms of this Offering Circular.
Securities Act	The United States Securities Act of 1933, as amended.
SEK	Swedish krona.
Sole Global Coordinator	Carnegie.
Unit	The issued security consisting of eight (8) new shares and two (2) Warrants.
USD	US dollars.
Warrant	Warrant of series 2023/2024.

APPENDIX 1: TERMS AND CONDITIONS FOR WARRANTS OF SERIES 2023/2024

1 DEFINITIONS

In these terms and conditions, the following terms shall have the meaning given below.

"Share"	means a share in the Company;
"CSD Company"	means a company that has introduced a CSD clause in its articles of association and connected its shares to Euroclear;
"Securities Account"	means an account (Sw. <i>avstämningskonto</i>) with Euroclear in which financial instruments in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479) are registered;
"Bank"	means the bank or account operator which the Company at each time has appointed to handle the administration of the Warrants in accordance with these terms and conditions;
"Banking Day"	means a day other than a Sunday or other public holiday on which Swedish banks are open to the public;
"Company"	means Cell Impact AB (publ), company reg. no. 556576-6655;
"Euroclear"	means Euroclear Sweden AB or other central securities depository and clearing organization in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479);
"Listing"	means a listing of the Company's Shares on a regulated market, an equivalent market outside the European Economic Area, an MTF or an unofficial marketplace;
"MTF"	means the Multilateral Trading Facility referred to in the Securities Market Act (2007:528);
"Subscription"	means subscription of new Shares in the Company by exercise of a Warrant pursuant to Chapter 14 of the Swedish Companies Act (2005:551);
"Subscription Price"	means the price per Warrant at which Subscription of a new Share can take place;

"Warrant"	means the right to subscribe for Shares in the Company against payment in cash in accordance with these terms and conditions;
"Warrant Holder"	means the person who is registered in the Securities Account as a Warrant Holder.

2 WARRANTS AND REGISTRATION

The number of Warrants amounts to a maximum of 151,653,856. The Warrants shall be registered in a Securities Account.

3 SUBSCRIPTION OF NEW SHARES AND SUBSCRIPTION PRICE

- 3.1 Warrant Holders shall be entitled to subscribe for one (1) new Share in the Company for each Warrant during the period from and including 16 September up to and including 30 September 2024 (or any other date as set out in section 8 below) at a Subscription Price corresponding to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 2 September 2024 up to and including 13 September 2024, rounded to whole cents, however, not less than SEK 0.12, corresponding to the Share's quota value rounded to whole cents, and not more than SEK 0.44. The part of the Subscription Price that exceeds the quota value of the Share shall be allocated to the free share premium reserve.
- 3.2 Recalculation of the Subscription Price as well as of the number of new Shares to which each Warrant entitles to Subscription for may take place in the cases set forth in item 8 below. If recalculation pursuant to item 8 results in the Subscription Price amounting to an amount less than the quota value of the Company's shares, the quota value of the Share shall nevertheless be paid per Share, rounded off to whole cent.
- 3.3 Subscription may only take place in respect of the entire number of Shares for which the number of Warrants that the Warrant Holder desires to exercise entitles the Warrant Holder to subscribe for. Upon Subscription, any excess part of the Warrant that cannot be exercised shall be disregarded.
- 3.4 Subscription may not be made if there is a dispute regarding redemption pursuant to Chapter 22, Section 26, paragraph 2 of the Swedish Companies Act (2005:551) until the dispute has been settled by a judgment or decision that has become final. However, if the subscription period according to item 3.1 expires before or within three months thereafter, the Warrant Holder is entitled to exercise the Warrant during three months after the decision has become final.

4 APPLICATION FOR SUBSCRIPTION

- 4.1 Application for Subscription shall be made by Warrant Holders notifying the Company in writing of the interest to subscribe, by completing an established application form, whereby the number of Shares to be subscribed for shall be stated. The application for Subscription is binding and cannot be withdrawn.

If an application for Subscription is not submitted within the time specified in section 3.1, all rights under the Warrants shall cease to apply.

- 4.2 Subscription is executed by provisionally recording the new Shares in the Securities Account. After registration with the Swedish Companies Registration Office and Euroclear has taken place, the registration on the Securities Account becomes final.

5 PAYMENT FOR A NEW SHARE

Upon application for Subscription, payment for subscribed Shares shall be made immediately. Payment shall be made in cash to an account designated by the Company.

6 REGISTRATION ON THE SECURITIES ACCOUNT AND IN THE SHARE REGISTER

Following payment for subscribed shares, Subscription shall be effected through the registration of the new shares as interim shares in the Company's share register and on the respective Warrant Holder's Securities Account. Following registration with the Swedish Companies Registration Office, the registration of the new shares in the share register and on Securities Accounts will become definitive. According to section 8 below such registration might in certain circumstances be postponed.

7 DIVIDEND ON NEW SHARE

Shares issued following Subscription shall entitle the Warrant Holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately after the subscription has been registered with the Swedish Companies Registration Office and the shares have been entered in the share register at Euroclear.

8 RECALCULATION OF SUBSCRIPTION PRICE ETC

If the Company carries out any of the measures specified below, the following applies with regard to the rights of the Warrant Holders.

If recalculation pursuant to item 8 results in the Subscription Price amounting to an amount that is less than the quota value of the Company's shares, the quota value of the share shall nevertheless be paid per Share, rounded off to the nearest cent.

8.1 Bonus issue

If the Company conducts a bonus issue, Subscription, where application for Subscription is made at such time that it cannot be executed no later than on the tenth Banking Day prior to the general meeting resolving on the issue, shall only be executed after the general meeting has resolved on the bonus issue. Shares, which have been added as a result of Subscription executed after the resolution on the issue, are provisionally registered on the Securities Account, which means that they are not entitled to participate in the issue. Final registration on the Securities Account takes place only after the record date for the issue.

For Subscriptions executed after the resolution on the bonus issue, a recalculated Subscription Price as well as a recalculated number of Shares that each Warrant entitles to Subscription is applied.

The conversions are performed by the Company according to the following formulas:

$$\text{Recalculated Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{number of Shares before the bonus issue}}{\text{Number of Shares after the bonus issue}}$$

$$\text{Recalculated number of Shares that each Warrant entitles to Subscription for} = \frac{\text{Previous number of Shares that each Warrant entitled to Subscription for} \times \text{number of Shares after the bonus issue}}{\text{Number of Shares before the bonus issue}}$$

The Subscription Price recalculated in accordance with the above and the recalculated number of Shares that each Warrant entitles the holder to subscribe for will be determined by the Company as soon as possible after the general meeting's resolution on the bonus issue, but will not be applied until after the record date for the issue.

8.2 Consolidation or division of shares

If the Company carries out a reverse split or split of the shares, section 8.1 above shall apply correspondingly, whereby the record date shall be deemed to be the day on which the reverse split or split of the shares, at the Company's request, takes place at Euroclear.

8.3 New issue

If the Company carries out a new share issue with preferential rights for the shareholders to subscribe for new shares against cash payment or set-off, the following shall apply with regard to the right to participate in the issue for Shares issued as a result of Subscription with the exercise of a Warrant:

- (a) If the issue is resolved by the board of directors subject to the approval of the general meeting or by virtue of the authorization of the general meeting, the resolution on the issue shall state the latest date on which Subscription must be effected in order for Shares created through Subscription to carry the right to participate in the issue. Such date may not fall earlier than the tenth Banking Day after the issue resolution.
- (b) If the issue is resolved by the general meeting, Subscription, which is requested at such a time that the Subscription cannot be executed at the latest on the tenth Banking Day prior to the general meeting that resolves on the issue, shall only be executed after the Company has carried out a recalculation in accordance with this section 8.3. Shares, which have been

added due to such Subscription, are provisionally recorded on the Securities Account, which means that they are not entitled to participate in the issue.

In the event that Subscription is completed at such time that the right to participate in the new issue does not arise, a recalculated Subscription Price and a recalculated number of Shares that each Warrant entitles to Subscription is applied.

Recalculated Subscription Price	=	$\frac{\text{Previous Subscription Price} \times \text{Average price of the Share during the subscription period established in the issue decision (Average price of the Share)}}{\text{The average price of the share increased by the theoretical value of the subscription right calculated on that basis}}$
Recalculated number of Shares that each Warrant entitles to Subscription for	=	$\frac{\text{Previous number of Shares that each Warrant entitles to Subscription for} \times (\text{average price of the Share increased by the theoretical value of the subscription right calculated on that basis})}{\text{Average share price}}$

The average price of the share shall be deemed to correspond to the average of the calculated average of the highest and lowest price paid for the share during the day at Market Quotation. In the absence of a quoted price paid, the bid price quoted as the closing price shall instead be included in the calculation. A day without quotation of either the price paid or the bid price shall not be included in the calculation.

The theoretical value of the subscription right is calculated according to the following formula:

Value of the subscription right	=	$\frac{\text{The maximum number of new Shares that may be issued under the issue resolution} \times (\text{the average price of the Share minus the Subscription Price of the new Share})}{\text{Number of Shares before the issue decision}}$
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In case of a negative value, the theoretical value of the subscription right shall be set at zero.

If the Company's Shares are not subject to a Listing, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with the principles set out in this section 8.3 by an independent valuer appointed by the Company.

The above recalculated Subscription Price and recalculated number of Shares shall be determined two Banking Days after the end of the subscription period and shall be applied to Subscription executed thereafter.

During the period until the recalculated Subscription Price and the recalculated number of Shares have been determined, Subscription will only be effected provisionally, whereby the number of Shares to which each Warrant before recalculation entitles to Subscription will be provisionally recorded in the Securities Account. Furthermore, it is specifically noted that each Warrant after recalculation may entitle to additional Shares. Final registration on the Securities Account will take place after the recalculations have been determined.

8.4 Issue under Chapter 14 or 15 of the Swedish Companies Act

If the Company carries out, with preferential rights for the shareholders and against cash payment or against payment by set-off, a share issue pursuant to Chapter 14 or 15 of the Swedish Companies Act, the provisions in section 8.3 above shall apply correspondingly with regard to the right to participate in the share issue for Shares acquired as a result of Subscription using a Warrant.

In case of Subscription executed at such time that the right to participate in the issue does not arise, a recalculated Subscription Price is applied as well as a recalculation of the number of Shares that each Warrant entitles to Subscription.

The conversion is performed by the Company according to the following formulas:

Recalculated Subscription Price	=	$\frac{\text{Previous Subscription Price} \times \text{Average price of the Share during the subscription period stipulated in the issue resolution (average price of the Share)}}{\text{The average share price increased by the value of the right to participate in the offer (value of the subscription right)}}$
Recalculated number of Shares that each Warrant entitles to Subscription for	=	$\frac{\text{Previous number of Shares that each Warrant entitles to Subscription for} \times (\text{average price of the Share increased by the value of the subscription right})}{\text{Average share price}}$

The average share price is calculated in accordance with what is stated in section 8.3 above.

The value of the subscription right shall be deemed to correspond to the average of the calculated average of the highest and lowest price paid for the subscription right at the Market Quotation on each trading day during the subscription period. In the absence of a quoted price paid, the bid price quoted as the closing price shall instead be included in the calculation. A day without quotation of either the price paid or the bid price shall not be included in the calculation.

If the Company's Shares are not subject to Listing, the recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with the principles set out in this section 8.4 by an independent valuer appointed by the Company.

The above recalculated Subscription Price and recalculated number of Shares shall be determined two Banking Days after the end of the subscription period and shall be applied to Subscriptions executed thereafter.

In the case of Subscription carried out during the period until the recalculated Subscription Price and recalculated number of Shares have been determined, the provisions of item 8.3 last paragraph above shall apply accordingly.

8.5 Offer to shareholders

Should the Company in cases other than those referred to in items 8.3-8.4 above, make an offer to the shareholders to, with preferential rights in accordance with the principles in Chapter 13, Section 1 of the Swedish Companies Act, acquire securities or rights of any kind from the Company or decides, in accordance with the above-mentioned principles, to distribute such securities or rights to the shareholders without consideration (the "Offer"), a recalculated Subscription Price and a recalculated number of Shares corresponding to each Warrant Right shall be applied to Subscriptions called for at such time that the Share received thereby does not entitle the Warrant Holder to participate in the Offer.

The conversion shall be carried out by the Company according to the following formulas:

Recalculated Subscription Price	=	$\frac{\text{Previous Subscription Price} \times \text{Average price of the Share during the application period established in the Offer (average price of the Share)}}{\text{The average share price increased by the value of the right to participate in the Offer (value of the purchase right)}}$
Recalculated number of Shares that each Warrant entitles to Subscription for	=	$\frac{\text{Previous number of Shares that each Warrant entitles to Subscription for} \times (\text{average price of the Share increased by the value of the purchase right})}{\text{Average share price}}$

The average share price is calculated as set out in section 8.3 above.

In the event that the shareholders have received purchase rights and trading in these has taken place, the value of the right to participate in the Offer shall be deemed to correspond to the value of the purchase right. The value of the purchase right shall in this respect be deemed to correspond to the average of the average of the highest and lowest price paid for the purchase rights at the Market Quotation for

each trading day during the application period. In the absence of a quoted price paid, the bid price quoted as the closing price shall instead be included in the calculation. Days with no quotation of either the price paid or the bid price shall not be included in the calculation.

In the event the shareholders have not received purchase rights or otherwise such trading in purchase rights as referred to in the preceding paragraph has not taken place, recalculation of the Subscription Price and the number of Shares that each Warrant entitles the holder to subscribe for shall be made by applying as far as possible the principles set out above in this section 8.5, whereby the following shall apply. If the securities or rights that are offered to the shareholders are listed, the value of the right to participate in the Offer shall be deemed to correspond to the average of the average of the highest and lowest price paid for each trading day during 25 trading days from and including the first day of listing in connection with transactions in these securities or rights on the marketplace, where applicable reduced by the consideration paid for these in connection with the Offer. In the absence of a quoted price paid, the bid price quoted as the closing price shall be included in the calculation. A day without quotation of either the price paid or the purchase price shall not be included in the calculation. When recalculating the Subscription Price and number of Shares in accordance with this paragraph, the aforementioned period of 25 trading days shall be deemed to correspond to the application period established in the Offer in accordance with the first paragraph above in this section 8.5.

If the securities or rights offered to the shareholders are not listed, the value of the right to participate in the Offer shall, as far as possible, be determined on the basis of the change in the market value of the Company's Shares that can be deemed to have arisen as a result of the Offer.

If the Company's Shares are not subject to Listing, the recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with the principles set out in this section 8.5 by an independent valuer appointed by the Company.

The above recalculated Subscription Price and recalculated number of Shares shall be determined as soon as possible after the value of the right to participate in the Offer has been calculated and shall apply to Subscriptions executed after such determination has been made.

In the case of Subscription carried out during the period until the recalculated Subscription Price and recalculated number of Shares have been determined, the provisions of item 8.3 last paragraph above shall apply accordingly.

8.6 **Preferential rights for Warrant Holders in connection with a new issue under Chapter 13 of the Swedish Companies Act or an issue under Chapter 14 or 15 of the Swedish Companies Act**

If the Company carries out, with preferential rights for the shareholders and against cash payment or payment by set-off, a new issue in accordance with Chapter 13 of

the Swedish Companies Act or an issue in accordance with Chapter 14 or 15 of the Swedish Companies Act, the Company may decide to give all Warrant Holders the same preferential rights as the shareholders according to the decision. In such case, notwithstanding that Subscription has not been effected, each Warrant Holder shall be deemed to be the owner of the number of Shares that the Warrant Holder would have received if Subscription had been effected at the Subscription Price applicable at the time of the resolution on the issue.

Should the Company decide to make such an Offer to the shareholders as referred to in section 8.5 above, the provisions of the preceding paragraph shall apply correspondingly, however, the number of Shares to which the Warrant Holder shall be deemed to be the owner in such case shall be determined according to the Subscription Price applicable at the time of the decision on the Offer.

If the Company should decide to grant the Warrant Holders preferential rights in accordance with the provisions of this section 8.6, no recalculation pursuant to sections 8.3, 8.4 or 8.5 above of the Subscription Price and the number of Shares to which each Warrant entitles to Subscription shall take place.

8.7 Cash dividends

If it is resolved to pay a cash dividend to the holders of Shares meaning that they receive a dividend which, together with other dividends paid during the same financial year, exceeds 15 percent of the average price of the Share during a period of 25 trading days immediately preceding the day on which the board of directors of the Company announces its intention to submit a proposal to the general meeting regarding such dividend, a recalculated Subscription Price and a recalculated number of Shares to which each Warrant entitles the holder to subscribe shall be applied in the case of Subscription called for at such time that the Share received thereby does not entitle the holder to receive such dividend. The recalculation shall be based on the part of the total dividend exceeding 15 percent of the average price of the Shares during the above-mentioned period ("Extraordinary Dividend").

The conversion is performed by the Company according to the following formulas:

Recalculated Subscription Price	=	$\frac{\text{Previous Subscription Price} \times \text{Average price of the Share during a period of 25 trading days starting from the day the Share is listed without entitlement to Extraordinary Dividend (Average price of the Share)}}{\text{The average share price increased by the Extraordinary Dividend paid per share}}$
Recalculated number of Shares that each Warrant entitles to Subscription for	=	$\frac{\text{Previous number of Shares that each Warrant entitles to Subscription for} \times (\text{the average price of the Share increased by the Extraordinary Dividend paid per Share})}{\text{Average share price}}$

The average price of the share shall be deemed to correspond to the average of the average of the highest and lowest price paid for the share on the market during each trading day during the respective period of 25 trading days. In the absence of a quoted price paid, the bid price quoted as the closing price shall instead be included in the calculation. A day with no quotation of either the price paid or the purchase price shall not be included in the calculation.

The above recalculated Subscription Price and recalculated number of Shares shall be determined two Banking Days after the expiry of the above-mentioned period of 25 trading days from the day on which the Share is listed without entitlement to Extraordinary Dividend and shall be applied to Subscriptions effected thereafter.

If the Company's Shares are not subject to Listing and a cash dividend is declared to the Shareholders, meaning that they receive a dividend which, together with other dividends paid during the same financial year, exceeds 100 percent of the Company's profit after tax for that financial year and 15 percent of the Company's value, a recalculated Subscription Price and a recalculated number of Shares for which each Warrant entitles to Subscription shall be applied in the event of Subscription called for at such time that the Share received thereby does not entitle the Shareholder to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 100 percent of the Company's profit after tax for the financial year and 15 percent of the Company's value and shall be carried out in accordance with the principles set out in this section 8.7 by an independent valuer appointed by the Company.

In the case of Subscription carried out during the period until the recalculated Subscription Price and recalculated number of Shares have been determined, the provisions of the last paragraph of item 8.4 above shall apply accordingly.

8.8 Reduction of share capital with repayment to shareholders

If the Company's share capital were to be reduced with a repayment to the shareholders, which reduction is mandatory, a recalculated Subscription Price and a recalculated number of Shares to which each Warrant entitles to Subscription will be applied.

The conversion is performed by the Company according to the following formulas:

$$\begin{aligned}
 \text{Recalculated Subscription Price} &= \frac{\text{Previous Subscription Price} \times \text{the average price of the Share during a period of 25 trading days calculated from the day on which the Share is listed without the right to repayment (the average price of the Share)}}{\text{The average share price increased by the amount repaid per share}} \\
 &= \frac{\text{Previous number of Shares that each Warrant entitles to Subscription for} \times \text{(the average price)}}{\text{The average share price increased by the amount repaid per share}}
 \end{aligned}$$

Recalculated number of Shares that each Warrant entitles to Subscription for	$\frac{\text{of the Share increased by the amount repaidper Share)}}{\text{Average price of the Share}}$
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The average share price is calculated as set out in section 8.3.

When recalculating as above and where the reduction is made by redemption of Shares, instead of the actual amount repaid per Share, a calculated repayment amount shall be used as follows:

Calculated amount per Share	=	$\frac{\begin{array}{l} \text{The actual amount to be repaid per redeemed} \\ \text{Share reduced by the average price of the} \\ \text{Share during a period of 25 trading days} \\ \text{immediately preceding the day on which the} \\ \text{Share is listed without the right to participate} \\ \text{in the reduction (the average price of the} \\ \text{Share)} \end{array}}{\begin{array}{l} \text{The number of Shares in the Company} \\ \text{underlying the redemption of a Share} \\ \text{reduced by the number 1} \end{array}}$
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The average share price is calculated in accordance with what is stated in section 8.3 above.

The above recalculated Subscription Price and recalculated number of Shares shall be determined two Banking Days after the end of the stated period of 25 trading days and shall be applied to Subscriptions executed thereafter.

In the case of Subscription carried out during the period until the recalculated Subscription Price and recalculated number of Shares have been determined, the provisions of item 8.3 last paragraph above shall apply accordingly.

If the Company's share capital should be reduced by redemption of Shares with repayment to the shareholders, which reduction is not mandatory, but where, in the Company's assessment, the reduction, taking into account its technical design and economic effects, is equivalent to a mandatory reduction, the Subscription Price and the number of Shares shall be recalculated by applying as far as possible the principles set out above in this section 8.8.

If the Company's Shares are not subject to Market Listing, the recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with the principles set out in this section 8.8 by an independent valuer appointed by the Company.

8.9 Conversion by means other than a conversion formula

If the Company carries out a measure referred to in sections 8.3-8.5 or 8.7-8.8 above and should, in the Company's opinion, the application of the conversion formula intended for this purpose, with regard to the technical design of the measure or for

any other reason, not be possible or lead to the financial compensation received by the Warrant Holders in relation to the shareholders not being reasonable, the board of directors of the Company shall carry out the recalculation of the Subscription Price and the number of Shares in the manner the Company finds appropriate in order for the recalculation of the Subscription Price and the number of Shares to lead to a reasonable result, however, such recalculation may not be to the detriment of the Warrant Holder.

When recalculating according to the above, the Subscription Price shall be rounded off to a whole ten cents, whereby five cents shall be rounded up, and the number of Shares shall be rounded off to two decimals. Only whole Shares may be subscribed for.

8.10 Liquidation

If it is decided that the Company shall enter into liquidation pursuant to Chapter 25 of the Swedish Companies Act, Subscription may not thereafter be called for, regardless of the grounds for liquidation. The right to call for Subscription shall cease with the liquidation decision, irrespective of the fact that it may not have gained legal force.

No later than four weeks before the general meeting decides whether the Company shall enter into voluntary liquidation in accordance with Chapter 25, Section 1 of the Swedish Companies Act, the known Warrant Holders shall be informed of the intended liquidation by written notice in accordance with item 9 below. The notice shall include a reminder that Subscription may not be called for after the general meeting has passed a resolution on liquidation.

Should the Company give notice of intended liquidation as described above, Warrant Holders shall, notwithstanding the provisions of section 3.1 above regarding the earliest time for calling for Subscription, Warrant Holders shall be entitled to call for Subscription from the date of the notice, provided that Subscription can be executed at such time that the Share can be represented at the general meeting at which the issue of the Company's liquidation is to be addressed.

8.11 Merger plan according to chapter 23, section 15 of the Swedish Companies Act

Should the general meeting approve a merger plan pursuant to Chapter 23, Section 15 of the Swedish Companies Act, whereby the Company is to be merged into another company, Subscription may not thereafter be called for.

No later than one month before the Company takes a final position on the question of a merger as described above, the known Warrant Holders shall be informed of the merger intention by written notice in accordance with item 9 below. The notice shall provide an account of the main content of the intended merger plan and the Warrant Holders shall be reminded that Subscription may not be called for after a final decision has been made on the merger in accordance with what is stated in the first paragraph above.

Should the Company give notice of an intended merger as described above, the Warrant Holder shall, notwithstanding the provisions of section 3.1 above regarding the earliest time for calling for Subscription, the Warrant Holder shall be entitled to call for Subscription from the date of the notification of the intended merger, provided that Subscription can be effected no later than on the tenth Banking Day prior to the general meeting at which the merger plan, whereby the Company is to be merged into another company, is to be approved.

8.12 Merger plan according to chapter 23, section 28 of the Swedish Companies Act

If the Company's board of directors draws up a merger plan in accordance with Chapter 23, Section 28 of the Swedish Companies Act, or other corresponding legislation on associations, whereby the Company is to be merged into another company, or if the Company's shares are subject to compulsory redemption in accordance with Chapter 22 of the same Act, the following shall apply.

If a Swedish limited liability company owns all of the shares in the Company and the Company's board of directors intends to draw up a merger plan in accordance with the legislation referred to in the previous paragraph, the Company shall, in the event that the final date for Subscription in accordance with section 3.1 above occurs after such intention, the Company shall determine a new final date for calling for Subscription (the "Final Date"). The Final Date shall fall within 60 days from the date of such intention or, if such intention has been published, from the date of publication.

If a shareholder (the "Majority Shareholder"), alone or together with subsidiaries, owns shares representing such a large proportion of all shares in the Company that the Majority Shareholder, in accordance with legislation in force at any given time, is entitled to call for compulsory redemption of the remaining shares and the Majority Shareholder announces its intention to call for such compulsory redemption, the provisions of the preceding paragraph regarding the final date shall apply mutatis mutandis.

After the determination of the Closing Date, Warrant Holders shall, notwithstanding the provisions of section 3.1 above regarding the earliest time for calling for Subscription, Warrant Holders shall be entitled to call for Subscription until the Final Date. No later than four weeks prior to the Final Date, the Company shall notify the known Warrant Holders in writing of this right and that Subscription may not be called for after the Final Date.

8.13 Demerger plan according to chapter 24, section 17 of the Swedish Companies Act

Should the general meeting approve a demerger plan in accordance with Chapter 24, Section 17 of the Swedish Companies Act, whereby the Company shall be divided by taking over all of the Company's assets and liabilities by one or more other companies, applications for Subscription may not be made thereafter.

No later than one month before the Company takes a final position on the question of a demerger as described above, the Warrant Holders shall be notified in writing

of the intended demerger. The notice shall provide an account of the main content of the intended demerger plan and the Warrant Holders shall be reminded that applications for Subscription may not be made after a final decision has been made on the demerger or after the demerger plan has been signed by the shareholders.

If the Company gives notice of an intended demerger as described above, Warrant Holders shall, notwithstanding the provisions of section 3.1 above regarding the earliest time for Subscription, Warrant Holders shall be entitled to request Subscription from the date of the notice, provided that Subscription can be effected no later than on the tenth Banking Day prior to the general meeting at which the demerger plan is to be approved or the date on which the shareholders are to sign the demerger plan.

8.14 Reinstatement of the right to subscribe

Notwithstanding what has been stated under sections 8.10-8.13 above that Subscription may not be called for after a resolution on liquidation, approval of a merger plan, expiry of a new closing date in the case of a merger or approval of a demerger plan, the right to call for Subscription shall be reinstated in the event that the liquidation ceases or the merger or demerger is not carried out.

8.15 Bankruptcy

In the event that the Company is declared bankrupt, Subscription may not thereafter be called for. However, if the bankruptcy decision is annulled by a higher court, Subscription may again be called for.

9 NOTICES

Notices relating to the terms and conditions of these Warrants shall be provided to each Warrant Holder and any other rights holders registered in Securities Accounts.

10 NOMINEES

According to Chapter 3, section 7 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479), a legal entity can obtain permission to be registered as nominee. Such a nominee shall be regarded as a Warrant Holder for the purposes of the application of these terms and conditions.

11 RIGHT TO REPRESENT WARRANT HOLDERS

The Bank shall be entitled to represent Warrant Holders in matters of a formal nature concerning the terms and conditions of these Warrants without special authorisation from the Warrant Holders.

12 CHANGES TO TERMS AND CONDITIONS

The Company may decide to amend the terms and conditions of the Warrants to the extent required by legislation, court decisions or official decisions or if it is otherwise, in the Company's opinion, appropriate or necessary for practical reasons and the rights of the Warrant Holders are not impaired in any respect.

13 CONFIDENTIALITY

The Company and Euroclear may not, without authorization, disclose information regarding the Warrant Holders to any third party. The Company shall have access to information contained in the register of warrants held by Euroclear which sets out the persons registered as holders of Warrants.

14 FORCE MAJEURE

With regard to the Company's, Euroclear's and the Bank's measures pursuant to these terms and conditions, taking into account the provisions of the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479), liability cannot be asserted for damage resulting from Swedish or foreign legislation, Swedish or foreign official action, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservation regarding strikes, blockades, boycotts and lockouts also applies if the Company/Euroclear takes or is subject to such conflict measures.

Nor shall Euroclear be liable for loss which arises under other circumstances provided Euroclear has duly exercised normal caution. The Company and the Bank shall also enjoy a corresponding limitation of liability. In addition, under no circumstances shall the Company or the Bank be liable for indirect loss.

If the Company, Euroclear or the Bank is unable to perform its obligations as a consequence of a circumstance specified in the first paragraph, such performance may be postponed until such time as the cause for the impediment has terminated.

15 APPLICABLE LAW AND FORUM

Swedish law applies to these option terms and conditions and related legal issues. Any dispute arising from these option terms and conditions shall be settled by a general court with the Stockholm District Court as the first instance or such other court as the Company approves in writing.

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